

FORM B
(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Shree Cement Limited
2.	Annual financial statements for the year ended	30 June 2013 (Standalone and Consolidated)
3.	Type of Audit qualification	<p>Details of qualification given in Auditors' Report is as under:-</p> <p><i>Management has not made the provision for penalty of Rs. 397.51 crore imposed by the Competition Commission of India, which constitutes a departure from the Accounting Standard-29 referred to in sub-section (3C) of section 211 of the Act. Had management made the provision for penalty, an amount of Rs. 397.51 crore would have been required to write the liabilities up to their adequate value. Accordingly, Expenses would have been increased by Rs. 397.51 crore, and Profit for the year would have been reduced by Rs. 397.51 crore.</i></p>
4.	Frequency of qualification	First time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note no. 27 of the standalone and consolidated financial statements states as under:-</p> <p>27. The Competition Commission of India (CCI) has, vide its order dated 30.07.2012, imposed penalty of Rs. 397.51 crore on the Company for alleged contravention of provision of the Competition Act, 2002. The said order of CCI is challenged by the Company on several grounds by filing appeal before the Competition Appellate Tribunal (COMPAT) which is pending for disposal. Pending final decision, no provision has been made in the financial statements.</p> <p>The management response to the qualification in the Directors' Report is as under:-</p> <p><i>The observations of the Auditors in their report under para 6 read with note no. 27 of financial statements are self explanatory.</i></p>
6.	Additional comments from the board/audit committee	NIL

7.	To be signed by- • CEO/Managing Director	 (H. M. BANGUR)
	• CFO	(ASHOK BHANDARI) 
	• Auditor of the company	For B. R. Maheshwari & Company  Sudhir Maheshwari Partner
	• Audit Committee Chairman	 (O. P. SETIA)