

FORM A

(For Audit Report with un-modified opinion)
[Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements)
Regulations 2015]

| | | |
|----|---|--------------------------------|
| 1. | Name of the Company | Shree Digvijay Cement Co. Ltd. |
| 2. | Annual Financial Statement for the year ended (15 months) | March 31, 2016 (Standalone) |
| 3. | Type of Audit Observation | Un-modified |
| 4. | Frequency of observation | Not Applicable |

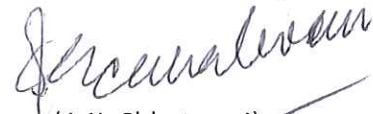
For Shree Digvijay Cement Co. Ltd.



(K K Rajeev Nambiar)

CEO & Whole Time Director and 'acting CFO'

For Shree Digvijay Cement Co. Ltd.



(A.K. Chhatwani)

Chairman of Audit committee

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E



Partha Ghosh

Partner (Membership No. 055913)

Date: May 24, 2016

Place: Mumbai

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHREE DIGVIJAY CEMENT COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Shree Digvijay Cement Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the 15 months period from January 1, 2015 to March 31, 2016 (the "period") and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the 15 months period from January 1, 2015 to March 31, 2016.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purposes 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 21;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the 15 months period ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh

Partha Ghosh
Partner
Membership Number: 055913

Place: Mumbai
Date: May 24, 2016

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Shree Digvijay Cement Company Limited on the financial statements as of and for the 15 months period ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the period and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.



Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Shree Digvijay Cement Company Limited on the financial statements for the 15 months period ended March 31, 2016

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, value added tax and cess which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs. in lacs) | Period to which the amount relates | Forum where the dispute is pending |
|------------------------------------|----------------|----------------------|--|------------------------------------|
| Central Excise Act, 1944 | Excise Duty | 2,866.75 | Financial years 2002-03, 2007-08 to 2010-11, 2013-14 | CESTAT (Tribunal) |
| | | 1,047.02 | Financial years 2006-07 to 2013-14 | Commissioner Appeal |
| The Finance Act, 1994 | Service Tax | 788.89 | Financial years 2004-05, 2009-10 to 2014-15 | CESTAT (Tribunal) |
| | | 29.45 | Financial years 2005-06, 2011-12 to 2014-15 | Commissioner Appeal |
| The Customs Act, 1962 | Customs Duty | 100.00 | Financial years 2010-11 | Commissioner Appeal |
| Gujarat Value Added Tax Act, 2003 | Sales Tax | 94.41 | Financial years 2009-10 and 2010-11 | Deputy Commissioner |
| Sales Tax Act of respective states | Sales Tax | 2.41 | Financial years 1992-93 to 1994-95 | Deputy Commissioner |
| | | 5.75 | Financial years 1995-96 and 1997-98 | Commissioner Sales Tax |

- (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2016 and it has not incurred cash losses in the financial period ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

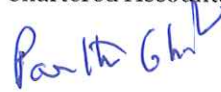


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- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership Number 055913

Place: Mumbai
Date: May 24, 2016