

B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Independent Auditors' Report

To the Members of Zuari Cement Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Zuari Cement Limited ("the Company"), which comprise the balance sheet as at 31 December 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's 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 financial statements that 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 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 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 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 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 financial statements are free from material misstatement.



Independent Auditors' Report (continued)

To the Members of Zuari Cement Limited

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 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 standalone 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 financial statements.

Basis for Qualified Opinion

As stated in note 2.44 to the standalone financial statements, wherein during the year ended 31 December 2013, the Company had sought approvals from the Central Government of India with respect to appointment and payment of remuneration to the Non-Executive Directors for the year ended 31 December 2013. The aforesaid remuneration was in excess of the limits prescribed under the provisions of the Companies Act, 1956 and the Company had applied to the Central Government of India for necessary approvals. However, the approval for payment of remuneration to Non-Executive Directors is still awaited.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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 31 December 2015, and its profit and its cash flows for the year ended on that date.

Independent Auditors' Report (continued)

To the Members of Zuari Cement Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.
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 and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone 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 31 December 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Act; and
 - (f) 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 financial statements – Refer note 2.27 to the standalone financial statements;



Independent Auditors' Report (continued)

To the Members of Zuari Cement Limited

Report on Other Legal and Regulatory Requirements (continued)

- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer note 2.40 to the standalone financial statements; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024



Vipin Lodha

Partner

Membership number: 076806

Place: Bangalore

Date: 15 February 2016

Independent Auditors' Report (continued)

To the Members of Zuari Cement Limited

Annexure to the Auditors' report

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 December 2015. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- ii. (a) The inventory, except for goods in transit, stock lying with third parties and clinker included in work in progress; has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. As explained to us, stock of clinker, included in work in progress, is stored in a sealed container, the content of which cannot be physically verified.
- (b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- iii. The Company in the earlier years has granted unsecured loan to Gulbarga Cement Limited, a party covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount outstanding during the year and the year-end balance of the loan is Rs 6,848.69 lacs. The Company has not granted any other secured or unsecured loan to any other company, firm or other party covered in the register maintained under Section 189 of the Companies Act, 2013 (as applicable).

As per the information and explanation given to us, the repayment of the principal and the payment of interest on the aforesaid loan is not yet due. Accordingly, paragraph 4 (iii) (a) and 4 (iii) (b) of the Order is not applicable.

Independent Auditors' Report (continued)

To the Members of Zuari Cement Limited

Annexure to the Auditors' report (continued)

- iv. In our opinion and according to the information and explanations given to us and having regard to the explanation that, certain services availed in relation to fixed assets, purchases of certain items of fixed assets and inventories are for the Company's specialised requirements and suitable alternative sources are not available to obtain comparable quotations, and similarly certain goods sold which are for the specialised requirements of the buyers, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for sale of goods. The activities of the Company do not involve sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- v. In our opinion and according to the information and explanation given to us the Company has not accepted deposits from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148(1) of the Act in respect of cement and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities although there have been slight delay in a few cases in respect of dues relating to Sales tax, Value added tax and Service tax.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues that were in arrears as at 31 December 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Wealth tax which have not been deposited with the appropriate authorities on account of any dispute. The Company, however, disputes the following Sales tax, Value added tax, Duty of Excise, Duty of Customs, Service tax and Income tax dues:



Independent Auditors' Report (continued)
To the Members of Zuari Cement Limited
Annexure to the Auditors' report (continued)

<u>Name of the Statute</u>	<u>Nature Of the Dues</u>	<u>Amount (Rs. In lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
Orissa Sales Tax Act, 1947	Tax/ Demand/ Penalty	45.59 (23.50)*	1992-93	Orissa High Court
Orissa Sales Tax Act, 1947	Tax/ Demand/ Penalty	1.00 (0.50)*	1991-92	Sales tax Appellate Tribunal
Orissa Sales Tax Act, 1947	Tax/ Demand/ Penalty	11.94 (5.50)*	2005-06	Appellate Commissioner
Orissa Sales Tax Act, 1947	Tax/ Demand/ Penalty	1.93 (1.00)*	2004-05	Joint Commissioner
Tamil Nadu General Sales Tax Act, 1959	Tax/ Demand/ Penalty	16.07 (5.76)*	1991-92, 1992-93	High Court of Tamil Nadu
Tamil Nadu General Sales Tax Act, 1959	Tax/ Demand/ Penalty	56.83 (52.96)*	1993-94, 2011-12	Sales tax Appellate Tribunal
Central Sales Tax Act, 1956	Tax/ Demand/ Penalty	242.28 (15.38)*	1994-95, 1998-99	High Court of Andhra Pradesh
Andhra Pradesh General Sales tax Act, 1957	Tax/ Demand/ Penalty	1,070.03	1997-98	High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Tax/ Demand/ Penalty	4,277.25 (1,215.45)*	2002-03, 2003-04, 2004-05	State Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005 (Sales tax)	Tax/ Demand/ Penalty	34.13 (20.00)*	2007-08	Assistant Commissioner of Commercial Taxes, Hyderabad
Central Excise Act, 1944	Tax/ Demand/ Penalty	14.64	2005-06, 2007-08, 2008-09, 2014-15	Assistant Commissioner, Kadapa
Central Excise Act, 1944	Tax/ Demand/ Penalty	4,438.02 (50.52)*	2006, 2008-09, 2007-10, 2011-12	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944	Tax/ Demand/ Penalty	942.14	2012-13	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
Andhra Pradesh Value Added Tax Act, 2005 (Sales tax)	Tax/ Demand/ Penalty	1.40 (1.40)*	2002-03, 2003-04	Supreme Court

Independent Auditors' Report (continued)
To the Members of Zuari Cement Limited

Annexure to the Auditors' report (continued)

<u>Name of the Statute</u>	<u>Nature Of the Dues</u>	<u>Amount (Rs. In lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
Central Excise Act, 1944	Tax/ Demand/ Penalty	3.51	2005-06	Commissioner Appeals, Hyderabad
Central Excise Act, 1944	Tax/ Demand/ Penalty	349.11	2005-06, 2005-08, 2007-08, 2009-13	Hyderabad - III Commissionerate
Central Excise Act, 1944	Tax/ Demand/ Penalty	2.87	1998-99	Assistant Commissioner, Hyderabad
Central Excise Act, 1944	Tax/ Demand/ Penalty	12.2	2007	Commissioner, Hyderabad
Central Excise Act, 1944	Tax/ Demand/ Penalty	6,990.81 (29.12)*	2006-11, 2012-13, 2013-14	Commissioner of Central Excise, Tirupati.
Entry tax	Tax/ Demand/ Penalty	16.78 (16.78)*	2007-08	State Appellate Tribunal, Hyderabad
Central Excise Act, 1944	Tax/ Demand/ Penalty	35.96	2012	Commissioner of Customs & Central Excise (Appeals), Guntur
Central Excise Act, 1944-Customs	Tax/ Demand/ Penalty	724.77 (35.60)*	2012	Supreme Court
Central Excise Act, 1944-Customs	Tax/ Demand/ Penalty	652.71 (37.06)*	2012-13	Commissioner of Customs & Central Excise, Chennai
Central Excise Act, 1944	Tax/ Demand/ Penalty	287.48	2011-12	Commissioner of Service Tax, Chennai
Andhra Pradesh Value Added Tax Act, 2005 (Sales tax)	Tax/ Demand/ Penalty	10.26 (10.26)*	2011-12, 2012-13	Additional Commissioner, Kurnool
Entry Tax – Andhra Pradesh	Tax/ Demand/ Penalty	267.496 (89.16)*	2009-10, 2010-11	Assistant Commissioner of Commercial Tax, Kadapa
Service Tax - Chennai	Tax/ Demand/ Penalty	1613.34	2010-11, 2005-09, 2009-10, 2012-13, 2013-14	Commissioner of Central Excise & Service Tax, Chennai

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Independent Auditors' Report (continued)
To the Members of Zuari Cement Limited

Annexure to the Auditors' report (continued)

<u>Name of the Statute</u>	<u>Nature Of the Dues</u>	<u>Amount (Rs. In lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
Entry Tax-Andhra Pradesh	Tax/ Demand/ Penalty	78.60 (78.60)*	2012-2013	State Appellate, Vishakhapatnam
Central Excise Act, 1944	Tax/ Demand/ Penalty	66.80 (2.50)*	2009-14	Commissioner of Customs & Central Excise
Odisha Entry Tax Act, 1999	Tax/ Demand/ Penalty	24.32 (1.60)*	2011-12, 2012-13,	Additional Commissioner of Bhubaneshwaram
The Kerela Value Added Tax Rules, 2005	Tax/ Demand/ Penalty	154.46 (46.34)*	2012-13, 2013-14	Assistant Commissioner , Department of Commercial Tax
Tamil Nadu General Sales Tax Act, 1959	Tax/ Demand/ Penalty	2.06 (0.52)*	2012-13	Additional Commissioner (CT), Chennai
Central Excise Act, 1944	Tax/ Demand/ Penalty	2,179.04	2014-15, 2010-15, 2012-13	Commissioner of Central Excise, Nellore
Andhra Pradesh VAT	Tax/ Demand/ Penalty	11.76	2011-12	Assistant Commissioner of Commercial Tax, Kadapa
Central Excise Act, 1944	Tax/ Demand/ Penalty	10.3	2014-15	Commissioner of Appeals
Tamil Nadu General Sales Tax Act, 1959	Tax/ Demand/ Penalty	20.62	2015	Joint Commissioner of Commercial Taxes
Tamil Nadu General Sales Tax Act, 1959	Tax/ Demand/ Penalty	20.08	2012-13	Assistant Commissioner of Commercial Tax, Kadapa
Service Tax – Kar nataka	Tax/ Demand/ Penalty	3.61	2013-14	Assistant Commissioner of Service Tax, Bangalore
Income tax act, 1961	Tax/ Demand/ Penalty	70.77	2006-07	Commissioner of Income tax (Appeals)
Income tax act, 1961	Tax/ Demand/ Penalty	5,278.37 (2,766.49)*	2008-09	Transfer Pricing Officer
Income tax act, 1961	Tax/ Demand/ Penalty	4,590.30	2009-10	Income Tax Appellate tribunal
Income tax act, 1961	Tax/ Demand/ Penalty	3,618.80	2010-11	Assessing officer

* The amounts in parenthesis represents the payment made under protest.

Independent Auditors' Report (continued)

To the Members of Zuari Cement Limited

Annexure to the Auditors' report (continued)

- (c) In our opinion and according to the information and explanation given to us, the amount required to be transferred to the Investor Education and Protection Fund has been transferred in accordance with the relevant provision of the Companies Act 2013.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks and debenture holders. During the year the Company has paid amounts aggregating Rs. 3,190,516 to the debenture holders and transferred amounts aggregating Rs. 68,825,966 to Investor Education and Protection Fund as per the provisions of the Act. The Company did not have any outstanding dues to any financial institution during the year.
- x. 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.
- xi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of the audit.

for B S R & Associates. LLP

Chartered accountants

Firm registration number: 116231W/W-100024



Vipin Lodha

Partner

Membership number: 076806

Place: Bangalore

Date: 15 February 2016

Zuari Cement Limited
Balance sheet as at

(Rupees in lacs)

	Note	31 December 2015	31 December 2014
Equity and liabilities			
Shareholders' funds			
Share capital	2.1	27,496.14	27,496.14
Reserves and surplus	2.2	101,708.05	99,804.05
		<u>132,204.19</u>	<u>127,300.19</u>
Non-current liabilities			
Long-term borrowings	2.3	65,362.36	78,637.35
Deferred tax liabilities (net)	2.4	16,294.17	13,194.07
Other long-term liabilities	2.5	3,092.77	3,139.36
Long-term provisions	2.6	7,264.31	4,687.75
		<u>92,013.61</u>	<u>99,658.53</u>
Current liabilities			
Short-term borrowings	2.7	541.61	579.55
Trade payables	2.8	17,666.20	16,637.02
Other current liabilities	2.9	54,718.65	51,130.86
Short-term provision	2.10	292.00	178.58
		<u>73,225.56</u>	<u>66,526.01</u>
		<u>297,443.26</u>	<u>293,484.73</u>
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	2.11	183,217.06	169,634.41
Intangible fixed assets	2.11	2,807.89	4,354.36
Capital work in progress	2.11 (a)	21,833.84	27,317.59
		<u>207,858.79</u>	<u>201,306.36</u>
Non-current investments	2.12	13,591.52	13,591.52
Long-term loans and advances	2.13	22,310.39	24,588.50
Other non-current assets	2.14	2,494.20	2,187.74
		<u>38,396.11</u>	<u>40,367.76</u>
Current assets			
Inventories	2.15	18,252.24	19,086.11
Trade receivables	2.16	9,429.19	10,330.72
Cash and bank balances	2.17	12,898.03	13,940.99
Short-term loans and advances	2.18	7,886.33	7,007.67
Other current assets	2.19	3,212.37	1,443.12
		<u>51,688.36</u>	<u>51,810.61</u>
		<u>297,443.26</u>	<u>293,484.73</u>

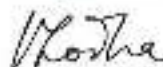
Significant accounting policies

1

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/W-100024



Vipin Lodha
Partner
Membership number: 076806

Place: Bangalore
Date: 15 February 2016

for and on behalf of the Board of Directors of Zuari Cement Limited
CIN: U26912AP2000PLC050415



Roberto Collieri
Chairman
DIN - 05139884

Place: Bangalore
Date: 15 February 2016


Sannalraj
Chief Executive Officer

Place: Bangalore
Date: 15 February 2016

Nabil Paul Francis
Managing Director
DIN - 00579472

Place: Bangalore
Date: 15 February 2016


L. R. Neelakanta
Company Secretary

Place: Bangalore
Date: 15 February 2016

Zuari Cement Limited
Statement of profit and loss for the year ended

(Report in INR)

	Note	31 December 2015	31 December 2014
Revenue from operations			
Sale of manufactured products (gross)		190,383.21	184,231.52
Less: excise duty		(24,436.61)	(21,366.58)
Sale of manufactured products (net)		165,946.62	159,664.94
Other operating revenue	2.20	531.21	774.25
Total revenue from operations		166,477.83	160,639.19
Other income	2.21	1,485.25	1,387.82
Total revenue		167,963.18	162,027.01
Expenses			
Cost of raw material and packing material consumed	2.22	20,673.21	22,121.48
Change in inventories of finished goods and work-in-progress	2.23	(1,445.02)	38.90
Employee benefits	2.24	8,401.53	6,821.98
Finance costs	2.25	7,040.47	7,589.08
Depreciation and amortisation		14,747.92	14,578.34
Other expenses	2.26	109,301.07	120,044.43
Total expenses		158,759.18	171,197.21
Profit (loss) before tax		9,104.00	(9,170.20)
Tax expense			
Current tax		3,010.00	-
Deferred tax charge/(credit)	2.4	3,100.00	(2,604.94)
Minimum alternative tax - credit		(1,910.00)	-
Profit/(loss) after tax		4,904.00	(6,765.26)
Earnings/(loss) per equity share (nominal value of share Rs.10 each (previous year Rs.10 each) (Refer note 2.36))			
Basic		1.78	(2.46)
Diluted		1.78	(2.46)

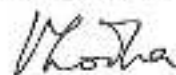
Significant accounting policies

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The notes referred to above form an integral part of the financial statements.

As per our report of even date attached:

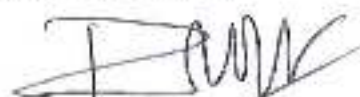
for B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/10/0024



Vipin Lodha
Partner
Membership number: 376800

Place: Bangalore
Date: 15 February 2016

for and on behalf of the Board of Directors of Zuari Cement Limited
CIN: U26942AP2000PLC090415



Roberto Callieri
Chairman
DIN - 05129888

Place: Bangalore
Date: 15 February 2016

Nabil Paul Francis
Managing Director
DIN - 06573472

Place: Bangalore
Date: 15 February 2016

Sunil Kumar
Chief Finance Officer

Place: Bangalore
Date: 15 February 2016


L. R. Nookhinata
Company Secretary

Place: Bangalore
Date: 15 February 2016

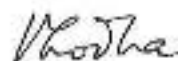
Zuari Cement Limited
Cash flow statement for the year ended

(Rupees in lacs)

	31 December 2015	31 December 2014
Cash flows from operating activities		
Profit/(loss) before tax	9,104.00	(9,170.20)
Adjustments:		
Depreciation and amortisation	14,717.92	14,578.31
Finance cost	7,090.47	7,389.08
Loss on sale of fixed assets, net	91.83	662.54
Provision for obsolete spares	130.00	275.00
Provision for contingencies	23.80	2,549.14
Provision for bad and doubtful debts, net	87.62	36.81
Interest income	(1,211.69)	(1,106.42)
Unrealized foreign exchange differences (gain)	(21.15)	(40.61)
Profit on sale of investments, net	(21.50)	-
Operating cash flows before working capital changes	36,000.90	15,171.77
Increase in loans and advances and other assets	(4,618.11)	(4,490.71)
Decrease/(increase) in inventories	700.87	(2,254.00)
Decrease/(increase) in trade receivables	801.34	(318.13)
Increase in current liabilities and provisions	9,314.09	3,252.93
Cash generated from operations	36,234.69	10,163.96
Income taxes paid	2,420.44	(174.00)
Income tax refund	-	1,170.00
Net cash generated from operating activities (A)	38,664.13	11,119.45
Cash flows from investing activities		
Purchase of fixed assets and capital work in progress	(19,225.13)	(25,007.96)
Proceeds from sale of fixed assets	125.59	64.51
Purchase of current investments	(19,030.00)	(28,100.00)
Proceeds from sale of current investments	19,145.15	29,284.19
Investment in subsidiary	-	(17.30)
Interest received	1,283.54	498.94
Net cash used in investing activities (B)	(17,660.85)	(24,273.52)
Cash flows from financing activities		
Utilised foreign currency differences on borrowing	-	(17.58)
Repayment of borrowings	(46,602.04)	(37,010.06)
Proceeds from borrowings	31,550.30	86,030.00
Interest paid	(9,027.20)	(8,134.46)
Net cash (used in) / generated from financing activities (C)	(22,079.24)	30,828.90
Net (decrease)/ increase in cash and cash equivalents (A) - (B) - (C)	11,015.96	7,674.83
Cash and cash equivalents at the beginning of the year	13,713.95	6,279.16
Cash and cash equivalents at the end of the year (refer note 3.17)	24,729.91	13,954.00

As per annexure of even date attached

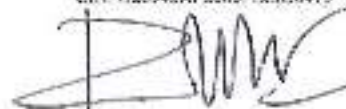
for BSR & Associates LLP
Chartered Accountants
Firm registration number: 116210W/W-100004



Vignesh Latha
Partner
Membership number: 076800

Place: Bangalore
Date: 15 February 2016

for and on behalf of the Board of Directors of Zuari Cement Limited
CIN: U26942AP2000PPC050415



Roberto Collieri
Chairman
DIN - 05129888

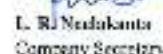
Place: Bangalore
Date: 15 February 2016

Nabil Paul Francis
Managing Director
DIN - 00375472

Place: Bangalore
Date: 15 February 2016



Sumanth Lakshmi
Chief Executive Officer
Place: Bangalore
Date: 15 February 2016



L. R. Madhukant
Company Secretary
Place: Bangalore
Date: 15 February 2016

Zuari Cement Limited
Notes forming part of the standalone financial statements

Note 1 – Significant accounting policies

Background

Zuari Cement Limited ("the Company"), engaged in the business of production and sale of portland cement, was a joint venture between Zuari Global Limited ("ZGL") and Ciments Francais S.A. ("CF", part of the Italcementi Group) upto 31 May 2006. Pursuant to CF's acquisition of 50% stake held by ZGL, the Company became a wholly owned subsidiary of CF ("the Holding Company"), effective 31 May 2006. The Ultimate Holding Company is Italcementi S.p.A. ("the Ultimate Holding Company").

1.1. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (as applicable). These financial statements are prepared and presented in lacs of Indian Rupees unless otherwise stated.

1.2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The methods of determination of cost of various categories of inventories are as follows:

Raw materials, packing materials, coal, fuel and stores and spares	– Weighted average cost method
Work-in-progress and finished goods	– Includes cost of conversion

The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale. Raw materials, packing materials and other supplies held for use in production of inventories are not written below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. The provision for inventory obsolescence is assessed annually and is provided as considered necessary.



1.4. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

1.5. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

Sale of goods

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer and there is no uncertainty as to the recovery of the consideration. The amount recognised as sale is net of sales tax, sales returns and trade discounts. Sales are presented both gross and net of excise duty.

Interest

Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend

Dividend income is recognised when the right to receive the dividend is established.

Rental income

Lease/sub-lease rental income is recognised over the lease term in accordance with the terms of the contract.

1.6. Fixed assets and depreciation

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

Depreciation on fixed assets is provided over the estimated useful life of the respective assets. Depreciation on fixed assets is provided on the straight-line method. Based on internal assessment and independent technical evaluation, the Management believes that the useful lives as given below best represents the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of schedule II of the Companies Act 2013:



Zuari Cement Limited
Notes forming part of the standalone financial statements (continued)
Note 1 – Significant accounting policies (continued)

1.6. Fixed assets and depreciation (continued)

Asset category	Estimated useful life ^a (in years)
Buildings	5 – 58
Plant and machinery	2 – 20
Railway sidings	20
Furniture and fittings	5 – 15
Motor Vehicles	4 – 10
Office equipment	3 – 20
Computer hardware	5 – 6

Freehold land is not depreciated. Acquired leasehold land is amortised over the initial lease term of thirty years.

Goodwill arising on amalgamation is amortised over its estimated useful life of 10 years.

Computer software is depreciated over the license period or its estimated useful life of 5 years whichever is shorter.

Prorated depreciation is provided on all assets purchased or sold during the year. Assets, costing individually Rs 5,000 or less are depreciated at 100%.

1.7. Foreign exchange transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions in foreign currency are recognized at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss for the year.

All monetary assets and liabilities denominated in foreign currency are restated at the rates existing at the year end and the exchange gains/(losses) arising from the restatement are recognized in the Statement of Profit and Loss.

The premium or discount on a forward exchange contract taken to hedge foreign currency risk of an existing asset/liability is recognised over the period of the contract in the Statement of Profit and Loss.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency assets or liabilities.



1.8. Investments

Long-term investments are carried at cost less diminution, other-than-temporary, in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Statement of Profit and Loss.

1.9. Employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Defined benefit scheme

Gratuity liability is a defined benefit scheme and is accrued based on an actuarial valuation at the reporting date, carried out by an independent actuary. The Company's gratuity scheme is administered by Life Insurance Corporation of India. Actuarial gain/(losses) are charged to the Statement of Profit and Loss.

(iii) Compensated absences

The employees are entitled to compensated absences. The employees can carry forward a portion of unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the Statement of Profit and Loss.



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

Note 1 – Significant accounting policies (continued)

1.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition/construction of the qualifying assets which are incurred during the period less income earned on temporary investment of these borrowings are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.11. Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.12. Earnings / (loss) per share

The basic earnings/(loss) per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which would have been issued on conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The potentially dilutive equity shares have been adjusted for the proceeds receivable had the shares been actually issued at a fair value. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

1.13. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rules that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset/liability as at the balance sheet date resulting from timing differences between book profit and tax profit are not considered to the extent that such asset/liability is expected to get reversed in the future years within the tax holiday period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Minimum Alternate Tax ("MAT") paid in accordance with the laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the balance sheet if there is convincing evidence that the Company will pay normal tax in the near future.



1.13. Taxation (continued)

The Company offsets, on a year on year basis, the current tax assets and liabilities where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

1.14. Impairment

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

1.15. Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. The provisions are measured on an undiscounted basis. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Restoration costs

A provision for restoration of the land and water protection measures is recognised at the best estimate of the costs for restoration of the land and water.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.



2.1 Share capital

(Rupees in lacs)

Particulars	As at 31 December 2015	As at 31 December 2014
Authorised		
Equity shares		
300,000,000 (previous year 300,000,000), equity shares of Rs 10 each	30,000.00	30,000.00
Preference shares		
140,000,000 (previous year 140,000,000), 9% convertible cumulative preference shares of Rs 10 each	14,000.00	14,000.00
	<u>44,000.00</u>	<u>44,000.00</u>
Issued, subscribed and fully paid up		
Equity shares		
274,951,400 (previous year 274,951,400), equity shares of Rs 10 each	27,496.14	27,496.14
	<u>27,496.14</u>	<u>27,496.14</u>

Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	31 December 2015		31 December 2014	
	Number of shares	Amount (Rupees in lacs)	Number of shares	Amount (Rupees in lacs)
Shares outstanding at the beginning and end of the year	274,951,400	27,496.14	274,951,400	27,496.14

Out of the above, 266,461,350 (previous year: 266,461,350) equity shares are held by Ciments Français S.A., the Holding Company. Italcement SpA, is the Ultimate Holding Company.

Rights, preferences and restrictions

Equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii Conversion of preference shares to equity shares

During the year ended 31 December 2015, the Company had converted 170,000,000 9% convertible cumulative preference shares having par value of Rs 10 each into 17,000,000 equity shares at a premium of Rs 50 per shares.



2.1 Share capital (continued)

Equity shares held by the Holding/ the Ultimate Holding Company and/or their subsidiaries/associates is given below:

Equity shares Name of the shareholder	As at	As at
	31 December 2015	31 December 2014
Ciments Français S.A	266,461,350	266,461,350
Compagnie Pour l'Investissement Financier En Inde	8,500,000	8,500,000
Investim S.A.S	10	10
Sax S.A.S	10	10
Calpar S.A.S	10	10
Tercim S.A.S	10	10
Monal S.A.S	10	10
	274,981,400	274,981,400

The details of shareholders holding more than 5% shares in the Company is set below:

Equity shares Name of the shareholder	31 December 2015		31 December 2014	
	Number of shares	% of total share	Number of shares	% of total share
Ciments Français S.A	266,461,350	96.91%	266,461,350	96.91%

The Company has neither allotted any fully paid up equity shares by way of bonus shares or in pursuant of contract without payment being received in cash nor has bought back any class of equity shares during the period of five years immediately preceding the reporting date.

2.2 Reserve and surplus

(Rupees in lacs)

Particulars	As at	As at
	31 December 2015	31 December 2014
Securities premium account		
At the commencement and at the end of the year	37,201.95	37,201.95
	37,201.95	37,201.95
Surplus in the Statement of Profit and Loss balance		
At the commencement of the year	62,602.12	69,367.38
Add: Net (profit)/(loss) for the year	4,904.00	(6,765.26)
At the end of the year	67,506.12	62,602.12
	104,708.05	99,804.05



2.3 Long term borrowings

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Secured		
Term loans from banks:		
- BNP Paribas Bank*	-	11,800.00
- HDFC**	30,834.00	-
- Axis Bank*	7,693.00	-
- Hongkong and Shanghai Banking Corporation Limited*	20,833.00	50,000.00
	<u>49,362.00</u>	<u>61,800.00</u>
Deferred payment liability		
- Sales tax deferral loan**	16,000.26	16,837.35
	<u>16,000.26</u>	<u>16,837.35</u>
	<u>65,362.26</u>	<u>78,637.35</u>

Details of repayment terms, interest and maturity

Term loan from BNP Paribas with a total outstanding balance of Rs 1,800 lacs (previous year: Rs 2,600 lacs) [non-current: Nil (previous year: Rs 1,800 lacs), current: Rs 1,800 lacs (previous year: Rs 1,800 lacs)] is repayable in remaining 2 semi-annual installments.

Term loan from BNP Paribas with total outstanding balance of Rs 10,000 lacs (previous year: Rs 10,000 lacs) [non-current: Nil (previous year: Rs 10,000 lacs), current: Rs 10,000 lacs (previous year: Nil)] is repayable in remaining one time payment on 31 October 2016. The rate of interest ranges from 10.50% to 11.50% per annum.

Term loan from HDFC Bank Limited with total outstanding balance of Rs 25,000 lacs (previous year: Nil) [non-current: Rs 20,834 lacs (previous year: Nil), current: Rs 4,167 lacs (previous year: Nil)] is repayable in 6 semi-annual installments starting from July 2016. The rate of interest ranges from 9.80% to 10.15% per annum.

Term loan from Axis Bank with total outstanding balance of Rs. 8,550 lacs (previous year: Nil) [non-current: Rs 7,693 lacs (previous year: Nil), current: Rs 855 lacs (previous year: Nil)] is repayable in 10 equal semi-annual installments starting from September 2016. The rate of interest ranges from 10.10% to 10.75% per annum.

Term loan from Hongkong and Shanghai Banking Corporation Limited with total outstanding balance of Rs 20,833 lacs (previous year: Rs 50,000 lacs) [non-current: Rs 20,833 lacs (previous year: Rs 50,000 lacs), current: Rs 4,166 lacs (previous year: Rs Nil)] is repayable in 6 semi-annual installments starting from 21 July 2016. The rate of interest ranges from 10.40% to 11.65% per annum.

**

To promote the industries in backward area (i.e. at Yerraguntla) Government of Andhra Pradesh, reformed an interest free sales tax loan facility. To avail the facility, the Company has entered into an agreement with the Government of Andhra Pradesh for deferring payment of sales tax collected during the period 15 February 1999 to 14 February 2013 (14 years). The deferred amount will be repaid by the year ended 31 March 2027. The amount repayable within a period of one year from the reporting date i.e. Rs. 945.13 lacs (previous year: Rs 811.29 lacs) is included in current maturities of long term debt. It is secured by way of movable and immovable properties of the Company.

Security:

Term loans from banks are secured by hypothecation (pari-passu) over the movable fixed assets (plant and machinery installed or not) at Chennai Grinding Unit including clinker and cement facilities existing on 9 May 2012, movable fixed assets (plant and machinery whether installed or not) at Yerraguntla, clinker and cement facilities which currently exists and as they evolve on pari-passu basis with other banks. Furthermore, Ciments Francais S.A has given an irrevocable and unconditional corporate guarantee as additional security.

Hypothecation over movable fixed assets of Borrower at its plant in Yerraguntla and Chennai and unconditional and irrevocable Corporate Guarantee from Ciments Francais S.A.

Term loans from banks are secured pari-passu charge on all movables at Yerraguntla, Sitapuram, Chennai and Sotapur including movable plant and machinery, machinery spares, tools and accessories, and all other movable assets, present and future.

Term loans from banks are secured pari-passu charge on the movable fixed assets of the Company, present and future located in Yerraguntla, Sitapuram, Chennai and Sotapur.



2.4 Deferred tax liabilities (net)

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Deferred tax liabilities		
Excess of depreciation on fixed assets under Income Tax Act, 1961 over depreciation under Companies Act	21,017.61	18,710.97
	<u>21,017.61</u>	<u>18,710.97</u>
Deferred tax assets		
Provision for employee benefits	379.45	387.39
Provision for employee-related liabilities	766.67	533.65
Provision for contingencies	2,164.84	1,322.32
Provision for accrued expenses	591.13	-
Provision for bad and doubtful debts and advances	46.24	15.64
Provision for obsolescence	413.64	315.59
Unabsorbed business losses	-	3,743.24
Unabsorbed foreign exchange gain/loss on loan	-	188.19
Deferred rent	11.47	15.88
Total deferred tax assets	<u>4,273.44</u>	<u>5,516.90</u>
Deferred tax liabilities-net	<u>16,294.17</u>	<u>13,194.07</u>

2.5 Other long term liabilities

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Payables to KSK Energy Ventures (refer note 2.43)	2,300.00	2,300.00
Income received in advance	739.63	797.63
Deferred rent	33.14	46.71
	<u>3,072.77</u>	<u>3,139.36</u>

2.6 Long-term provisions

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Provision for employee benefits		
Gratuity (refer note 2.33)	112.18	109.19
Compensated absences	685.21	837.24
	<u>797.39</u>	<u>946.43</u>
Others		
Provision for contingencies (refer note 2.38)	6,466.92	3,741.12
	<u>7,264.31</u>	<u>4,687.55</u>



2.7 Short term borrowings

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Secured		
Loans repayable on demand		
Cash credit*	541.61	579.55
Unsecured		
From banks		
	541.61	579.55

*Cash credit from banks carry interest ranging between 9% to 13% per annum computed on a monthly basis on the actual amount utilized and are repayable on demand. These are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares not relating to plant and machinery, bills receivable and bank debits, both present and future, including goods in transit.

2.8 Trade payables

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Acceptances	2,064.26	935.99
Due to micro and small enterprises (refer note 2.39)	-	-
Due to creditors other than micro and small enterprises	6,403.38	8,352.39
Due to related parties (refer note 2.37)	9,189.14	5,548.54
	17,656.78	14,837.02

The Ministry of Micro, Small and Medium Enterprises has issued a Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its creditors the Enterprises Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 December 2015 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 December 2015	For the year ended 31 December 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	NIL	NIL
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of the year; and	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	NIL	NIL



2.9 Other current liabilities

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Current maturities of long term debt	21,934.13	21,573.18
Discount/incentive payable	12,259.72	10,589.94
Statutory liabilities	4,514.77	3,573.68
Advance from customer	682.30	1,361.53
Dealer deposits	1,906.56	1,834.46
Accrued expenses	3,903.49	4,082.84
Capital creditors	4,832.72	3,180.97
Employee related liabilities	2,152.33	1,355.97
8% Non-convertible bonds**	-	720.17
Bank overdraft	-	22.37
Income received in advance	33.03	33.03
Interest accrued but not due on borrowings	502.00	494.73
Derivative liability (refer note 2.40)	-	1.99
	54,718.65	51,130.86

**Pursuant to the Scheme of amalgamation of Sri Vishnu Cement Limited with Zuari Cement Limited (ZCL), the Company had issued and allotted unsecured 8% Non Convertible Debts (NCD) of Rs 107.30 each, being redeemable at par on presentation subject to a maximum redemption period of one year from the record date (26 November 2007), to the members (other than ZCL) of the amalgamating company, for every fully paid up equity shares of Rs 10 each held in that company. The amount of Rs 6.88 crores which remained unclaimed was due for transfer to the Investors Education and Protection Fund on 25th December 2015, pursuant to provisions of section 205A read with section 205C of the Companies Act, 1956. The Company has transferred this unclaimed amount along with interest due to the Investors Education and Protection Fund on 23 December 2015. Also refer note 2.19.

2.10 Short-term provision

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Provision for employee benefits		
Compensated absences	299.00	178.58
	299.00	178.58



Zoat Cement Limited
Notes forming part of the Standalone financial statements (continued)

2.11 - Fixed assets

(figures in lakh)

Description	Gross book				Accumulated depreciation and amortisation				Net book	
	As at 1 January 2015	Additions ¹	Deletions/ written off	As at 31 December 2015	As at 1 January 2015	For the year	On deletions/ written off	As at 31 December 2015	As at 31 December 2014	
Domestic tangible assets										
Freehold land (refer note 2.10)(a)	8,759.67	153.38	43.32	8,869.73	-	1,645.73	-	8,869.62	8,759.67	
Buildings	50,355.25	3,257.55	287.17	53,325.63	9,235.73	9,342.05	403.15	48,277.76	47,559.53	
Plant and machinery	168,240.61	17,812.95	-	186,053.56	12,387.43	9,342.05	-	19,167.49	95,951.18	
Roadway fittings	26,143.53	-	-	26,143.53	3,232.24	322.52	-	3,554.76	1,431.30	
Furniture and fittings	520.70	11.56	8.47	523.79	385.84	50.05	7.93	327.97	235.16	
Motor vehicles	697.49	165.59	50.57	812.51	260.51	13.20	86.51	327.42	472.48	
Office equipment	55,332	95.89	7.75	55,320	163.45	28.39	3.16	287.16	204.58	
Computer hardware ²	1,115.33	209.52	84.38	1,240.47	725.24	118.25	87.79	455.81	377.10	
Leasehold, tangible assets										
Land (refer note 2.10)(a)	5,102.20	-	-	5,102.20	158.47	157.04	-	4,945.16	4,871.05	
Total tangible fixed assets (A)	246,092.21	28,510.21	200.15	281,812.27	85,469.27	12,731.45	562.71	183,217.06	1,69,034.21	
Intangible assets										
Goodwill	1,504.17	-	-	1,504.17	938.15	247.23	-	1,755.42	755.38	
Computer software ²	17,599.58	-	-	17,599.58	14,208.62	1,799.20	-	1,799.48	5,498.38	
Current tax assets (B)	19,668.15	-	-	19,668.15	15,301.76	3,635.47	-	3,237.89	6,351.26	
Total intangible fixed assets (B)	38,771.90	-	-	38,771.90	30,441.53	5,672.90	-	5,732.77	12,205.02	
Intangible assets under Development										
Land (refer note 2.10)(a)	18,056.15	-	-	18,056.15	15,331.79	2,046.47	-	17,241.26	4,352.50	
Total (A)+(B)	274,864.11	28,510.21	200.15	303,574.47	115,910.80	18,404.35	562.71	188,950.85	1,81,239.23	
Previous year (2014)	271,290.6	2,619.81	3,438.03	277,328.44	89,511.25	14,378.34	3,726.91	153,082.77	1,46,543.71	

¹ Includes Interest-Cost Capitalised amounting Rs 2,179.29 lacs

Note 1: Freehold land includes Rs 316.73 lacs in respect of land at Yamaganthala of which conveyance documents have been submitted to the Registering Authority for registration. Payment to the scheme of management (former Zoat Cement Limited formerly "Zoat Cement Limited") and the Company, conditional by the Honorable High Court of Bombay on 12 January 2011, for getting withdrawal of Zoat Cement Limited about land in the Company with effect from 1 April 2010. The Company is taking necessary steps for securing the title deeds in respect of land at Yamaganthala in its name.

Note 2: Represents net receivable premium paid to Creditors Post Tax (66% of amount of Rs 22.40 increase of land for a period of every year effective from 14 September 2017. The land has been allotted to the Company on 14 September 2017.

2.11 (ii) - Capital Work in Progress
Capital work in progress include projects at Shajapur Cementing Unit, No. 6, 505 (see, Creditors Post Tax Rs 97.19 lacs which continuation work is under progress.



Zuari Cement Limited
Notes forming part of the Standalone financial statements (continued)

2.12 Non-current investments

(valued at cost unless stated otherwise)

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Trade investments		
Investment in subsidiaries		
a) Investment in equity instruments - unquoted		
i) 509,940 (previous year: 509,940) equity shares of Rs. 10 each fully paid up of Sitapuram Power Limited ⁴	2,350.99	2,350.99
ii) 22,496,691 (previous year: 22,496,691) equity shares of Rs. 10 each fully paid up of Gulbarga Cement Limited (refer note 2.37 and 2.41)	8,474.33	8,474.33
iii) 22,460 equity shares of Rs. 10 each fully paid up of Energon Power Resources Private Limited (refer note 2.41 and 2.46)	2.32	2.32
b) Investment in preference shares - unquoted		
(i) 2,749,000 (previous year: 2,749,000) 0.01% cumulative redeemable preference shares of Rs. 100 each fully paid up of Sitapuram Power Limited redeemable after 20 years from the date of issue.	2,749.00	2,749.00
(ii) 14,419 cumulative compulsory non-participative preference shares of Rs. 100 each fully paid up of Energon Power Resources Private Limited (refer note 2.41 and 2.46)	14.88	14.88
	<u>13,591.52</u>	<u>13,591.52</u>

⁴ includes Rs. 2,300 lacs (previous year: Rs. 2,300 lacs) payable to KSK Energy Ventures Limited (KSK) towards the purchase consideration for 49% stake of KSK in Sitapuram Power Limited (refer note 2.41 and 2.43).

2.13 Long term loans and advances

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Loans and advances to related parties		
<i>Unsecured, considered good</i>		
Due from related parties (refer note 2.37)	-	39.48
Loan to Gulbarga Cement Limited (refer note 2.37)	6,114.19	6,348.59
	<u>6,114.19</u>	<u>6,888.17</u>
Security deposits		
<i>Unsecured, considered good</i>		
Balance with government authorities	132.85	63.14
Electricity deposits	2,350.62	1,892.16
Supplier deposits	993.49	792.49
Rental deposits	159.00	336.82
	<u>3,434.96</u>	<u>3,084.61</u>
Other loans and advances		
<i>Unsecured, considered good</i>		
Capital advances	5,040.18	5,310.24
Advance income tax, net of provision for tax	827.91	2,457.35
Long term business advance	2,300.00	2,300.00
Amount paid under protest	4,585.13	4,518.12
	<u>12,761.24</u>	<u>14,615.72</u>
	<u>22,310.39</u>	<u>24,588.50</u>

2.14 Other non-current assets

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Interest accrued on loan to Gulbarga Cement Limited (refer note 2.37)	2,416.49	2,065.98
Bank deposits due to mature after 12 months	37.71	108.00
Prepaid expenses	40.00	13.76
	<u>2,494.20</u>	<u>2,187.74</u>



Zuari Cement Limited
Notes forming part of the standalone financial statements (continued)

2.15 Inventories

valued at lower of cost and net realizable value

(Rupees in lacs)

Particulars	As at	As at
	31 December 2015	31 December 2014
Raw materials	1,177.15	1,170.92
Packing materials	627.44	704.89
Work-in-progress	3,704.98	3,737.89
Finished goods	4,589.11	3,079.08
Stores and spares	3,579.49	3,232.28
Less: Provision for obsolete and slow moving inventories	(1,058.49)	(928.49)
	<u>12,619.68</u>	<u>18,996.55</u>
Coal and fuel*	5,632.56	8,089.56
	<u>18,252.24</u>	<u>19,086.11</u>

* including goods in transit aggregating to Rs 30.13 lacs (previous year: Rs. 2,078.66 lacs).

2.16 Trade receivables

(Rupees in lacs)

Particulars	As at	As at
	31 December 2015	31 December 2014
Unsecured		
Outstanding for a period exceeding six months from the date they became due for payment		
- Considered good		
- Considered doubtful	133.61	46.02
Other debts		
- Considered good*	9,439.19	10,330.72
	<u>9,572.80</u>	<u>10,376.74</u>
Less: Provision for bad and doubtful debts	(133.61)	(46.02)
	<u>9,439.19</u>	<u>10,330.72</u>
* includes amount receivable from related party (refer note 2.37).	406.58	106.53

2.17 Cash and bank balances

(Rupees in lacs)

Particulars	As at	As at
	31 December 2015	31 December 2014
Cash and cash equivalents:		
Cash on hand	3.50	11.11
Balance with banks:		
- in current accounts	6,285.92	6,902.75
- in deposit accounts	6,608.61	7,000.13
	<u>12,898.03</u>	<u>13,913.99</u>
Other bank balances		
Bank deposits due to mature within 12 months from the reporting date		27.00
	<u>12,898.03</u>	<u>13,940.99</u>



2.18 Short-term loan and advances

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
Security deposit		
<i>Unsecured, considered good</i>		
Rental deposits	378.56	188.04
Other deposits	25.38	15.36
	403.94	203.40
Other loans and advances		
<i>Unsecured, considered good</i>		
Value added tax, excise and service tax input credit	4,539.07	1,991.84
Loan to Gulbarga Cement Limited (refer note 2.37)	734.50	-
Advance to supplier	2,091.58	4,722.56
Employee advances	117.24	89.87
	7,482.39	6,804.27
	7,886.33	7,007.67

2.19 Other current assets

Particulars	(Rupees in lacs)	
	As at 31 December 2015	As at 31 December 2014
<i>Unsecured, considered good</i>		
Interest accrued on loan to Gulbarga Cement Limited (refer note 2.37)	309.60	-
Unamortised premium on forward contracts	1.07	69.62
Interest accrued on fixed deposits	303.56	124.99
Due from related parties (refer note 2.37)	158.64	75.62
Enmarked bank balance*	-	720.17
Prepaid expenses	511.48	454.81
MAT Credit entitlement	1,910.00	-
Derivative Asset (refer note 2.40)	18.22	-
	3,212.57	1,445.12

*In 2014, it represented amount relating to the unpaid non convertible bonds held in escrow accounts and to be paid on presentation of debenture bonds by debenture holders. During the year, the Company has paid amounts aggregating Rs. 3,190,516 to the debenture holders and transferred amounts aggregating to Rs. 68,825,996 to Investor Education and Protection Fund as per the provisions of the Act. Also refer note 2.9.



Zuari Cement Limited
 Notes forming part of the standalone financial statements (continued)

2.20 Other operating revenues

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Scrap sales	531.21	774.25
	<u>531.21</u>	<u>774.25</u>

2.21 Other income

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Interest income	1,211.69	1,106.43
Profit on sale of investments, net	31.90	-
Rental income (refer note 2.35 (b))	47.56	47.77
Miscellaneous income	194.20	233.62
	<u>1,485.35</u>	<u>1,387.82</u>



3.32 Cost of raw material and packing material consumed

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Raw materials and packing materials consumed *		
Inventories of materials at the beginning of the year	1,875.81	1,097.55
Add: purchases	20,691.99	23,095.71
Add (Less) Raw material received/ (transferred)		
Less: closing stock	(1,894.59)	(1,275.31)
	<u>20,673.21</u>	<u>23,912.95</u>

(* the consumption disclosed is based on the derived figures rather than actual records of usage)

Break-up of cost of raw materials and packing materials consumed

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Packing Bags	5,188.07	6,793.19
Aluminous Lignite	2,487.76	1,007.02
Limestone	6,033.04	3,772.05
Gypsum	2,450.14	3,137.03
Flyash	2,089.29	2,579.84
Lignite	532.43	572.36
Copper Slag	291.29	502.29
Granulated Slag	561.34	395.41
Others	639.21	575.31
	<u>20,673.21</u>	<u>23,912.95</u>

Break-up of cost of inventory - Raw materials and packing materials

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Lignite	11.89	197.29
Gypsum	219.72	178.58
Flyash	59.57	83.71
Aluminous Lignite	672.65	986.51
Packing Bags	627.64	728.53
Copper Slag	38.72	151.00
Red Mud	78.94	151.13
Others	93.62	96.61
	<u>1,908.54</u>	<u>1,878.36</u>



2.21 Change in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 December 2015	For the year ended 31 December 2014
Opening stock		
Finished goods	3,079.06	3,098.22
Work-in-progress	3,337.89	3,394.58
	6,416.95	6,492.80
Less: closing stock		
Finished goods	4,239.11	3,275.06
Work-in-progress	3,304.98	3,334.65
	7,544.09	6,609.71
Excise duty on change in stock of finished goods	32.12	(31.35)
	(1,095.02)	38.99

Particulars	31 December 2015			31 December 2014		
	Opening inventory	Closing inventory	Increase/ (decrease) in inventory	Opening inventory	Closing inventory	Increase/ (decrease) in inventory
Finished goods						
Bulk Cement	1,876.93	2,014.54	137.62	2,084.12	1,876.92	(207.20)
Packed Cement	1,202.14	2,574.37	1,372.23	3,014.10	1,202.14	(1,811.96)
Total	3,079.06	4,588.91	1,510.85	5,098.22	3,079.06	(2,019.16)
Less: Excise duty on finished goods	(299.87)	(331.99)	(32.12)	(337.22)	(299.87)	37.35
	2,779.19	4,256.92	1,477.93	4,761.00	2,779.19	(1,981.81)
Work-in-progress						
Clinker	3,377.58	3,273.63	(103.95)	3,495.42	3,377.58	1,897.16
Raw Mill	132.58	106.14	(26.44)	114.63	132.58	17.95
Crushed Limestone	227.73	325.19	97.46	189.99	227.73	37.74
	3,737.89	3,704.96	(32.93)	3,799.98	3,737.89	(61.09)
	6,517.08	7,961.88	1,444.80	8,560.98	6,517.08	(2,043.90)



Zuari Cement Limited
Notes forming part of the Standalone financial statements (continued)

2.24 Employee benefits

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Salaries, wages and bonus	7,533.38	5,816.91
Contribution to provident fund and other funds	635.84	797.06
Staff welfare expenses	232.31	221.01
	<u>8,401.53</u>	<u>6,834.98</u>

2.25 Finance costs

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Interest expense	7,080.47	7,222.33
Other borrowings costs	-	166.75
	<u>7,080.47</u>	<u>7,389.08</u>

2.26 Other expenses

Particulars	(Rupees in lacs)	
	For the year ended 31 December 2015	For the year ended 31 December 2014
Power and fuel	50,022.37	51,351.48
Freight outward (after netting off freight recoveries from customers current year: Rs 13,629.26 lacs and previous year: Rs 14,379.46 lacs)	33,746.19	35,645.59
Consumption of stores, loose tools and spare parts	4,483.63	4,209.49
Rent (refer note 2.35(b))	1,174.02	1,151.44
Rates and taxes	2,111.46	533.49
Legal and professional	1,648.64	1,758.28
Repairs and maintenance:		
- buildings	86.85	133.21
- plant and machinery	1,866.13	1,525.50
- others	691.94	861.03
Technical know how	4,654.61	4,503.82
Contract labour expenses	1,059.66	1,044.56
Obsolete spares written off	136.68	390.75
Provision for bad and doubtful debts, net	87.62	36.83
Provision for obsolete spares	190.00	275.00
Selling and distribution expenses	1,934.64	2,024.97
Advertisement and sales promotion	1,014.40	603.08
Corporate social responsibility	271.38	141.53
Sales commission	368.95	888.26
Cash discount	600.71	762.77
Loss on sale of fixed assets, net	91.83	662.64
Insurance:	642.27	640.71
Traveling and conveyance	643.02	527.59
Communication	206.42	187.05
Bank charges	443.81	42.67
Foreign exchange loss, net	179.68	460.89
Site restoration expenses (refer note 2.38)	23.80	100.00
Miscellaneous expenses	271.16	360.32
	<u>109,241.07</u>	<u>128,044.43</u>



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees lacs)***2.27 Contingent liabilities**

		(Rupees in lacs)	
Description	31 December 2015 (31 December 2014)	Uncertainties	
A) Claims against the Company not acknowledged as debts in respect of:			
(i) Sales tax matters	4,462.77 (5,676.59)	Demands on account of alleged irregular stock transfers, disallowance of freight, Tax on Dumpers/Loaders, disallowance of Input Tax Credit on capital goods and lubricants etc. The cases are in different stages of adjudication/appeal with various sales tax authorities & Appellate Forum.	
(ii) Excise duty	12,116.16 (10,394.44)	Payment of duty on clinker consumed in the sale of cement to SEZ, clearance of cement in packages to the depots, without affixing MRP/RSP and availing concessional rate of Duty on clearances to Institution and Industrial consumers, alleged wrong availment of CENVAT credit on steel items etc. The cases are in different stages of adjudication/appeal with various excise authorities.	
	3,427.92 (2,254.96)	Demands raised on account of alleged irregular availment of CENVAT credit of input services such as medical insurance, staff quarters expenses, reimbursement of bonus, gratuity and other expenses made to manpower service providers, service tax paid on outward transport and Goods Transport Agency services, ISD invoices etc. & Clean Energy Cess, ISD invoices etc. The cases are in different stages of adjudication/appeal with various excise authorities.	
(iii) Customs Duty	942.14 (-)	Alleged wrong classification of bituminous coal as steam coal.	



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees lacs)***2.27 Contingent liabilities (continued)**

Description	(Rupees in lacs)	
	31 December 2015 (31 December 2014)	Uncertainties
(iv) Income tax Act, 1961	70.77 (70.77)	Demands raised on account of disallowances towards domestic as well as international transactions for the AY 2007-08. The case is pending before CIT(A).
	5,278.37 (5,278.37)	Demands raised on account of disallowances towards domestic as well as international transactions for the AY 2009-10. The Company has Appeal filed to ITAT and has received an order allowing marginal reliefs and referring the case back to TPO for re-assessment.
	4,590.34 (5,529.70)	Demands raised on account of disallowances towards domestic as well as international transactions for the AY 2010-11. The Company has filed an appeal before ITAT.
	3,618.80 (-)	Demands raised on account of disallowances towards domestic as well as international transactions for the AY 2011-12. The Assessing Officer has made draft order under section 144C of the Income Tax Act 1961. The DRP has given its direction to the Assessing officer. Final Order from the Assessing officer is pending.
(v) Railway claims	25.85 (275.85)	Claims comprise charges on account of demurrage, excess load, inspection and foreign services. The cases are in different stages of appeal with various Courts.
(vi) Stamp duty and registration charges	1,514.62 (1,514.62)	When the cement undertaking of Texmaco was taken over by ZCL at a consideration of approximately Rs 13,178 lacs, stamp duty amounting to Rs 99 lacs was paid. The District Registrar, Kadapa has raised a claim of Rs 1,514.62 lacs on the total consideration. The Company is contending the case on the basis that the stamp duty is applicable only to immovable property and therefore the consideration cannot be used as the base.



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees lacs)***2.27 Contingent liabilities (continued)*****(Rupees in lacs)**

Description	31 December 2015 (31 December 2014)	Uncertainties
(vii) Electricity Charges	4,727.46 (4,727.46)	Claims lodged by the electricity department primarily pertain to wheeling charges, grid support charges, cross subsidy surcharge. The cases are in different stages of appeal in the Tribunals, High Court and Supreme Court of India. However, the Company has a right to recover the said demand amount from the independent power providers vide the Power arrangement agreement.
(viii) Additional Power Cost	2,016.70 (-)	Claims comprise charges on account of liability for wheeling charges that may be imposed by Andhra Pradesh- Southern Power Distribution Company Limited on the total power consumed by the Company from Sitapuram Power Limited.

2.28 Capital and Other commitments

- 1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs 1,151.36 lacs (Previous year – Rs 8,857.20 lacs).
- 2 The Company is further committed as follows:
 - Agreement with Sitapuram Power Limited for off take of 250 Million Kwh in one financial year as per Power Purchase Agreement dated 21 July 2005.
 - Agreement with Singareni Collieries for 3.94 lacs MT of coal in each financial year for three years commencing from 1 April 2014.

2.29 Auditors' remuneration (included under legal and professional fees) #**(Rupees in lacs)**

Particulars	31 December 2015	31 December 2014
As statutory auditors	31.00	27.00
As tax auditors	-	7.00
Other matters	23.00	23.00
Out of pocket expenses	2.10	2.36
	56.10	59.36

Exclusive of service tax.



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.30 Expenditure in foreign currency (Rupees in lacs)

Particulars	31 December 2015	31 December 2014
Technical knowhow expenses	4,651.44	4,505.82
Software licence fee and consultancy fees	648.44	862.81
Interest expenses	36.25	132.41
Others	1,742.73	23.61
	7,078.86	5,524.65

2.31 Earnings in foreign currency (Rupees in lacs)

Particulars	31 December 2015	31 December 2014
FOB value of export of goods	9,170.41	6,309.61
Other income (Income from freight services)	1,805.38	-
	10,975.79	6,309.61

2.32 a) CIF value of imports (Rupees in lacs)

Particulars	31 December 2015	31 December 2014
Coal	23,413.23	23,091.43
Packing material	443.55	715.74
Stores and spares	620.14	242.43
Capital goods	1,568.01	3,593.33
	26,044.93	27,642.93

b) Raw material and packing material consumption (Rupees in lacs)

Particulars	31 December 2015		31 December 2014	
	Amount	%	Amount	%
Imported	442.56	2.14	559.46	1.79
Indigenous	20,230.65	97.86	21,762.02	98.21
	20,673.21	100.00	22,321.48	100.00

c) Stores and spares consumption

Particulars	31 December 2015		31 December 2014	
	Amount	%	Amount	%
Imported	479.28	10.69	395.86	9.40
Indigenous	4,004.35	89.31	3,811.63	90.60
	4,483.63	100.00	4,207.49	100.00



2.33 Gratuity plan:

The following table sets out the status of the gratuity plan as required under revised AS 15:

Reconciliation of the projected benefit obligations		(Rupees in laacs)	
Particulars	31 December 2015	31 December 2014	
Change in Defined Benefit Obligations			
Obligations at the beginning of the year	1,531.03	1,358.64	
Service cost	104.33	78.33	
Interest cost	120.98	121.70	
Benefits paid	(122.18)	(148.46)	
Actuarial (gain) / loss	(4.85)	120.82	
Obligations at the end of the year	1,629.31	1,531.03	
Change in Plan Assets			
Plan assets at the beginning of the year, at fair value	1,421.84	1435.64	
Expected return on plan assets	104.06	101.58	
Actuarial gain	24.11	23.64	
Contributions	89.29	9.44	
Benefits paid	(122.17)	(148.46)	
Plan assets at the end of the year, at fair value	1,517.13	1,421.84	
Reconciliation of present value of obligation and fair value of plan assets			
Fair value of the plan assets at the end of the year	1,517.13	1,421.84	
Present value of defined benefit obligation at the end of the year	1,629.31	1,531.03	
Liability recognised in the balance sheet	112.18	109.19	

Amounts recognised in the Statement of Profit and Loss are as follows:

(Rupees in laacs)

	31 December 2015	31 December 2014
Current service cost	104.33	78.33
Interest cost	120.98	121.70
Expected return on plan assets	(104.06)	(101.58)
Net actuarial (gain)/loss recognised in the year	(28.96)	97.18
Net gratuity cost	92.29	195.63

Principal actuarial assumptions at the reporting date

(Rupees in laacs)

	31 December 2015	31 December 2014
Discount rate	8.00%	7.80%
Expected return on plan assets	8.00%	7.50%
Future salary increases		
Management	10.00%	10.00%
Non management	7.00%	7.00%

The estimate of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees lacs)***2.33 Gratuity plan (continued)****History of defined benefit obligations and experience (gains) and losses (Rupees in lacs)**

Particulars	Financial year ending				
	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
Defined benefit obligation	1,629.31	1,531.03	1,358.64	1,319.68	1,178.81
Plan assets	1,517.13	1,421.84	1,435.64	1,255.07	1,108.41
Surplus / (Deficit)	(112.18)	(109.19)	77.00	(64.61)	(70.40)
Experience adjustments on plan liabilities	19.19	(33.28)	34.52	36.18	31.45
Experience adjustments on plan assets	24.11	23.64	26.97	78.98	2.31

2.34 Segment reporting

Based on guiding principles in AS 17 - "Segment Reporting," the primary business segment of the Company is "Cement". As the Company operates in a single primary business segment, disclosure requirements are not applicable. The Company primarily caters to the domestic market and accordingly there is no reportable secondary segment.



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.35 Operating leases

- (a) *As Lessee:* The Company is obligated under non-cancellable leases for office premises. Total rental expenses under such leases during the year amounted to Rs 408.07 lacs (previous year: Rs 366.75 lacs). Future minimum lease payments under non-cancellable operating leases are as follows:

Period	(Rupees in lacs)	
	31 December 2015	31 December 2014
Not later than 1 year	362.10	347.86
Later than 1 year but not later than 5 years	1,188.50	1,382.50
Later than 5 years	2,091.09	2,174.42

The Company has also taken cancellable operating leases for office premises, godowns, residential apartments and guest houses, which are renewable at the option of both the lessor and lessee. Total rental expense under cancellable leases amounted to Rs.765.96 lacs (previous year: Rs 786.69 lacs).

- (b) *As Lessor:* The Company has leased out railway sidings under non-cancellable lease. Total rental income under such leases during the year amounted to Rs 45.92 lacs (Previous year: Rs 45.92 lacs). Future minimum lease payments expected to receive under non-cancellable operating leases are as follows:

Period	(Rupees in lacs)	
	31 December 2015	31 December 2014
Not later than 1 year	45.92	45.92
Later than 1 year but not later than 5 years	183.68	183.68
Later than 5 years	872.44	918.36

The Company has also leased out its office premises and godowns during the year under cancellable operating lease agreements. Total rental income under cancellable leases amounted to Rs 1.64 lacs (previous year: Rs 1.85 lacs).

2.36 Earnings per share (EPS)

2015:

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share for the year ended 31 December 2015 is based on the profit attributable to equity shareholders of Rs 4,904.41 lacs and weighted average number of equity shares outstanding of 274,961,400.

2014:

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share for the year ended 31 December 2014 is based on the loss attributable to equity shareholders of Rs 6,765.26 lacs and weighted average number of equity shares outstanding of 274,961,400.



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees Lacs)***2.37 Related party disclosures****(a) Names of related parties and relationship**

Sl. No.	Name of related parties	Relationship
(i)	Italcementi S.p.A	Ultimate Holding Company
(ii)	Ciments Français S.A	Holding Company
(iii)	Sitapuram Power Limited	Subsidiary
(iv)	Gulbarga Cement Limited	Subsidiary
(v)	Bravo Solutions S.p.A.	Fellow subsidiary
(vi)	CTG S.p.A.	Fellow subsidiary
(vii)	Interbulk Trading SA	Fellow subsidiary
(viii)	Devnya Cement	Fellow subsidiary
(ix)	Suez Cement Company SAE	Fellow subsidiary
(x)	Shymkent Cement Company Limited	Fellow subsidiary
(xi)	Compagine Pour l'Investment Financier En Inde(CIFI)	Fellow subsidiary
(xii)	Singha Cement (Pvt) Limited	Fellow subsidiary
(xiii)	Asia Cement Public Company Limited	Fellow subsidiary
(xiv)	Adventz Investments and Holdings Ltd	Common Director
(xv)	Mr. Krishna Srivastav, Whole Time Director	Key Management Personnel
(xvi)	Mr. Nabil Paul Francis, Managing Director	Key Management Personnel
(xvii)	Mr. Sumira Ly	Key Management Personnel
(xviii)	Mr. I.R. Neelakanta	Company Secretary



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.37 Related party disclosures (continued)

(b) Transactions with related parties and year-end balances

(Rupees in lacs)

Sl. No.	Name of related party	Description of the transaction	Transactions		Outstanding balance [receivable / (payable)]	
			31 December 2015	31 December 2014	As at 31 December 2015	As at 31 December 2014
(i)	Sitapuram Power Limited (SPL) (^^)	(i) Expenses recoverable	4.00	2.77	-	-
		(ii) Power supply charges	10,454.00	9,638.49	(451.77)^	(686.22)^
(ii)	Gulbarga Cement Limited (GCL)	(i) Unsecured loan	-	-	6,848.69&	6,848.69&
		(ii) Interest accrued but not due (net of TDS)	660.11	752.82	2,726.07@	2065.98@@
		(iii) Interest income (gross)	-	-	-	-
		(iv) Expenses recoverable	280.29	277.34	145.81*	75.62*
(iii)	Ciments Francais (CF)	(i) Technical know how	3,583.00	4,505.82	(8,251.56)^	(4,124.12)^
		(ii) Sub License fees	1,068	-	-	-
		(iii) Expenses recoverable	75.00	67.46	-	-
		(iv) Expenses reimbursable	-	84.90	-	-
		(v) Guarantee fee	66.00	-	-	-
(iv)	Italcementi S.p.A.	(i) Expenses recoverable	-	0.23	-	-
		(ii) Agency commission	38.00	31.12	(198.88)^	(82.43)^
		(iii) Information Technology recharges	230.00	249.55	-	-
		(iv) Purchase of Plant and Machinery	-	2,286.18	-	-
		(v) Expenses reimbursable	-	-	-	-



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.37 Related party disclosures (continued)

(b) Transactions with related parties and year-end balances (continued)

(Rupees in lacs)

S.No	Name of the related party	Description of the transaction	Transactions		Outstanding balance [receivable / (payable)]	
			31 December 2015	31 December 2014	As at 31 December 2015	As at 31 December 2014
(v)	Bravo Solutions S.p.A.	(i) Repairs and maintenance Software (ii) E-procurement consultancy	- 39.00	43.74 -	- (37.91) ^a	(35.24) ^a -
(vi)	CTG S.p.A	(i) Expense recoverable (ii) Consultancy charges	- 261.00	0.10 315.70	- (261.02) ^a	- (44.21) ^a
(vii)	Interbulk Trading S.A	(i) Sale of manufactured products (net) (ii) Purchase of Power and fuel	- 2,133.00	2,487.72 5,292.27	- -	- (376.62) ^a
(viii)	Devnya Cement	(i) Expenses reimbursable	-	19.05	-	-
(ix)	Suez Cement Company S.A.E	(i) Expense recoverable	51.00	67.49	12.83 ^a	39.48 [#]
(x)	Asia Cement Public Company Limited	(i) Expense recoverable	10.00	-	-	-
(xi)	Singha Cement (Pvt) Limited	(i) Sale of manufactured products (net) (ii) Services provided	1,053 1,806	304.39 -	180.03- 226.55-	106.53-
(xii)	Mr. Krishna Srivastava	(i) Remuneration	119.91	150.65	-	-
(xiii)	Mr.Nahil Paul Francis	(i) Remuneration	124.07	122.13	-	-
(xiv)	Mr. Sumira Iy	(i) Remuneration	89.80	61.18	-	-
(xv)	Mr. J. R. Neelkanta	(i) Remuneration	48.08	38.26	-	-



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.37 Related party disclosures (continued)

aggregating Rs NIL (previous year: Rs 39.48 lacs) has been disclosed under note 2.13 as amounts due from related parties in long-term loans and advances.

^ aggregating Rs 9,199.14 lacs (previous year: Rs 5,348.84 lacs) has been disclosed under 2.8 as amounts due to related parties in trade payables.

* aggregating Rs 158.64 lacs (previous year Rs 75.62 lacs) has been disclosed under note 2.19 as amounts due from related parties in other current assets.

& aggregating Rs 6,114.19 lacs (previous year Rs 6,848.69 lacs) has been disclosed under note 2.13 as loan to Gulbarga Cement Limited in long term loans and advances and Rs 734.50 lacs under note 2.18 has been disclosed as Loan to Gulbarga Cement Limited in short-term loans and advances.

@ aggregating Rs 2,416.49 lacs (previous year Rs 2,065.98 lacs) has been disclosed under note 2.14 as interest accrued on loan to Gulbarga Cement Limited in non-current assets and 309.60(previous year Rs. nil) lacs under note 2.19 has been disclosed as Interest accrued on loan to Gulbarga Cement Limited in Other current assets.

~ aggregating Rs. 406.58 lacs (previous year Rs. 106.53 lacs) has been disclosed under note 2.16 as Trade receivables.

^^ As at 31 December 2013 amounts receivable from Sitapuram Power Limited (SPL) was Rs. 1,832.59 lacs and SPL had raised counter claims on the Company aggregating Rs. 5,618.75 lacs as informed to us by the Management, which was under dispute. The dispute was pending with the Honourable High Court of Andhra Pradesh which had appointed an Arbitrator and the matter had been referred to the Arbitrator. Subsequent to 31 December 2014 the Company has entered into a Settlement Agreement with SPL dated 7 January 2015 and has settled the dispute for Rs. 1,500 lacs in full and final settlement of all the claims. The Company and SPL had undertaken to keep the arbitration proceedings in abeyance and had agreed to jointly write to the Arbitrator to keep the proceedings in abeyance till the closing of the Settlement Agreement. Furthermore, on 13 May 2015 both the parties have agreed to settle their disputes in order to ensure smooth functioning of business of both the parties and to avoid incurring further costs, management time, energy etc., and in furtherance of interests subservient and prudent for them. The Company has paid Rs. 1,500 lacs during the year ended 31 December 2015.



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees lacs)***2.38 Provision for contingencies**

Set out below is the movement in provision balances in accordance with Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets'.

The provision for contingencies is created towards the adverse outcome of cases/ claims pending against the Company. The provision is based on informed advice obtained by the Company. The Company, however, cannot estimate with reasonable certainty the period of utilization of the same.

(Rupees in lacs)

Particulars	As at 1 January 2015	Additions#	Utilised	Reversed	As at 31 December 2015
Electricity duty	245.28	-	-	-	245.28
Sales tax matters	966.30	1,408.31	-	-	2,374.61
Electricity charges	29.74	-	-	-	29.74
Site restoration expenses	960.00	23.80	-	-	983.80
Custom Duty claims	1,266.08	111.81	-	-	1,377.89
Employees State Insurance (ESI)	127.93	-	-	-	127.93
Life Tax	94.86	-	18.14	-	76.72
Railway claims	51.13	250.00	-	-	301.13
Additional Power Cost	-	950.00	-	-	950.00
Total	3,741.32	2,743.92	18.14	-	6,467.10

debited under the respective categories in the financial statements.

Electricity duty

The Company was generating power from DG sets before 2005 for which the Andhra Pradesh Electricity Regulatory Commission has levied an electricity duty at the rate of Rs 0.25 per unit of Kwh.

Sales tax matters

Provision is primarily on account of various demands raised by assessing authorities towards Central Sales Tax in freight, entry tax on dumpers and other sales tax related matters. Further, it includes provision with regard to exposure on sales tax on account of stock transfers.

Electricity charges

The Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL) has made a claim of Rs 29.74 lacs towards energy loss due to defective meters during the period May 2001 to April 2002.

Site restoration expenses

Costs for re-establishing the underground and surface area of a quarry / pit (e.g. refilling the quarry and re-establishing the overburden) after excavation and costs for the removal of machinery / installations after closure are referred to as site restoration costs. The provision for the year is made based on the Management's best estimate of the probable expenditure that may be incurred for utilisation of land reserves during the year.

Custom duty

The provision is for case relating to all alleged wrong classification of bituminous coal as steam coal which is pending before various authorities. As the Company had lost the case in Central Excise and Service Tax Appellate Tribunal, the Company has made provision aggregating Rs. 1,377.89 lacs.



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.38 Provision for contingencies (continued)

ESI

The Company had obtained exemption from ESI Corporation regarding applicability of ESI provisions from March 1986 to March 1993. Subsequently though the Company had applied for exemption, ESI Corporation had not granted the same and raised demand for the period after April 1993. The Company had filed an appeal with ESI Court on the applicability of ESI provision in view of the superiority of facilities provided as compared to the ESI scheme. The ESI Court had upheld the Company's appeal. However, on an appeal made by the ESI Corporation before the High Court of Andhra Pradesh against the order of the ESI Court, the order of the ESI Court was set aside. The Company has filed an SLP before the Supreme Court of India against the order of High Court of Andhra Pradesh and the Supreme Court of India has granted interim directions against any recovery proceedings by ESI Corporation. On account of abundant precaution, the Company has made total provision of Rs. 127.93 lacs towards this case.

Life Tax

The Company had received claim from Office of Regional Transport Officer, Prodatpur towards payment of life tax on dumpers in accordance with Motor Vehicles Act, 1963 for dumper used in factory. The Company has paid INR 18 lacs (including penalty in addition to the amount already paid) during the year. Accordingly the Company has made total provision of INR 76.72 lacs towards this case in addition to the amount already paid.

Additional Power Cost

Provision is primarily on account of liability for wheeling charges that may be imposed by Andhra Pradesh Southern Power Distribution Company Limited on the total power consumed by the Company from Sitapuram Power Limited at the rate of 19 paise since April 2008. The Management has created a provision of INR 95 million towards the total exposure of INR 290 million in this matter. This is based on the Management's best estimate.

2.39 The Company has not received any confirmation from any of the enterprises which have provided goods and services to the Company which qualify under the definition of micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006.

2.40 Derivative Instruments

The Company uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates.

1. Outstanding Derivative Instruments

Category	Currency Hedged	31 December 2015		31 December 2014	
		In foreign currency (in lacs)	Rupees in lacs	In foreign currency	Rupees in lacs
Forward exchange contracts (to hedge trade payables)	USD	31.62	2,097.56	-	-
Forward exchange contracts (to hedge long-term borrowings)	USD	-	-	59.40	3,761.89
Total	USD	31.62	2,097.56	59.40	3,761.89



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.40 Derivative Instruments (continued)

II. Particulars of un-hedged foreign currency exposure as at the reporting date

Particulars	31 December 2015		31 December 2014	
	Amount in Foreign currency	Amount in INR (Rupees in lacs)	Amount in Foreign currency	Amount in INR (Rupees in lacs)
Capital Creditors				
EUR	0.79	56.35	1.36	104.59
GBP	-	-	0.09	0.94
Trade Payables				
EUR	1.90	137.56	56.05	4,316.53
USD	0.06	3.87	5.95	376.62
Interest Accrued but not due on Borrowings				
USD	-	-	0.28	17.78
Advances to suppliers				
USD	37.10	2,460.77	0.93	59.51
EUR	0.05	3.57	0.09	7.65
JPY	-	-	3.35	1.77
Due from Related Parties				
EUR	0.18	12.83	0.62	39.48
Due to Related Parties				
EUR	128.06	9,284.42	-	-
Capital Advances				
EUR	0.79	57.05	1.03	79.05
USD	0.06	4.29	-	-

*USD – US Dollar, EUR – Euro, JPY-Japanese Yen, GBP – British Pound Sterling



Zuari Cement Limited**Notes forming part of the standalone financial statements (continued)***(Amounts in Rupees lacs)***2.41 Details of Non-current investments purchased and sold during the year:****(Rupees in lacs)**

Particulars	Face value per unit	As at 31 December 2014	Purchased during the year	Sold during the year	As at 31 December 2015
<i>(i) Subsidiaries</i>					
<i>(a) Sitapuram Power Limited</i>					
Equity shares	Rs.10/-	2,350.99 (509,940)	-	-	2,350.99 (509,940)
Cumulative Redeemable Preference Shares	Rs.100/-	2,749.00 (2,749,000)	-	-	2,749.00 (2,749,000)
<i>(b) Gulbarga Cement Limited</i>	Rs.10/-	8,474.33 (22,496,691)	-	-	8,474.33 (22,496,691)
<i>(ii) Other entities</i>					
<i>Energion Power Resources (P) Ltd</i>					
Equity Shares	Rs.10/-	2.32 (22,460)	-	-	2.32 (22,460)
Cumulative Compulsory Non participative Preference Shares	Rs.100/-	14.88 (14,419)	-	-	14.88 (14,419)

* The amounts in parenthesis represents number of shares.



Zuari Cement Limited

Notes forming part of the standalone financial statements (continued)

(Amounts in Rupees lacs)

2.41 Details of Non-current investments purchased and sold during the previous year:

(Rupees in lacs)

Particulars	Face value per unit	As at 31 December 2013	Purchased during the year	Sold during the year	As at 31 December 2014
<i>(i) Subsidiaries</i>					
(a) Sitapuram Power Limited					
Equity shares	Rs.10/-	2,350.99 (509,940)	-	-	2,350.99 (509,940)
Cumulative Redeemable Preference Shares	Rs.100/-	2749.00 (2,749,000)	-	-	2749.00 (2,749,000)
(b) Gulbarga Cement Limited					
	Rs.10/-	8,474.33 (22,496,691)	-	-	8,474.33 (22,496,691)
<i>(ii) Other entities</i>					
Energion Power Resources (P) Ltd					
Equity Shares	Rs.10/-	-	2.32 (22,460)	-	2.32 (22,460)
Cumulative Compulsory Non-participative Preference Shares	Rs.100/-	-	14.88 (14,419)	-	14.88 (14,419)

* The amounts in parenthesis represents number of shares.

2.42 Details of loans given during the year:

(Rupees in lacs)

Name of borrower	Rate of Interest	Term	As at 31 December 2014	Given during the year	Repayment during the year	As at 31 December 2015
Gulbarga Cement Ltd	10.30% per annum	5 years	6,848.69	-	-	6,848.69
Total			6,848.69	-	-	6,848.69

Details of loans given during the previous year:

(Rupees in lacs)

Name of borrower	Rate of Interest	Term	As at 31 December 2013	Given during the year	Repayment during the year	As at 31 December 2014
Gulbarga Cement Ltd	10.30% per annum	5 years	6,848.69	-	-	6,848.69
Total			6,848.69	-	-	6,848.69

All these loans given to subsidiaries are unsecured. The loans have been given to the subsidiaries in the normal course of business for their operations.



2.43 Investments in Sitapuram Power Limited and Power Arrangement Agreement

The Company has promoted a Special Purpose Vehicle (SPV) by entering into a Share Subscription Agreement (SSA) with KSK Energy Ventures Limited (KSK) by the name of Sitapuram Power Limited (SPL) to set up a 43 MW Captive Power Plant (CPP) in Sitapuram to cater to its power requirements. The Company's stake in SPL is 51% and balance is held by KSK.

KSK is engaged in the business of development of power projects and shall be responsible for implementing and executing this project. During the intervening period till the Power project is commissioned and to procure uninterrupted power supply, the Company has entered into a Power Arrangement Agreement (PAA) with KSK for the supply of 38 MW of power per annum and has paid an interest free advance of Rs 2,300 lacs which shall be refunded by KSK after 10 years from commissioning of the plant (i.e.) March 2008.

In accordance with the SSA, the Company is committed to purchase the balance 49% stake in SPL from KSK on expiry of 10 years from the date of commissioning of the plant. The consideration to be paid, though not ascertainable as at the reporting date, is Re 1 plus the value of net assets as on the date of acquisition. The consideration will stand reduced to the extent of debts in SPL. Additionally, a sum of Rs 2,300 lacs is payable to KSK for development efforts at the end of 10 years. Accordingly, the same has been provided in the books and debited to cost of investments in subsidiary.

The SSA also provides an option whereby the Company can voluntarily buy out KSK's stake anytime after 3 years from the commissioning of the plant. The purchase consideration will be the present value of discounted cash flows (discounted value of projected cash flows, which will include the opening values of the statement of accounts and discounted at a rate of 14% per annum) attributable to KSK's investment in the SPL as on date of transfer. For the purpose of the discounted cash flow referred herein, it is assumed that the SPL will be debt-free.

2.44 During the year ended 31 December 2013, the Company had sought approvals from the Central Government of India with respect to appointment and payment of remuneration to Non Executive Directors for the year ended 31 December 2013. The aforesaid remuneration is in excess of the limits prescribed under the provisions of the Companies Act, 1956 and the Company had applied to the Central Government of India for necessary approvals. However, the approval for payment of remuneration to Non Executive Directors is awaited.

2.45 Cochin Port Trust vide allotment letter dated 24 September 2013 has allotted to Company 2.40 hectares of Land for 30 years on annual lease for setting up facilities for handling bulk cement and haggling plant. As per the terms of the allotment letter, the Company had to enter into a lease deed within 6 months from the date of taking over of land.



Zuari Cement Limited

Notes forming part of financial statements (continued)

(Amounts in Rupees lacs)

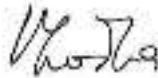
2.46. Investments in Energon Power Resources Private Limited

The Company in the previous year had executed a Share Subscription and Shareholders Agreement (SSHA) date 2 June 2014 with Energon Power Resources Private Limited ("EPRPL") and Energon Renewables Pvt Ltd. Pursuant to the terms of SSHA, the Company has invested a sum of Rs. 17.20 lacs to acquire 2.89% equity stake in the Company in 2014. This will provide an entitlement of 6 MW dedicated wind energy capacity in EPRPL for the Company.

for BSR & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



Vipin Lodha

Partner

Membership No. 076806

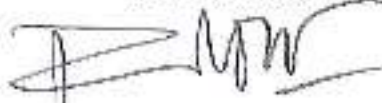
Place: Bangalore

Date: 15 February 2016

for and on behalf of Board of Directors of

Zuari Cement Limited

CTN: U26942AP2000PLC050415



Roberto Callieri

Chairman

DIN - 05139888

Place: Bangalore

Date: 15 February 2016

Nabil Paul Francis

Managing Director

DIN - 06579472

Place: Bangalore

Date: 15 February 2016

Sunnira Ly

Chief Financial Officer

Place: Bangalore

Date: 15 February 2016

L. R. Neelakanta

Company Secretary

Place: Bangalore

Date: 15 February 2016

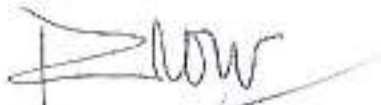
ZUARI CEMENT LIMITED
FORM AOC-1

STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014


		Rs. In Lacs	
1	S.No.	1	2
2	Name of the Subsidiary Company	Sitapuram Power Limited	Gulbarga Cement Limited
3	Reporting period for the subsidiary concerned	31st December, 2015	31st December, 2015
4	Reporting currency	INR	INR
5	Share Capital	4,800	10,488
6	Reserves & surplus	4,617	26,377
7	Total Assets	22,582	46,733
8	Total Liabilities	13,165	9,868
9	Investments	-	1,988
10	Turnover	15,486	-
11	Profit(Loss) before taxation	(900)	(689)
12	Provision for taxation	304	-
13	Profit after taxation	(1,203)	(689)
14	Proposed Dividend	-	-
13	% of shareholding	50.99%	21.45%

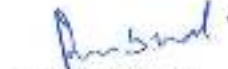
Note : Gulbarga Cement Limited is yet to commence operations.

On behalf of the Board of Directors


Roberto Callieri
Chairman
DIN - 05139888
Place : Bangkok


Nubil Paul Francis
Managing Director
DIN - 06579472
Place : Bangalore


Sumira Ty
Chief Finance Officer
Place : Bangalore


L.R. Neelakanta
Company Secretary
Place : Bangalore

Date : 15th February, 2016