

CIN No. : L26943RJ1979PLC001935  
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# SHREE CEMENT LTD.

Regd. Office:

BANGUR NAGAR, POST BOX NO.33, BEAWAR 305 901, RAJASTHAN, INDIA



SCL/BWR/SE/2017-18/  
16<sup>th</sup> May, 2017

FAX NO. 022 - 26598237 / 26598238  
Email : [cm1ist@nse.co.in](mailto:cm1ist@nse.co.in)  
National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra - Kurla Complex, Bandra (East)  
MUMBAI - 400 051  
SCRIP CODE: SHREECEM EQ

FAX NO. 022-22722041 / 22722061  
Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
MUMBAI - 400 023  
SCRIP CODE 500387

Attn: Listing Department

Sub: Approval of Audited Financial Results for Quarter and Year ended 31<sup>st</sup> March, 2017

Dear Sirs,

Board of Directors of the Company has today approved the Audited Financial Results (Standalone and Consolidated) of the Company for Quarter and year ended on 31<sup>st</sup> March, 2017. Results approved by the Board are enclosed herewith along with Audit Report.

Board also recommended final dividend @ Rs. 24 per equity share of Rs. 10 each for the year ended 31<sup>st</sup> March, 2017 subject to approval of the members at the ensuing Annual General Meeting of the Company.

Pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we confirm that the Statutory Auditors have issued Audit Reports with **unmodified opinion** on the Audited Financial Results of the Company (Standalone and Consolidated) for the Year ended 31<sup>st</sup> March, 2017.

The meeting of the Board started at 2:30 PM and concluded at 3:45 P.M.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For SHREE CEMENT LIMITED

(S.S. KHANDELWAL)  
COMPANY SECRETARY

JAIPUR OFFICE : SB-187, Bapu Nagar, Opp. Rajasthan University, JLN Marg, Jaipur-302 015  
Phone : 0141 4241200, 4241204, Fax : 0141 4241219

NEW DELHI OFFICE : 122-123, Hans Bhawan, 1, Bahadurshah Zafar Marg, New Delhi 110 002  
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CORP. OFFICE : 21, Strand Road, Kolkata 700 001 Phone : 033-22309601-4 Fax : 033 22434226



**SHREE CEMENT LIMITED**

Regd. Office : Bangur Nagar, Beawar-305901, Distt. Ajmer (Rajasthan)  
 Phone: EPABX 01462 228101-6, Fax: 01462 228117/119 e-mail: shreebwr@shreecementltd.com Website: www.shreecement.in  
 CIN: L26943RJ1979PLC001935

**STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS  
 FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2017**

Rs. in Crore

| S.N. | PARTICULARS  | Standalone                               |  |  |                                       |   |  | Consolidated                          |   |
|------|--|--|--|--|---------------------------------------|---|--|---------------------------------------|---|
|      |  | Quarter ended<br>31.03.2017<br>(Audited) | Quarter ended<br>31.12.2016<br>(Unaudited) | Quarter ended<br>31.03.2016<br>(Audited) | Year ended<br>31.03.2017<br>(Audited) | Previous year<br>ended<br>31.03.2016<br>(Audited)<br>(9 Months) | Previous 12<br>Months ended<br>31.03.2016<br>[Refer Note 5-<br>(ii) & (iii)] | Year ended<br>31.03.2017<br>(Audited) | Previous year<br>ended<br>31.03.2016<br>(Audited)<br>(9 Months) |
| I    | Revenue from Operations [Refer Note 5 (iii)]                                       | 2683.42                                  | 2091.18                                    | 2249.14                                  | 9496.52                               | 6189.96   | 7914.55  | 9496.52                               | 6189.96   |
| II   | Other Income   | 151.02                                   | 135.61                                     | 475.19                                   | 507.71                                | 672.68  | 711.91   | 507.71                                | 672.68  |
| III  | <b>Total Income</b>  | <b>2834.44</b>                           | <b>2226.79</b>                             | <b>2724.33</b>                           | <b>10004.23</b>                       | <b>6862.64</b>  | <b>8626.46</b>   | <b>10004.23</b>                       | <b>6862.64</b>  |
| IV   | <b>Expenses</b>  |  |  |  |                                       |   |  |                                       |   |
|      | (a) Cost of Materials Consumed   | 202.79                                   | 161.46                                     | 161.75                                   | 680.66                                | 449.30  | 612.06   | 680.66                                | 449.30  |
|      | (b) Changes in Inventories of Finished Goods and Work-in-Progress                  | 13.62                                    | (16.99)                                    | (7.49)                                   | (53.48)                               | 3.28  | (35.57)  | (53.48)                               | 3.28  |
|      | (c) Employee Benefits Expense  | 135.10                                   | 131.31                                     | 126.96                                   | 537.18                                | 369.86  | 488.87   | 537.18                                | 369.86  |
|      | (d) Finance Costs  | 31.44                                    | 41.05                                      | 28.78                                    | 129.42                                | 75.77   | 102.13   | 129.42                                | 75.77   |
|      | (e) Depreciation and Amortization Expense  | 310.85                                   | 317.62                                     | 306.16                                   | 1214.71                               | 827.57  | 1065.82  | 1214.71                               | 827.57  |
|      | (f) Excise duty on Sales   | 303.16                                   | 247.82                                     | 250.34                                   | 1067.36                               | 676.32  | 676.32   | 1067.36                               | 676.32  |
|      | (g) Power and Fuel   | 460.05                                   | 299.09                                     | 376.85                                   | 1444.27                               | 1122.95   | 1538.63  | 1444.27                               | 1122.95   |
|      | (h) Freight and Forwarding Expenses  | 606.75                                   | 420.44                                     | 428.33                                   | 1874.00                               | 1141.62   | 1542.76  | 1874.00                               | 1141.62   |
|      | (i) Other Expenses   | 450.80                                   | 379.10                                     | 380.41                                   | 1579.30                               | 1019.72   | 1327.80  | 1579.33                               | 1019.75   |
|      | <b>Total Expenses</b>  | <b>2514.56</b>                           | <b>1980.90</b>                             | <b>2052.09</b>                           | <b>8473.42</b>                        | <b>5686.39</b>  | <b>7318.82</b>   | <b>8473.45</b>                        | <b>5686.42</b>  |
| V    | <b>Profit Before Exceptional Items and Tax (III - IV)</b>                          | <b>319.88</b>                            | <b>245.89</b>                              | <b>672.24</b>                            | <b>1530.81</b>                        | <b>1176.25</b>  | <b>1307.64</b>   | <b>1530.78</b>                        | <b>1176.22</b>  |
| VI   | Exceptional Items  | -  | -  | -  | -                                     | -   | 23.99  | -                                     | -   |
| VII  | <b>Profit Before Tax (V - VI)</b>  | <b>319.88</b>                            | <b>245.89</b>                              | <b>672.24</b>                            | <b>1530.81</b>                        | <b>1176.25</b>  | <b>1283.65</b>   | <b>1530.78</b>                        | <b>1176.22</b>  |
| VIII | <b>Tax Expense</b>   |  |  |  |                                       |   |  |                                       |   |
|      | (a) Current Tax  | 66.66                                    | 61.60                                      | 54.28                                    | 324.13                                | 122.14  | 149.46   | 324.13                                | 122.14  |
|      | (b) Deferred Tax   | (51.29)                                  | (53.27)                                    | 10.27                                    | (134.56)                              | (33.68)   | (57.71)  | (134.56)                              | (33.68)   |
|      | (c) Tax Expense relating to earlier years (Net)                                    | -  | 2.13                                       | (55.34)                                  | 2.13                                  | (55.34)   | (55.34)  | 2.13                                  | (55.34)   |
|      | <b>Total (a to c)</b>  | <b>15.37</b>                             | <b>10.46</b>                               | <b>9.21</b>                              | <b>191.70</b>                         | <b>33.12</b>  | <b>36.41</b>   | <b>191.70</b>                         | <b>33.12</b>  |
| IX   | <b>Profit for the Period (VII-VIII)</b>  | <b>304.51</b>                            | <b>235.43</b>                              | <b>663.03</b>                            | <b>1339.11</b>                        | <b>1143.13</b>  | <b>1247.24</b>   | <b>1339.08</b>                        | <b>1143.10</b>  |
| X    | <b>Other Comprehensive Income</b>  |  |  |  |                                       |   |  |                                       |   |
|      | a(i) Items that will not be Reclassified to Profit or Loss                         | 3.70                                     | -  | 5.32                                     | 3.70                                  | 5.32  | 5.32   | 3.70                                  | 5.32  |
|      | a(ii) Income Tax relating to items that will not be Reclassified to Profit or Loss | (1.28)                                   | -  | (1.84)                                   | (1.28)                                | (1.84)  | (1.84)   | (1.28)                                | (1.84)  |
|      | b(i) Items that will be Reclassified to Profit or Loss                             | 2.88                                     | (5.75)                                     | 4.07                                     | (3.88)                                | (6.84)  | (6.84)   | (3.88)                                | (6.83)  |
|      | b(ii) Income Tax relating to items that will be Reclassified to Profit or Loss     | (1.00)                                   | 1.99                                       | (1.41)                                   | 1.34                                  | 2.37  | 2.37   | 1.34                                  | 2.37  |
|      |  | <b>4.30</b>                              | <b>(3.76)</b>                              | <b>6.14</b>                              | <b>(0.12)</b>                         | <b>(0.99)</b>   | <b>(0.99)</b>  | <b>(0.12)</b>                         | <b>(0.98)</b>   |
| XI   | <b>Total Comprehensive Income for the Period (IX + X)</b>                          | <b>308.81</b>                            | <b>231.67</b>                              | <b>669.17</b>                            | <b>1338.99</b>                        | <b>1142.14</b>  | <b>1246.25</b>   | <b>1338.96</b>                        | <b>1142.12</b>  |
| XII  | Paid-up Equity Share Capital (Face value Rs. 10 per share)                         | 34.84                                    | 34.84                                      | 34.84                                    | 34.84                                 | 34.84   | 34.84  | 34.84                                 | 34.84   |
| XIII | Other Equity   |  |  |  | 7663.30                               | 6810.69   |  | 7663.16                               | 6810.58   |
| XIV  | Earnings Per Share (EPS) (of Rs. 10 each) - Not Annualized                         |  |  |  |                                       |   |  |                                       |   |
|      | <b>Cash (in Rs.)</b>   | <b>161.92</b>                            | <b>143.46</b>                              | <b>281.15</b>                            | <b>694.45</b>                         | <b>556.02</b>   | <b>647.40</b>  | <b>694.44</b>                         | <b>556.01</b>   |
|      | <b>Basic and Diluted (in Rs.)</b>  | <b>87.41</b>                             | <b>67.58</b>                               | <b>190.32</b>                            | <b>384.39</b>                         | <b>328.13</b>   | <b>358.02</b>  | <b>384.38</b>                         | <b>328.13</b>   |

REPORTING OF SEGMENT INFORMATION

| S.N. | PARTICULARS  | Standalone                               |  |  |                                       |   |  | Rs. in Crore                          |   |
|------|--|--|--|--|---------------------------------------|---|--|---------------------------------------|---|
|      |  |  |  |  |                                       | Consolidated  |  |                                       |   |
|      |  | Quarter ended<br>31.03.2017<br>(Audited) | Quarter ended<br>31.12.2016<br>(Unaudited) | Quarter ended<br>31.03.2016<br>(Audited) | Year ended<br>31.03.2017<br>(Audited) | Previous year<br>ended<br>31.03.2016<br>(Audited)<br>(9 Months) | Previous 12<br>Months ended<br>31.03.2016<br>[Refer Note 5-<br>(ii) & (iii)] | Year ended<br>31.03.2017<br>(Audited) | Previous year<br>ended<br>31.03.2016<br>(Audited)<br>(9 Months) |
| I    | <b>Segment Revenue</b>   |  |  |  |                                       |   |  |                                       |   |
|      | (a) Cement   | 2539.09                                  | 2063.99                                    | 2036.14                                  | 8924.11                               | 5604.49   | 7119.77  | 8924.11                               | 5604.49   |
|      | (b) Power  | 412.22                                   | 246.47                                     | 422.91                                   | 1455.89                               | 1166.58   | 1565.01  | 1455.89                               | 1166.58   |
|      | <b>Total</b>   | <b>2951.31</b>                           | <b>2310.46</b>                             | <b>2459.05</b>                           | <b>10380.00</b>                       | <b>6771.07</b>  | <b>8684.78</b>   | <b>10380.00</b>                       | <b>6771.07</b>  |
|      | Less: Inter Segment Revenue  | 267.89                                   | 219.28                                     | 209.91                                   | 883.48                                | 581.11  | 770.23   | 883.48                                | 581.11  |
|      | <b>Revenue from Operations</b>   | <b>2683.42</b>                           | <b>2091.18</b>                             | <b>2249.14</b>                           | <b>9496.52</b>                        | <b>6189.96</b>  | <b>7914.55</b>   | <b>9496.52</b>                        | <b>6189.96</b>  |
| II   | <b>Segment Results (Profit before Finance Cost, Exceptional Items and Taxes)</b>   |  |  |  |                                       |   |  |                                       |   |
|      | (a) Cement   | 41.83                                    | 45.71                                      | 385.08                                   | 574.58                                | 580.55  | 532.99   | 574.55                                | 580.52  |
|      | (b) Power  | 213.09                                   | 134.44                                     | 219.97                                   | 740.91                                | 477.45  | 661.99   | 740.91                                | 477.45  |
|      | <b>Total</b>   | <b>254.92</b>                            | <b>180.15</b>                              | <b>605.05</b>                            | <b>1315.49</b>                        | <b>1058.00</b>  | <b>1194.98</b>   | <b>1315.46</b>                        | <b>1057.97</b>  |
|      | <b>Less:</b>   |  |  |  |                                       |   |  |                                       |   |
|      | (a) Finance Costs  | 31.44                                    | 41.05                                      | 28.78                                    | 129.42                                | 75.77   | 102.13   | 129.42                                | 75.77   |
|      | (b) Exceptional Items  | -  | -  | -  | -                                     | -   | 23.99  | -                                     | -   |
|      | (c) Other Unallocable (Income)   | (96.40)                                  | (106.79)                                   | (95.97)                                  | (344.74)                              | (194.02)  | (214.79)   | (344.74)                              | (194.02)  |
|      | <b>Profit Before Tax</b>   | <b>319.88</b>                            | <b>245.89</b>                              | <b>672.24</b>                            | <b>1530.81</b>                        | <b>1176.25</b>  | <b>1283.65</b>   | <b>1530.78</b>                        | <b>1176.22</b>  |
| III  | <b>Segment Assets</b>  |  |  |  |                                       |   |  |                                       |   |
|      | (a) Cement   | 5657.41                                  | 5404.09                                    | 5256.69                                  | 5657.41                               | 5256.69   | 5256.69  | 5657.43                               | 5256.71   |
|      | (b) Power  | 546.82                                   | 495.86                                     | 417.80                                   | 546.82                                | 417.80  | 417.80   | 546.82                                | 417.80  |
|      | Unallocated [Includes Investments of Rs. 4042.60 crore in standalone results as of 31st March, 17 (Rs. 3030.47 crore as of 31st March, 16) and Rs. 4042.35 crore in consolidated results as of 31st March, 17 (Rs. 3030.35 crore as of 31st March 16)] | 4961.88                                  | 5238.90                                    | 3788.79                                  | 4961.88                               | 3788.79   | 3788.79  | 4961.73                               | 3788.68   |
|      | <b>Total Segment Assets</b>  | <b>11166.11</b>                          | <b>11138.85</b>                            | <b>9463.28</b>                           | <b>11166.11</b>                       | <b>9463.28</b>  | <b>9463.28</b>   | <b>11165.98</b>                       | <b>9463.19</b>  |
| IV   | <b>Segment Liabilities</b>   |  |  |  |                                       |   |  |                                       |   |
|      | (a) Cement   | 1590.27                                  | 1555.94                                    | 1296.18                                  | 1590.27                               | 1296.18   | 1296.18  | 1590.28                               | 1296.20   |
|      | (b) Power  | 157.44                                   | 137.86                                     | 123.58                                   | 157.44                                | 123.58  | 123.58   | 157.44                                | 123.58  |
|      | (c) Unallocated  | 1720.26                                  | 1646.14                                    | 1197.99                                  | 1720.26                               | 1197.99   | 1197.99  | 1720.26                               | 1197.99   |
|      | <b>Total Segment Liabilities</b>   | <b>3467.97</b>                           | <b>3339.94</b>                             | <b>2617.75</b>                           | <b>3467.97</b>                        | <b>2617.75</b>  | <b>2617.75</b>   | <b>3467.98</b>                        | <b>2617.77</b>  |

The figures of Cement Segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a Cementitious Product.

Notes:

## 1 Statement of Assets and Liabilities :

| SN                            | Particulars                               | Rs. in Crore                     |                                  |                                  |                                  |
|-------------------------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                               |   | Standalone                       |                                  | Consolidated                     |                                  |
|                               |   | As at<br>31.03.2017<br>(Audited) | As at<br>31.03.2016<br>(Audited) | As at<br>31.03.2017<br>(Audited) | As at<br>31.03.2016<br>(Audited) |
| <b>ASSETS</b>                 |   |                                  |                                  |                                  |                                  |
| (1)                           | <b>Non-Current Assets</b>                 |                                  |                                  |                                  |                                  |
|                               | (a) Property, Plant and Equipment         | 2586.34                          | 3050.17                          | 2586.34                          | 3050.17                          |
|                               | (b) Capital Work-in-Progress              | 710.44                           | 264.50                           | 710.44                           | 264.50                           |
|                               | (c) Intangible assets                     | 12.78                            | -                                | 12.78                            | -                                |
|                               | (d) Financial Assets                      |                                  |                                  |                                  |                                  |
|                               | (i) Investments                           | 3388.48                          | 2950.39                          | 3388.23                          | 2950.27                          |
|                               | (ii) Loans                                | 43.59                            | 33.90                            | 43.59                            | 33.90                            |
|                               | (iii) Other Financial Assets              | 200.00                           | 201.18                           | 200.00                           | 201.18                           |
|                               | (e) Deferred Tax Assets (Net)             | 507.69                           | 371.79                           | 507.69                           | 371.79                           |
|                               | (f) Non-Current Tax Assets (Net)          | 20.28                            | 14.09                            | 20.28                            | 14.09                            |
|                               | (g) Other Non-Current Assets              | 414.44                           | 768.60                           | 414.44                           | 768.60                           |
|                               | <b>Sub-total</b>                          | <b>7884.04</b>                   | <b>7654.62</b>                   | <b>7883.79</b>                   | <b>7654.50</b>                   |
| (2)                           | <b>Current Assets</b>                     |                                  |                                  |                                  |                                  |
|                               | (a) Inventories                           | 1314.50                          | 815.19                           | 1314.50                          | 815.19                           |
|                               | (b) Financial Assets                      |                                  |                                  |                                  |                                  |
|                               | (i) Investments                           | 654.12                           | 80.08                            | 654.12                           | 80.08                            |
|                               | (ii) Trade Receivables                    | 335.12                           | 328.62                           | 335.12                           | 328.62                           |
|                               | (iii) Cash and Cash Equivalents           | 45.40                            | 50.23                            | 45.50                            | 50.24                            |
|                               | (iv) Bank Balances other than (iii) above | 65.60                            | 32.81                            | 65.60                            | 32.81                            |
|                               | (v) Loans                                 | 8.03                             | 11.02                            | 8.05                             | 11.04                            |
|                               | (vi) Other Financial Assets               | 84.67                            | 134.10                           | 84.67                            | 134.10                           |
|                               | (c) Current Tax Assets (Net)              | -                                | 44.66                            | -                                | 44.66                            |
|                               | (d) Other Current Assets                  | 774.63                           | 311.95                           | 774.63                           | 311.95                           |
|                               | <b>Sub-total</b>                          | <b>3282.07</b>                   | <b>1808.66</b>                   | <b>3282.19</b>                   | <b>1808.69</b>                   |
|                               | <b>Total Assets</b>                       | <b>11166.11</b>                  | <b>9463.28</b>                   | <b>11165.98</b>                  | <b>9463.19</b>                   |
| <b>EQUITY AND LIABILITIES</b> |   |                                  |                                  |                                  |                                  |
| <b>Equity</b>                 |   |                                  |                                  |                                  |                                  |
|                               | (a) Equity Share Capital                  | 34.84                            | 34.84                            | 34.84                            | 34.84                            |
|                               | (b) Other Equity                          | 7663.30                          | 6810.69                          | 7663.16                          | 6810.58                          |
|                               | <b>Total Equity</b>                       | <b>7698.14</b>                   | <b>6845.53</b>                   | <b>7698.00</b>                   | <b>6845.42</b>                   |
| <b>LIABILITIES</b>            |   |                                  |                                  |                                  |                                  |
| (1)                           | <b>Non-Current Liabilities</b>            |                                  |                                  |                                  |                                  |
|                               | (a) Financial Liabilities                 |                                  |                                  |                                  |                                  |
|                               | (i) Borrowings                            | 518.74                           | 530.74                           | 518.74                           | 530.74                           |
|                               | (ii) Other Financial Liabilities          | 365.58                           | 302.69                           | 365.58                           | 302.69                           |
|                               | (b) Provisions                            | 7.28                             | 6.70                             | 7.28                             | 6.70                             |
|                               | (c) Other Non-Current Liabilities         | 587.36                           | 615.92                           | 587.36                           | 615.92                           |
|                               | <b>Sub-total</b>                          | <b>1478.96</b>                   | <b>1456.05</b>                   | <b>1478.96</b>                   | <b>1456.05</b>                   |
| (2)                           | <b>Current Liabilities</b>                |                                  |                                  |                                  |                                  |
|                               | (a) Financial Liabilities                 |                                  |                                  |                                  |                                  |
|                               | (i) Borrowings                            | 773.74                           | 195.75                           | 773.74                           | 195.75                           |
|                               | (ii) Trade Payables                       | 351.68                           | 257.24                           | 351.69                           | 257.26                           |
|                               | (iii) Other Financial Liabilities         | 386.11                           | 476.51                           | 386.11                           | 476.51                           |
|                               | (b) Other Current Liabilities             | 475.29                           | 229.81                           | 475.29                           | 229.81                           |
|                               | (c) Provisions                            | 0.85                             | 1.05                             | 0.85                             | 1.05                             |
|                               | (d) Current Tax Liabilities (Net)         | 1.34                             | 1.34                             | 1.34                             | 1.34                             |
|                               | <b>Sub-total</b>                          | <b>1989.01</b>                   | <b>1161.70</b>                   | <b>1989.02</b>                   | <b>1161.72</b>                   |
|                               | <b>Total Equity and Liabilities</b>       | <b>11166.11</b>                  | <b>9463.28</b>                   | <b>11165.98</b>                  | <b>9463.19</b>                   |

2 The above results were taken on record at the meeting of the Board of Directors held on 16th May, 2017.

3 The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016. The figures for the quarter and year ended 31st March, 2016 are Ind AS compliant.

4 The Board of Directors of the Company has recommended a Final Dividend of Rs. 24/- per equity share of Rs.10 each for the financial year ended 31st March, 2017 subject to approval of members in the next Annual General Meeting. This apart, Company has paid an interim dividend of Rs.16 per equity share of Rs. 10 each for the financial year 2016-17 which was declared on 12th August, 2016. Additionally, a "One-time Special Dividend" of Rs.100 per equity share of Rs. 10 each was also declared on 30th January, 2017 by the Board.

- 5 (i) The Company had adopted change in its accounting year in terms of Section 2(41) of the Companies Act, 2013 from financial year 2015-16. Accordingly, the said financial year of the Company was of a nine months period from 1st July, 2015 to 31st March, 2016. Hence, figures for current year ended 31st March, 2017 are not comparable with the figures for previous financial year ended 31st March, 2016.
- (ii) Figures of results for the 12 Months period ended 31st March, 2016 are aggregation of the audited results for the nine months ended 31st March, 2016 prepared as per Ind AS and the audited results for the quarter ended 30th June, 2015 prepared as per Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (previous Indian GAAP). Hence, the same are not comparable with the Financial Results for the 12 Months period ended 31st March, 2017.
- (iii) In compliance of Ind AS requirements, Revenue from Operations have been shown inclusive of excise duty. However, the figures of 12 months period ended 31st March, 2016 include figures of quarter ended 30th June, 2015, which were prepared in accordance with previous Indian GAAP and are thus, net of excise duty amounting to Rs. 199.82 crore.
- 6 In terms of the direction of the Hon'ble Competition Appellate Tribunal (COMPAT), Company had deposited an amount of Rs. 39.75 Crore being 10% of the penalty imposed by Competition Commission of India (CCI) vide its order dated 7.11.2016 and was granted stay on said order of CCI. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal.

In another matter, Hon'ble Competition Commission of India (CCI) had vide its order dated 19.1.2017 imposed a penalty of Rs. 18.44 crore on the Company in connection with a reference filed by Government of Haryana in respect of tender invited by Director Supplies & Disposals, Haryana, for supply of cement. Company has filed an appeal against the said order with Competition Appellate Tribunal (COMPAT) and COMPAT has since granted stay on the penalty. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal.

- 7 (i) Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended 31st March, 2016 :

Rs. in Crore

| S.N.  | Particulars  | Standalone                         |  | Consolidated                               |
|-------|--|------------------------------------|--|--|
|       |  | Quarter ended 31.03.2016 (Audited) | Year ended 31.03.2016 (9 Months) (Audited) | Year ended 31.03.2016 (9 Months) (Audited) |
|       | <b>Net Profit as per previous Indian GAAP</b>                            | <b>223.34</b>                      | <b>454.93</b>                              | <b>454.90</b>                              |
| (i)   | On account of measuring investments at amortized cost                    | 31.97                              | 94.90                                      | 94.90                                      |
| (ii)  | On account of measuring investments at Fair Value through Profit or Loss | (0.87)                             | (0.12)                                     | (0.12)                                     |
| (iii) | On account of Govt. grants accounted through Profit and Loss             | 400.57                             | 549.52                                     | 549.52                                     |
| (iv)  | On account of reversal of amortization of Goodwill                       | 27.70                              | 83.14                                      | 83.14                                      |
| (v)   | On account of re measurement gain on defined benefit plan                | (5.32)                             | (5.32)                                     | (5.32)                                     |
| (vi)  | Others   | 0.11                               | (0.41)                                     | (0.41)                                     |
| (vii) | Tax adjustments on above items (Net)                                     | (14.47)                            | (33.51)                                    | (33.51)                                    |
|       | <b>Net Profit for the period under Ind AS</b>                            | <b>663.03</b>                      | <b>1,143.13</b>                            | <b>1,143.10</b>                            |
|       | Other Comprehensive Income (Net of Tax)                                  | 6.14                               | (0.99)                                     | (0.98)                                     |
|       | <b>Total Comprehensive Income after Tax under Ind AS</b>                 | <b>669.17</b>                      | <b>1,142.14</b>                            | <b>1,142.12</b>                            |

- (ii) Reconciliation of Equity as previously reported on account of transition from the previous Indian GAAP to Ind AS as at 31st March, 2016 :

Rs. in Crore

| S.N.  | Particulars  | As at 31.03.2016     |                        |
|-------|--|----------------------|------------------------|
|       |  | Standalone (Audited) | Consolidated (Audited) |
|       | <b>Equity as per Indian GAAP</b>   | <b>6180.22</b>       | <b>6180.11</b>         |
| (i)   | On account of measuring investments at amortized cost                    | 639.44               | 639.44                 |
| (ii)  | On account of measuring investments at Fair Value through Profit or Loss | 24.83                | 24.83                  |
| (iii) | On account of cash flow hedges   | (12.21)              | (12.21)                |
| (iv)  | On account of discounting of provision for mines reclamation expenses    | 12.18                | 12.18                  |
| (v)   | Others   | 0.05                 | 0.05                   |
| (vi)  | Deferred Tax adjustments on above items (Net)                            | 1.02                 | 1.02                   |
|       | <b>Equity as per Ind AS</b>  | <b>6845.53</b>       | <b>6845.42</b>         |

- 8 (a) EBIDTA (after eliminating the impacts of inter-segment transfers) is as under:

Rs. in Crore

| Segment      | Standalone               |                          |                          |                       |                                  |                            | Consolidated          |                                  |
|--------------|--------------------------|--------------------------|--------------------------|-----------------------|----------------------------------|----------------------------|-----------------------|----------------------------------|
|              | Quarter ended 31.03.2017 | Quarter ended 31.12.2016 | Quarter ended 31.03.2016 | Year ended 31.03.2017 | Year ended 31.03.2016 (9 Months) | 12 Months ended 31.03.2016 | Year ended 31.03.2017 | Year ended 31.03.2016 (9 Months) |
| Cement       | 485.16                   | 479.03                   | 439.41                   | 2210.73               | 1207.33                          | 1500.64                    | 2210.70               | 1207.30                          |
| Power        | 25.99                    | (10.08)                  | 92.58                    | 156.50                | 199.58                           | 263.04                     | 156.50                | 199.58                           |
| Other Income | 151.02                   | 135.61                   | 475.19                   | 507.71                | 672.68                           | 711.91                     | 507.71                | 672.68                           |
| <b>Total</b> | <b>662.17</b>            | <b>604.56</b>            | <b>1007.18</b>           | <b>2874.94</b>        | <b>2079.59</b>                   | <b>2475.59</b>             | <b>2874.91</b>        | <b>2079.56</b>                   |

- (b) Depreciation and Amortization Expense for Cement and Power Segment is as under:

Rs. in Crore

| Segment      | Standalone               |                          |                          |                       |                                  |                            | Consolidated          |                                  |
|--------------|--------------------------|--------------------------|--------------------------|-----------------------|----------------------------------|----------------------------|-----------------------|----------------------------------|
|              | Quarter ended 31.03.2017 | Quarter ended 31.12.2016 | Quarter ended 31.03.2016 | Year ended 31.03.2017 | Year ended 31.03.2016 (9 Months) | 12 Months ended 31.03.2016 | Year ended 31.03.2017 | Year ended 31.03.2016 (9 Months) |
| Cement       | 289.96                   | 296.69                   | 260.05                   | 1125.76               | 661.68                           | 885.32                     | 1125.76               | 661.68                           |
| Power        | 20.89                    | 20.93                    | 46.11                    | 88.95                 | 165.89                           | 180.50                     | 88.95                 | 165.89                           |
| <b>Total</b> | <b>310.85</b>            | <b>317.62</b>            | <b>306.16</b>            | <b>1214.71</b>        | <b>827.57</b>                    | <b>1065.82</b>             | <b>1214.71</b>        | <b>827.57</b>                    |

- 9 Figures of the quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the full financial year up to 31st March, 2017 and year to date figures up to 31st December, 2016 being the date of end of the third quarter of the financial year.

- 10 Previous period figures have been regrouped wherever necessary.

Place: Kolkata  
Date: 16th May, 2017

By order of the Board  
For SHREE CEMENT LIMITED

  
B.G. Bangur  
Chairman  
DIN: 00244196

**Independent Auditors' Report**

**TO THE MEMBERS OF SHREE CEMENT LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Managements' Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2017 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 42 to the standalone Ind AS financial statements;

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No.001035N/N500050



**Sudhir Maheshwari**  
Partner  
Membership No.081075



Place: Kolkata  
Date:16<sup>th</sup> May, 2017

## Annexure'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company
- 2) In respect of its inventories:
  - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7)
  - (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they become payable.
  - (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty and Service Tax not deposited by the Company are as follows:



| Name of the statute               | Nature of the dues   | Amount under dispute not yet deposited (Rs.in Crore) | Period to which the amount relates      | Forum where dispute is pending                           |
|-----------------------------------|--|--|---|--|
| <b>(A) Excise and Service Tax</b> |  |  |   |  |
| Central Excise Act, 1944          | Cenvat credit on Inputs and capital goods (including interest and penalty) | 2.09   | 2004-05 to 2007-08 & 2009-10 to 2015-16 | Commissioner (Appeals) of Central Excise                 |
|                                   | Cenvat credit on Inputs and capital goods (including interest and penalty) | 10.57  | 2004-05 to 2010-11 & 2013-14 to 2015-16 | Customs Excise & Service Tax Appellate Tribunal (CESTAT) |
| Finance Act, 1994                 | Credit of Service Tax (including interest and penalty)                     | 0.66   | 2009-10 and 2011-12                     | Commissioner (Appeals) of Central Excise                 |
|                                   | Credit of Service Tax (including interest and penalty)                     | 20.89  | 2009-10 to 2010-11, 2012-13 & 2014-15   | Customs Excise & Service Tax Appellate Tribunal (CESTAT) |
| <b>Total (A)</b>                  |  | <b>34.21</b>   |   |  |
| <b>(B) Customs Duty</b>           |  |  |   |  |
| Customs Act, 1962                 | Custom Duty Valuation (including interest)                                 | 10.00  | 2008-09 to 2009-10 & 2012-13            | Customs Excise & Service Tax Appellate Tribunal (CESTAT) |
| <b>Total (B)</b>                  |  | <b>10.00</b>   |   |  |
| <b>(C) Sales Tax</b>              |  |  |   |  |
| Central Sales Tax Act, 1956       | Partial Exemption Claim  | 2.24   | 1998-99 to 2000-01                      | Rajasthan High Court, Jodhpur                            |
| <b>Total (C)</b>                  |  | <b>2.24</b>  |   |  |
| <b>Grand Total (A+B+C)</b>        |  | <b>46.45</b>   |   |  |

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards.



- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our, opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001035N/N500050



**Sudhir Maheshwari**  
**Partner**  
Membership No: 081075



Place: Kolkata  
Date: 16<sup>th</sup> May, 2017

## **Annexure 'B' to the Independent Auditors' Report**

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001035N/N500050



**Sudhir Maheshwari**  
**Partner**  
Membership No: 081075



Place: Kolkata  
Date: 16<sup>th</sup> May, 2017

**Independent Auditors' Report**

**TO THE MEMBERS OF SHREE CEMENT LIMITED**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

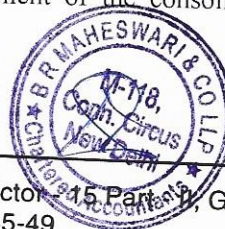
**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit (financial performance), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31<sup>st</sup> March, 2017 and its consolidated profit (financial performance including other comprehensive income) its consolidated cash flows and consolidated changes in equity for the year ended on that date.

### **Other Matters**

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 0.12 crore as at 31<sup>st</sup> March, 2017, total revenues of Rs. Nil and net cash flows amounting to Rs. 0.09 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, to the extent applicable, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statement have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.



- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 to the consolidated Ind AS financial statements;
  - The Group did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - The Holding Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Holding Company. Refer Note 43 to the Consolidated Ind AS Financial Statements.

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050



**Sudhir Maheshwari**  
Partner  
Membership No.081075



Place:Kolkata  
Date:16<sup>th</sup>May, 2017

## **Annexure 'A' to the Independent Auditors' Report**

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Holding Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. R. Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001035N/N500050

  
**Sudhir Maheshwari**

**Partner**  
Membership No: 08107



Place: Kolkata  
Date: 16<sup>th</sup> May, 2017