

**SILICA CERAMICA
PRIVATE LIMITED
2015-16**

Independent Auditor's Report To the Members of Silica Ceramica Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Silica Ceramica Private Limited ('the Company'), which comprise the balance sheet as at March 31, 2016 the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

2. The Company does not have any long term contracts including derivative contracts and hence has not made provision on such contracts;
3. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Borkar & Muzumdar
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

Place: Mumbai
Date: May 14, 2016

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2016, we report that:

- i. **Fixed Assets**
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size and nature of the Company. Discrepancies notices on such physical verification have been properly dealt in the books of accounts.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. During the Operating cycle of Company, Management regularly conduct physical verification of Finished Goods, raw material and Stores and Spares which in our opinion is reasonable, having regard to the size and nature of the Company. The discrepancies noticed on such verification were not significant and the same have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, therefore clause iii (a) to (c) of the Order, is not applicable to the Company
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any investment, provided any Loan, security and guarantee, so provision of Section 185 and 186 of the Companies Act, 2013 is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products manufactured by the Company.
- vii. **Statutory Dues**
 - 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, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2016 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 material dues of duty of customs, sales tax, service tax, value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax, have not been deposited by the Company on account of disputes:

Name of the statute	Nature of Dues	Amount in Lakhs	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.81	Commissioner of Income Tax (Appeals)

- viii. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank and government. The Company has not issued any debentures.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the provisions of Section 197 read with Schedule V to the Companies Act, 2013 is not applicable to Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. Details of such transactions with the related parties have been disclosed in the financial statements as required by the applicable Accounting Standard.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has made preferential allotment of shares during the year and complied with the requirements of section 42 of the Companies Act, 2013 and the amounts raised have been used for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Borkar & Muzumdar
Chartered Accountants
Firm Reg No 101569W**

sd/-

**CA Nandan Pai
Partner
Membership No: 109394**

**Place: Mumbai
Date: May 14, 2016**

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Silica Ceramica Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

Place: Mumbai
Date: May 14, 2016

SILICA CERAMICA PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	As at 31-03-2016		As at 31-03-2015	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	3	16.69		8.69	
b. Reserves and Surplus	4	25.38	42.07	33.16	41.85
2. Non-Current Liabilities					
a. Long-term Borrowings	5	145.31		145.31	
b. Deferred Tax Liability (Net)		-		-	
c. Other Long-term liabilities	6	0.08		0.09	
d. Long-term provisions	7	0.34	145.73	0.29	145.69
3. Current Liabilities					
a. Short-term borrowings	8	35.91		36.38	
b. Trade Payables	9	45.48		39.64	
c. Other Current Liabilities	10	70.19		82.30	
d. Short-term provisions	11	4.53	156.11	3.38	161.70
TOTAL			343.91		349.24
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets	12				
i. Tangible Assets		163.56		166.32	
ii. Intangible Assets		0.19		0.44	
iii. Capital Work in Progress		0.47		1.79	
b. Deferred Tax Asset	13	9.40		9.40	
c. Non-current investments		-		-	
d. Long-term loans and advances	14	4.77		4.56	
e. Other non-current assets	15	20.93	199.32	19.31	201.82
2. Current Assets					
a. Inventories	16	70.75		60.79	
b. Trade Receivables	17	43.85		47.25	
c. Cash and Bank balances	18	2.79		14.37	
d. Short-term loans and advances	19	8.57		6.61	
e. Other Current Assets	20	18.63	144.59	18.40	147.42
TOTAL			343.91		349.24

Significant Accounting Policies 2
The notes form an integral part of the financial statements

As per our report of even date

For and on behalf of Borkar & Muzumdar
Chartered Accountants
FRN - 101569W

sd/-

Nandan Pai
Partner
Membership No:109394

Place: Mumbai
Dated: 14th May 2016

For and on behalf of the Board

sd/-

Sunil Kumar Sethi
Director
DIN : 06442737

Manoj Kumar Patra
Chief Financial Officer

sd/-

D R Kulkarni
Director
DIN : 02534285

Jagruti Shah
Company Secretary

SILICA CERAMICA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	2015-16		2014-15	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
Revenue from Operations					
Sales of products and services		240.95		248.14	
Other Operating Income	21	2.60		3.74	
		<u>243.55</u>		<u>251.88</u>	
Less: Excise Duty		28.93		29.61	
Total Revenue from Operations			214.62		222.27
Other Income	22		0.49		2.29
Total Revenue			<u>215.11</u>		<u>224.56</u>
Expenses					
- Cost of Materials consumed	23	100.48		109.07	
- Changes in inventories	24	(5.44)		(11.15)	
- Manufacturing expenses	25	83.86		96.66	
- Employees benefit expenses	26	18.18		16.94	
- Finance cost	27	30.40		29.92	
- Depreciation and Amortisation expenses	12	11.44		12.22	
- Other expenses	28	5.44		3.67	
Total Expenses			<u>244.36</u>		<u>257.33</u>
Profit/(Loss) Before Exceptional items and Tax			<u>(29.25)</u>		<u>(32.77)</u>
Exceptional items			-		-
Profit/(Loss) before Tax			<u>(29.25)</u>		<u>(32.77)</u>
Tax Expenses					
- Current Tax		-		-	
- Income Tax earlier years		-		-	
- Deferred Tax	13	-	-	-	-
Profit/(Loss) for the year			<u><u>(29.25)</u></u>		<u><u>(32.77)</u></u>
Earning per Equity Share (Face Value of ₹ 10/- each) Basic and Diluted (₹)			(32.53)		(86.98)

Significant Accounting Policies

2

The notes form an integral part of the financial statements

As per our report of even date

For and on behalf of Borkar & Muzumdar

Chartered Accountants

FRN - 101569W

sd/-

Nandan Pai

Partner

Membership No:109394

For and on behalf of the Board

sd/-

Sunil Kumar Sethi

Director

DIN : 06442737

sd/-

Manoj Kumar Patra

Chief Financial Officer

sd/-

D R Kulkarni

Director

DIN : 02534285

Jagruti Shah

Company Secretary

Place: Mumbai

Dated: 14th May 2016

SILICA CERAMICA PRIVATE LIMITED

Cash Flow Statement for the Year Ended March 31, 2016

Particulars	As at 31-03-2016		As at 31-03-2015	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
A. Cash Flow from Operating Activities				
Profit/(Loss) before taxation as per Statement of Profit and Loss		(29.25)		(32.77)
<i>Adjustment for:</i>				
Depreciation & amortisation	11.44		12.22	
Provision for Bad and Doubtful Advances	-		0.03	
(Profit)/Loss on sale of assets (net)	(0.02)		(0.01)	
Interest Income	(0.47)		(1.54)	
Interest Expenditure	30.40	41.35	29.92	40.62
Operating Profit/(Loss) before working capital changes		12.10		7.85
Changes in Working Capital				
Increase / (Decrease) in trade and other payables	5.84		(1.68)	
Increase / (Decrease) in long term provisions	0.05		0.08	
Increase / (Decrease) in short term provisions	1.15		-	
Increase / (Decrease) in other current liabilities	(10.57)		65.73	
Increase / (Decrease) in other long term liabilities	(0.01)		(0.37)	
(Increase) / Decrease in trade receivable	3.40		(47.17)	
(Increase) / Decrease in inventories	(9.96)		(14.07)	
(Increase) / Decrease in Other Bank Balances under Lien	12.61		(1.02)	
(Increase) / Decrease in short term loans and advances	(1.96)		(2.35)	
(Increase) / Decrease in long term loans and advances	(0.21)		(0.05)	
(Increase) / Decrease in other non-current assets	(1.62)		1.52	
(Increase) / Decrease in other current assets	(0.23)	(1.51)	(12.55)	(11.93)
Cash Generated from Operations		10.59		(4.08)
Direct taxes Paid (Net of refunds)		-		-
Net cash used in/generated from operating activities (A)		10.59		(4.08)
B. Cash flow from Investing Activities				
Purchase of fixed assets and additions in CWIP	(7.70)		(3.71)	
Proceeds from sales of fixed assets	0.08		0.01	
Interest received	0.47		1.54	
Net cash generated from/used in investing activities (B)		(7.15)		(2.16)
C. Cash flow from Financing Activities				
Increase in Share Capital including Share Premium	30.00		20.00	
Additions to Borrowings	75.00		75.00	
Repayment of Borrowings	(77.01)		(58.49)	
Interest Paid	(30.40)		(29.92)	
Net cash generated from financing activities (C)		(2.41)		6.59
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)		1.03		0.35
Cash and cash equivalents at the beginning of the year		0.46		0.11
Cash and cash equivalents at the end of the year		1.49		0.46
Cash and cash equivalents comprises of:				
Cash on hand		0.01		0.07
Balance with Banks		1.48		0.39
Total		1.49		0.46

As per our report of even date

For and on behalf of Borkar & Muzumdar

Chartered Accountants

FRN - 101569W

sd/-

Nandan Pai

Partner

Membership No:109394

For and on behalf of the Board

sd/-

Sunil Kumar Sethi

Director

DIN : 06442737

sd/-

D R Kulkarni

Director

DIN : 02534285

sd/-

Manoj Kumar Patra
Chief Financial Officer

sd/-

Jagruti Shah
Company Secretary

Place: Mumbai

Dated: 14th May 2016

SILICA CERAMICA PRIVATE LIMITED

NOTE – 1

Back Ground:

Incorporated on 12th December, 2006, started its commercial production on 27th March, 2009. The Company is engaged in the manufacturing of Vitrified Floor Tiles. It is currently a subsidiary of Prism Cement Limited.

NOTE - 2

A. Significant Accounting Policies:

1. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

2. Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although such estimates were on a reasonable and prudent basis taking into account all available information, actual results could differ from estimates and such differences are recognized in the year in which the results are ascertained.

4. Inventories:

- a. **Raw materials, Packing Materials, Stores & Spares:** Material cost is ascertained on weighted average basis and conversion & other costs incurred for bringing the inventories to their present location and conditions are allocated to the extent required.

b. **Work in Process:** Valued at cost.

c. **Finished Goods:** Valued at lower of cost or net realizable value.

5. Fixed Assets and Depreciation:

- i. Fixed Assets are carried at historical cost less depreciation accumulated thereon.
- ii. The useful lives of assets/components of assets are adjusted based on technical valuation by the management as per Schedule II compliance of Companies Act, 2013.
- iii. Depreciation other than on Lease hold land and Investment made at Kavitam, in connection with Natural Gas well is provided on Fixed Assets on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.
- iv. Cost of acquisition of leasehold land is amortised over the period of lease.
- v. Cost of acquisition for assets made at Kavitam for Natural Gas extraction is amortised over a period to right to extract Gas is agreed.
- vi. Depreciation on fixed Assets purchased / disposed off during the year, is provided on pro-rata basis with reference to the date of put to use / disposal.
- vii. Depreciation on Software is provided at the rate of 20% p.a. on straight line basis.

6. Revenue Recognition:

Sales: Revenue is recognised when the sale is completed with the passing of risks and rewards attached to goods. Sales are recognized after adjustment in respect of current year's sales return, value added tax, discounts and inclusive of excise.

Interest: Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

7. Foreign Currency Transactions:

Transactions in foreign currency are accounted at the exchange rates prevailing at the time of entering into the transaction or at the contracted rates.

Transactions remaining unsettled at the yearend are translated at the exchange rates prevailing as at the Balance Sheet date or at contracted rates as may be applicable and gain/loss arising from such transactions as also those arising from settled transactions are adjusted in the Profit & Loss Account.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding at the Balance Sheet date. The premium or discount on such contracts is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as an income or expense for the period.

For Accounting of Foreign Exchange Company has availed Option Provided under Paragraph 46A of Accounting Standard 11-The Effects of Changes in Foreign Exchange Rates vide Notification dated December 29,2011 issued by MCA. Exchange difference arising on principal amount of borrowing are not considered as borrowing cost and treated as a part of foreign exchange difference. Consequently , the exchange difference on long term foreign currency monetary items , which were being recognized in Profit and Loss Statement in earlier years , are now being dealt with in the following manner:-

- Foreign exchange difference on long term borrowing utilized for acquisition of depreciable asset is treated as adjustment to the cost of depreciable asset and the same is depreciated over the balance useful life of asset.
- Foreign exchange difference arising from other long term monetary items are accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of said asset or liability.

8. Investments

Long-Term Investments:

Long-term investments in shares are stated at cost. The provision for diminution in value of such investments is made if such diminution is considered other than temporary. There are no such Long Term Investments.

Current Investments:

Current investments are recorded at lower of cost or fair value. There are no such Current Investments.

9. Employee Benefits

a. Defined Contribution Plans

Provident Fund is defined contribution plans. Contributions paid / payable to defined contribution plan comprising of Provident Funds to employees is recognised in the Statement of Profit and Loss each year. Employees are entitled to medical benefit of which premium is paid by the Company.

b. Defined Benefit Plans

Gratuity Benefits are treated as defined benefit plans. Employees are entitled to carry forward unutilized leave, the liability of which is arrived based on actuarial valuation.

Post employment benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the Statement of Profit and Loss.

10. Borrowing Cost

Borrowing Costs that are attributable to the acquisitions, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

11. Accounting for Lease

Lease rentals in respect of assets taken on 'Operating Lease' are charged to Statement of Profit and Loss on the basis of agreements.

12. Taxes on Income:

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Minimum Alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future Income Tax liability, is recognised as an asset in the balance sheet if there is convincing evidence that the Company will normal tax and such amounts can be measured reasonably.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Asset/liability, recognised in the books is reassessed at the balance sheet date for the appropriateness of their carrying values.

13. Impairment:

The Company assesses at each Balance Sheet date whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets of Cash Generating Unit and if the same is less than carrying amount, carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognised in the Profit & Loss Account. If at the Balance Sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recoverable amount is re assessed and the assets are reflected at the recoverable amount.

14. Provisions, Contingent Liabilities & Contingent Assets:

- a) A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed on each Balance Sheet date and are to effect the current best estimation.

- b) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspect of the matter involved in the case of:
 - i. A probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

 - ii. A possible obligation, unless the probability of outflow of resources is remote.

- c) Contingent Assets are neither recognised nor disclosed.

15. Incentives from Government:

Government grants are recognised only if there is reasonable assurance that (i) the enterprise will comply with the conditions attached to them, and (ii) the grants will be received.

Government grants related to revenue are recognised in the Statement of Profit & Loss Account on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.

3 Share Capital

Particulars	As at 31-03-2016		As at 31-03-2015	
	₹ Crores		₹ Crores	
Authorised : 167.00 Lac Equity shares of ₹ 10/- each (Previous year : 87.00 Lac Equity shares of ₹10/- each)	16.70		8.70	
Total	16.70		8.70	
Issued, Subscribed and Fully Paid up : 166.85 Lac Equity shares of ₹ 10/- each fully paid-up (Previous year : 86.85 Lac Equity shares of ₹ 10/- each)	16.69		8.69	
Total	16.69		8.69	

Additional Information :**a) Reconciliation of number of equity shares outstanding**

Particulars	As at 31-03-2016		As at 31-03-2015	
	At the beginning of the year	8,685,000		3,685,000
Issued During the year	8,000,000		5,000,000	
At the end of the year	16,685,000		8,685,000	

c) Details of Shareholders holding more than 5% of the issued shares

Name of the Shareholder	As at 31-03-2016		As at 31-03-2015	
	Total shares held	As a % of total shares	Total shares held	As a % of total shares
Prism Cement Limited (Holding Company)	16,622,500	99.63%	8,622,500	99.28%

4 Reserves and Surplus

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Securities Premium Account		
Opening Balance	104.71	89.71
Add: Received during the Year	<u>22.00</u>	<u>15.00</u>
Closing Balance	126.71	104.71
Surplus in Statement of Profit and Loss		
Opening Balance	(71.55)	(38.78)
Less : Depreciation (post tax impact) adjustment consequent to implementation of Schedule II for Assets where remaining useful life is nil. See Note 12.	(0.53)	
Add : Net Profit/(Loss) for the current year	(29.25)	(32.77)
Less: Transferred to General Reserve		
Closing Balance	(101.33)	(71.55)
Total	25.38	33.16

5 Long-term Borrowings

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Secured Loans :		
From Banks		
- Term Loans	-	1.54
From NBFC		
- Term Loans (refer Note 1 below)	<u>150.00</u> 150.00	<u>150.00</u> 151.54
Less: Disclosed under Other Current Liabilities		
- Current maturities of long-term borrowings	4.69	6.23
Total	145.31	145.31

Secured Loans**(a) Term Loan from Banks and Others**

Sr. No.	Security	As at 31-03-2016 (₹ Crores)	Repayment Terms
1	First pari passu charge on all fixed assets (including Land & Building) both current and future and Corporate Guarantee of Prism Cement Limited (Holding Company).		
	a. Axis Finance Ltd	75.00	Payment terms in 16 equal quarterly installments commencing from March 2017.
	b. Aditya Birla Finance Pvt Ltd.,	75.00	Payment terms in 16 equal quarterly installments commencing from April 2017.

6 Other Long Term Liabilities

Particulars	As at 31-03-2016	As at 31-03-2015
	₹ Crores	₹ Crores
Security deposit from customers/others	0.08	0.09
Total	0.08	0.09

7 Long Term Provisions

Particulars	As at 31-03-2016	As at 31-03-2015
	₹ Crores	₹ Crores
For Employees' benefit	0.34	0.29
Total	0.34	0.29

8 Short Term Borrowings

Particulars	As at 31-03-2016	As at 31-03-2015
	₹ Crores	₹ Crores
Secured Loans :		
Loans repayable to banks		
On Demand (refer Note 1 below)	35.91	30.72
Others	- 35.91	5.66 36.38
Total	35.91	36.38

Details of Secured Loans

Sr. No	Security	As at 31-03-2016 (₹ Crores)	Repayment Terms
1	Secured by first pari passu charge by way of hypothecation of stocks and book debts & second pari passu charge on the assets by way of mortgage and hypothecation in respect of those assets which are first charged to Term Loan Lenders		
	Axis Bank Ltd. - Cash Credit	8.66	On Demand
	Axis Bank Ltd. - WCDL	10.07	On Demand
	Karur Vysya Bank Ltd. - Cash Credit	2.02	On Demand
	Karur Vysya Bank Ltd. - WCDL	7.58	On Demand
	Yes Bank Ltd. - Cash Credit	2.58	On Demand
	Yes Bank Ltd. - WCDL	5.00	On Demand
	Total	35.91	

9 Trade Payables

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Dues to Micro, Small and Medium Enterprises (Due for 45 days or less)	-	-
Dues to Others	45.48	39.64
Total	45.48	39.64

10 Other Current Liabilities

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Current maturities of long-term borrowings	4.69	6.23
Interest accrued but not due	0.23	0.17
Other Payables		
Statutory Liabilities	3.62	4.35
Other Employee Dues	0.87	0.20
Creditors for capital items	0.62	0.18
Advance from Related Parties	-	4.13
Bills Payable	54.64	62.14
Liability for expenses	4.76	4.20
Advances from Customers	0.04	
Other Liabilities - Retention Money Payable	0.72	0.70
Total	70.19	82.30

11 Short term Provisions

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Provision for Employee Benefits		
Provision for Gratuity	0.01	-
Provision for Leave Encashment	0.03	0.01
Others		
Provision for Excise Duty on Finished Goods	4.49	3.37
Total	4.53	3.38

Note 12 Fixed Assets

SILICA CERAMICA PRIVATE LIMITED

₹ Crores

S. No.	Particular of Assets	Gross Block					Depreciation				Net Block	
		Cost as at 1st April 2015	Additions During the Year	Deductions During the Year	Cost as at 31st March 2016	Upto 1st April 2015	Transferred from Retained Earnings*	For the Year	Deductions During the Year	Upto 31st March 2016	As at 31st March 2016	As at 31st March 2015
	Tangible Assets											
1	Leasehold Land	-	-	-	-	-	-	-	-	-	-	-
2	Freehold Land	4.65	-	-	4.65	-	-	-	-	4.65	4.65	4.65
3	Roads & Buildings	29.26	0.48	-	29.74	4.26	-	1.09	-	24.39	25.00	25.00
4	Plant & Machinery	28.83	0.43	-	29.26	3.01	0.03	1.23	-	24.99	25.82	25.82
5	Furniture & Fixtures	159.64	8.02	0.08	167.58	31.57	0.51	9.26	-	126.26	128.07	128.07
6	Electrical Equipments	158.00	1.64	-	159.64	22.84	-	8.71	-	128.09	135.16	135.16
7	Office Equipment	0.42	0.36	-	0.78	0.16	-	0.09	-	0.53	0.26	0.26
8	Computer	0.39	0.03	-	0.42	0.12	-	0.04	-	0.26	0.27	0.27
9	Vehicles	11.40	0.02	-	11.42	3.51	0.02	0.58	-	7.31	7.89	7.89
10	Live Stock	11.35	0.05	-	11.40	1.79	-	1.72	-	7.89	9.56	9.56
	Intangible Assets											
11	Computer Software	0.38	0.10	-	0.48	0.20	-	0.08	-	0.18	0.26	0.26
		0.32	0.06	-	0.38	0.06	0.02	0.12	-	0.20	0.26	0.26
		0.36	0.03	-	0.39	0.19	-	0.05	-	0.24	0.17	0.17
		0.25	0.04	-	0.29	0.10	0.02	0.08	-	0.20	0.22	0.22
		0.25	-	-	0.25	0.15	-	0.03	-	0.18	0.10	0.10
		0.01	-	-	0.01	0.12	-	0.03	-	0.15	0.13	0.13
		0.02	-	0.01	0.01	0.01	-	-	-	-	-	-
		0.71	-	-	0.71	0.27	-	0.25	-	0.52	0.44	0.44
		0.60	0.11	-	0.71	0.05	-	0.22	-	0.27	0.55	0.55
	Total	207.08	9.01	0.08	216.01	40.32	0.53	11.43	0.02	52.26	163.75	166.76
	Capital Work in Progress	1.79	5.22	6.54	0.47	-	-	-	-	0.47	1.79	1.79
	Total	208.87	14.23	6.62	216.48	40.32	0.53	11.43	0.02	52.26	164.22	168.55
	Total	204.73	2.36	0.01	207.08	28.11	0.07	12.15	0.01	40.32	166.76	176.62
	* Depreciation (Post Tax Impact) adjustment consequent to implementation of Schedule II for Assets where remaining useful life is nil (Refer note 42)											

13 Deferred Tax :

In compliance with AS 22 (The Accounting Standard on "Accounting for Taxes on Income" issued by The Companies (Accounts) Rules, 2014 and the Provisions of The Companies Act 2013,) the following disclosures have been made.

The year end position of Deferred Tax Asset/Liability is given below :

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
<u>Deferred Tax Assets</u>		
Unabsorbed Depreciation as per Income Tax	30.08	30.76
Expenses provided but allowable in Income Tax on payment	0.22	0.08
Total (A)	30.30	30.84
<u>Deferred Tax Liability</u>		
Fixed Assets : Impact of difference between tax depreciation & depreciation provided	20.90	21.44
Total (B)	20.90	21.44
Net Deferred Tax Asset (A – B)	9.40	9.40

14 Long Term Loans and Advances

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Unsecured, Considered Good		
Security Deposits	3.88	3.45
Capital Advances	-	0.22
MAT Entitlement	0.89	0.89
Total	4.77	4.56

15 Other Non-current Assets

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Prepaid Expenses	0.07	-
Incentive/Subsidy Receivable	20.86	19.31
	20.93	19.31
Total	20.93	19.31

16 Inventories

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Raw Materials	17.94	15.75
Stock in transit	0.29	0.84
	18.23	16.59
Work-in-Progress	2.46	3.50
Finished goods	30.62	24.14
Stock in transit	-	-
	30.62	24.14
Stores and Spares	19.44	15.98
Stock in transit	-	0.58
	19.44	16.56
Total	70.75	60.79

17 Trade Receivables

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Unsecured - Considered Good :		
Over six months due	0.08	0.07
Others due	43.77	47.18
Total	43.85	47.25

18 Cash and Bank Balances

18.1 Cash and cash equivalents

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Cash in hand	0.01	0.07
Balances with banks in current accounts	1.48	0.39
Total A	1.49	0.46

18.2 Other Bank Balances

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Margin money with banks (Maturity more than 3 months but less than 12 months)	1.30	13.91
Total B	1.30	13.91
Total (A+B)	2.79	14.37

19 Short-term loans and advances

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Others :		
Unsecured, Considered Doubtful:		
Advance recoverable in cash or in kind	0.16	0.16
Less : Provision for Doubtful Advances	0.16	-
Unsecured, Considered Good:		
Advance recoverable in cash or in kind	3.13	3.46
Income tax (net of provisions)	0.31	0.29
VAT Recoverable	0.04	0.04
Balances with Excise and Customs	5.02	2.77
Others	0.07	0.05
Total	8.57	6.61

20 Other Current Assets

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Incentive/Subsidy Receivable	17.26	16.96
Prepaid Expenses	0.68	0.87
Interest Receivable but not due	0.37	0.57
Security Deposit	0.32	-
Total	18.63	18.40

21 Other Operating Income		
Particulars	2015-16	2014-2015
	₹ Crores	₹ Crores
Sale of Scrap	2.60	2.36
Others	0.00	1.38
Total	2.60	3.74
22 Other Income		
Particulars	2015-16	2014-2015
	₹ Crores	₹ Crores
Interest income	0.47	1.54
Net Gain/(Loss) on sales of Assets	0.02	0.01
Other non-operating income	0.00	0.74
Total	0.49	2.29
23 Details of Cost of Materials consumed		
Particulars	2015-16	2014-2015
	₹ Crores	₹ Crores
Raw Materials	76.93	87.29
Minerals	9.99	6.82
Soluble Salt , Stains & Colors	5.48	5.27
Packing Material	8.08	9.69
Total	100.48	109.07
24 Change in inventories		
Particulars	2015-16	2014-2015
	₹ Crores	₹ Crores
Closing Stock (including in Transit)		
Finished Goods	30.62	24.14
Work-in-progress	<u>2.46</u>	<u>3.50</u>
	33.08	27.64
Less: Opening Stock (including in Transit)		
Finished Goods	24.14	13.62
Work-in-progress	<u>3.50</u>	<u>2.87</u>
	27.64	16.49
Total	5.44	11.15

25 Manufacturing Expenses

Particulars	2015-16 ₹ Crores	2014-2015 ₹ Crores
Stores and spares consumed	16.28	18.02
Power and Fuel consumed	61.80	74.08
Adjustment of excise duty on stock	1.12	0.76
Repairs to Plant and Machinery	4.53	3.56
Machinery Hire Charges	0.13	0.24
Total	83.86	96.66

26 Employees Benefit Expenses

Particulars	2015-16 ₹ Crores	2014-2015 ₹ Crores
Salaries, wages and bonus	17.68	16.46
Contribution to Provident and other funds	0.42	0.39
Welfare and other expenses	0.08	0.09
Total	18.18	16.94

27 Finance Cost

Particulars	2015-16 ₹ Crores	2014-2015 ₹ Crores
Interest expenses	29.53	28.49
Other Finance Costs	0.87	1.43
Total	30.40	29.92

28 Other Expenses

Particulars	2015-16 ₹ Crores	2014-2015 ₹ Crores
Rent	0.16	0.09
Rates and taxes	0.53	0.25
Travelling and communication	0.50	0.62
Canteen Maintenance	0.43	0.34
Professional Fee & Consultancy	1.60	0.60
Statutory Audit Fee	0.04	0.04
Insurance	0.22	0.19
Provision for bad and doubtful advances	0.00	0.03
Add: Bad debts written off	0.00	0.00
(Gain)/Loss on exchange fluctuation	0.04	(0.45)
Printing & Stationery	0.01	0.09
Repairs to Buildings	0.18	0.13
Repairs others	0.08	0.48
Bank charges	0.20	0.20
Miscellaneous expenses	1.45	1.06
Total	5.44	3.67

Notes to Accounts

29. Outstanding Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) - ₹ 0.21Crores (Previous Year ₹ 0.50 Crores)

30. Details of Contingent Liabilities are shown as under:

(₹ in Crores)			
Sl. No.	Particulars	2015-16	2014-15
1	Letter of Credit Outstanding	5.79	8.31
2.	Bank Guarantees	1.32	1.69
3.	Dispute in respect of Value Added Tax	0.04	0.04
4.	Income Tax Demand AY 2013-14	0.81	--

31. Company has commitment to sell its entire production to H & R Johnson (India) [A division of Prism Cement Limited] on mutually agreed price.

32. Earnings per share:

Computation of Earnings per share:	2015-2016	2014-2015
Net Profit (Loss) for the year (₹ In Crores)	(29.25)	(32.77)
Weighted Average Number of Equity Shares outstanding during the year	89,91,011	37,67,192
Nominal Value per equity share	₹ 10/-	₹10/-
Basic and Diluted EPS (₹)	(32.53)	(86.98)

33. In the opinion of the management, Sundry Debtors and Loans & Advances have a realizable Value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

34. Incentives/Subsidy from Government of Andhra Pradesh

- Incentive from Government for Power has been recognized and credited to respective expenses during the period ₹ 3.01Crores (Previous Year ₹ 2.77Crores).
- As per Andhra Pradesh Industrial Promotion Policy - 2005-2010, the company is entitled for subsidy of 50 % of Vat/CST paid against sales. The Company has recognized subsidy receivable for Vat/CST during the year ₹ 15.80 Crores (Previous Year ₹ 16.38 Crores).

35. Employee Benefits

The Company has determined the liability for employee benefits as at March 31, 2016 in accordance with revised Accounting Standard 15 – Employee benefits

a. Defined Contribution Plan

Contribution to Provident Fund charged to current year's Statement of Profit and Loss is ₹ 0.34Crores (Previous Year ₹ 0.32Crores).

b. Defined Benefit Plan

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date

The following table sets out the status as required by revised Accounting Standard 15 issued by Companies (Accounts) Rules, 2014 and the provisions of the Companies Act 2013 in respect of unfunded Gratuity benefit and Leave Encashment.

(₹ in Crores)					
	Particulars	2015-16	2014-15	2015-16	2014-15
		Gratuity		Leave Encashment	
I	Changes in the Present Value of Benefit Obligation				
	Present Value of Obligation at the beginning	0.17	0.13	0.13	0.10
	Interest Cost	0.01	0.01	0.01	0.01
	Current Service Cost	0.07	0.05	0.04	0.03
	Past Service Cost	--	--	--	--
	Benefits Paid	(0.02)	(0.04)	(0.03)	(0.03)
	Actuarial (Gain)/Loss on Obligation	(0.01)	0.02	(0.01)	0.02
	Present Value of Obligation at the end	0.22	0.17	0.14	0.13
II	Component of Employer's Expense				
	Current Service Cost	0.07	0.05	0.04	0.03
	Interest Cost	0.01	0.01	0.01	0.01
	Expected Return on Plan Assets	--	--	--	--
	Net Actuarial (Gain)/Loss recognized in the year	(0.01)	0.02	(0.01)	0.02
	Past Service Cost				
	Expenses Recognized in the Statement of Profit and Loss	0.07	0.08	0.04	0.06
III	Movement in the Net Liability recognized in the Balance Sheet				
	Opening Net Liability	0.17	0.13	0.13	0.10
	Expenses Recognized in the Statement of Profit and Loss	0.07	0.08	0.04	0.06
	Less: Benefits Paid	(0.02)	(0.04)	(0.03)	(0.03)
	Closing Net Liability	0.22	0.17	0.14	0.13
IV	Actuarial Assumptions				
	Discount Rate	7.84%	7.98%	7.84%	7.98%
	Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
	Expected Return on Plan Assets	N.A	N.A	N.A	NA

The Company does not have any category of funded plan assets.

36. (a) Preoperative Expenses: The Company has not capitalized any Preoperative Expenses during the year.

(b) The company has long term foreign currency borrowings which have been utilised for the purchase of the fixed assets. As per the circular issued by the MCA Dated 29/12/2011, The company, with effect from the FY 2011-12, has exercised the option to adjust the foreign exchange difference on such borrowings to the cost of fixed assets. Due to this, adverse movement of exchange difference on such borrowing arising during the year of ₹ 0.39Crores (PY ₹ 0.22 Crores) have been added to the cost of fixed assets and depreciation of ₹ 0.00 Crores (PY ₹ 0.00Crores) have been provided on the same.

37. Since the Company has only one segment reportable under Accounting Standard (AS 17) on Segment Reporting as specified in Companies Accounting Standard Rules, 2006 viz. Vitrified Tiles, no further disclosures are required to comply with the said standard.

38. As per Accounting Standard 18 “Related Party Disclosures” of Companies (Accounts) Rules, 2014 the Company’s related parties and transactions are disclosed below:

Related Party where control exists:

Prism Cement Limited	Holding Company
Silica Shareholders’ Trust along with beneficiaries	Co-venturer

Particulars of transactions with the related parties for the year 2015-16: (₹ in Crores)

Particulars	Holding Company	Key Management Personnel	Total
Purchase of raw material & spares	15.55 (15.58)	- (-)	15.55 (15.58)
Sale of goods	257.73 (267.07)	- (-)	257.73 (267.07)
Sales Fixed Assets	0.21 (-)	- (-)	0.21 (-)
Sale of RM and Corrugated Boxes	0.56 (-)	- (-)	0.56 (-)
Reimbursement of Expenses	0.07 (0.05)	- (-)	0.07 (0.05)
Other Receipts	0.25 (0.27)	- (-)	0.25 (0.27)
Purchase of Fixed Assets	1.72 (1.18)	- (-)	1.72 (1.18)

<u>Equity contribution</u>			
Share Capital	8.00 (5.00)	- (-)	8.00 (5.00)
Securities Premium	22.00 (15.00)	- (-)	22.00 (15.00)
Receiving of service-Rent	0.00 (0.00)	- (-)	0.00 (0.00)
Interest Paid	0.49 (3.89)	- (-)	0.49 (3.89)
Managerial Remuneration	- (-)	- (0.17)	- (0.17)

Other Current Liabilities	- (4.13)	- (-)	- (4.13)
Creditors	2.90 (2.45)	- (-)	2.90 (2.45)
Debtors	43.77 (47.16)	- (-)	43.77 (47.16)

Note: Details of debits / credits in the nature of reimbursements are not included in above.

39. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. This has been relied upon by the Auditors.

40. Details of Managerial Remuneration:

(₹ in Crores)

Particulars	2015-2016	2014-2015
Salary	-	0.17
Contribution to Provident and other funds#	-	0.00
Total	-	0.17

excluding provision for Gratuity and leave encashment provided on actuarial basis for the Company as a whole

41. Additional information as per Part II of Schedule III to the Companies Act 2013 to the extent applicable to the Company.

(₹ in Crores)

A	Particulars	2015-2016		2014-2015	
		₹	%	₹	%
	Value of imported and indigenous raw materials and spares and components consumed and their percentage of total consumption.				
	i) Raw Material *				
	Imported	20.60	22.30%	11.94	10.95%
	Indigenous	71.78	77.70%	97.13	89.05%
	TOTAL	92.38	100%	109.07	100%
	ii) Stores & Spares				
	Imported	4.09	25.12%	2.68	14.87%
	Indigenous	12.19	74.88%	15.34	85.13%
	TOTAL	16.28	100%	18.02	100%
	iii) Coal				
	Imported	12.08	55.13%	4.25	14.05%
	Indigenous	9.83	44.87%	25.99	85.95%
	TOTAL	21.91	100%	30.24	100%

* Includes Cost of Material Consumed, excluding Packing Material as referred to in Note 23

(₹ in Crores)

	Particulars	2015-2016	2014-2015
B	CIF Value of Imports:		
	Raw Material	15.33	0.09
	Plant & Machinery	2.47	1.14
	Stores & Spares	6.97	17.61
	Coal	5.74	4.76
	Total	30.51	23.60
C.	Expenditure in Foreign Currency:		
	a) Professional Fee – Technical	0.13	0.44
	b) Interest	0.02	0.24
	Total	0.15	0.68
D.	Earnings in Foreign Exchange:	Nil	Nil

(₹ in Crores)

E	Particulars	2015-2016	2014-2015
	Payment to Auditors		
	a) Statutory Audit Fees	0.0300	0.0275
	b) Tax Audit Fee	0.0050	0.0050
	c) Other Services	0.0101	0.0040
	d) Expenses Reimbursed	0.0059	0.0040
	Total	0.0510	0.0405

42. Consequent to implementation of provisions of Schedule II of Companies Act 2013 during the year Depreciation amounting to Rs. 0.53 Crores representing carrying value of Fixed Assets, where the remaining life is nil as per the said provisions has been debited to 'Surplus in the Statement of Profit and Loss Account' under Note 4 of Reserves and Surplus.
43. Figures of the previous year have been re-grouped and re-classified wherever necessary in order to conform to the current year's presentation.

For and on behalf of

**Borkar & Muzumdar
Chartered Accountants
FRN – 101569W**

sd/-

**Nandan Pai,
Partner
M.N. 109394**

For and on behalf of the Board

sd/-

**D.R. Kulkarni
Director
DIN : 02534285**

sd/-

**Manoj Kumar Patra
Chief Financial Officer**

sd/-

**Sunil Kumar Sethi
Director
DIN : 06442737**

sd/-

**Jagruti Shah
Company Secretary**

**Place: Mumbai
Date: 14th May, 2016**

**Place: Mumbai
Date: 14th May, 2016**