# UltraTech Cement Limited

# Subsidiary Companies

# Annual Accounts 2021-22

1. **Bhagwati Limestone Company Private Limited**
2. **Gotan Limestone Khanij Udyog Private Limited**
3. **Harish Cement Limited**
4. **UltraTech Nathdwara Cement Limited**
5. **UltraTech Cement Lanka (Private) Limited**
6. **UltraTech Cement Middle East Investments Limited**
7. **PT UltraTech Investment Indonesia**
8. **PT UltraTech Mining Indonesia**

**G. P. KAPADIA & CO.**
CHARTERED ACCOUNTANTS
.............
Tel. : 2265 4239, 2265 4313
E-mail : gpkco@yahoo.com

*Hamam House,*
*Ambalal Doshi Marg,*
*Mumbai - 400 001.*

**INDEPENDENT AUDITORS' REPORT**
**TO THE MEMBERS OF**
**BHAGWATI LIMESTONE COMPANY PRIVATE LIMITED**

Report on the Audit of the Ind AS Financial Statements

We have audited the Ind AS financial statements of Bhagwati Limestone Company Private Limited("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as " Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 March 2022, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Other Information**
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Ind AS financial statements.

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.

iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company; and

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For G.P Kapadia & Co.**
***Chartered Accountants***
**Firm Registration No: 104768W**

**Atul B. Desai**
*Partner*
Membership No: 030850
Mumbai
Date: 20th April, 2022
**UDIN: 22030850AHLJDA7937**

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of BHAGWATI LIMESTONE COMPANY PRIVATE LIMITED on the financial statements for the year ended March 31, 2022]

1) In respect of the Company's Property, Plant and Equipment:

a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The company has also maintained proper records showing full particulars, of intangible assets.

b) The Property, Plant and Equipments have been physically verified by the management in a phased manner, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

c) The title deeds of immovable properties are held in the name of the Company.

d) As per information provided and explained to us by the company has not revalued any of its property, plant and equipment (including right of use of assets) or intangible asset or both during the year.

e) As per information provided and explained to us by the company, no proceedings have been initiated or are pending against the company for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2) (a) As per information provided and explained to us by company, physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate; no discrepancies were found in each class of inventory and inventory is properly dealt in the books of account;

(b)the company does not have any working capital hence the clause 3(ii)(b) of the Order is not applicable to the Company.

3) The company has not made any investments during the year. Also it has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, the clause 3(iii) of the Order is not applicable to the Company.

4) As the company does not have any loans, investments, guarantees, and security, the clause 3(iv) of the

Order is not applicable to the Company.

5) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and rules framed thereunder.

6) The company is not required to maintain any cost records as specified by central government under subsection (1) of section 148 of the Companies Act and hence the clause 3(vi) of the Order is not applicable to the Company.

7)(a) According to information and explanation provided to us, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other statutory dues to the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.

b) There are no statutory dues referred to in sub-clause (a) which is required to be deposited on account of any dispute, hence the provisions of clause 3(vii)(b) of the Order are not applicable to the Company.

8)As per information and explanation provided to us, there are no transactions which were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under Income tax Act, 1961. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.

9) In our opinion and according to the information and explanation given to us, the company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

10) In our opinion and according to the information and explanation given to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments), preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

11) a)According to information and explanation provided to us no fraud was recognized by the company or fraud on the company hence clause 3(xi) of the Order is not applicable to the company.

12) In our opinion and according to information and explanation provided to us, the Company is not a Nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable to the company.

13) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) The company is not required to appoint the Internal Auditor for the period under audit and hence clause 3(xiv) of the Order is not applicable to the company.

15) According to explanation provided to us, company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the company.

16) In our opinion and as per information and explanation given to us the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence provisions of clause 3(xvi) of the Order are not applicable to the company.

17) The Company has incurred not incurred any cash losses in the financial year and in the immediately preceding financial year, hence clause 3(xvii) of the Order is not applicable to the company.

18) The company is audited by its previous auditor only in the current year, hence clause 3(xviii) of the Order is not applicable to the company.

19) Based on financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20) The company is not required to spent any amount to a Fund specified in Schedule VII to the Companies Act hence clause 3(xx) is not applicable to the company.

21) In our opinion, these are standalone financial statements, hence clause 3(xxi) is not applicable to the company.

**For G. P. KAPADIA & Co.**
**Chartered Accountants**
**Firm Registration No.104768W**

**Atul B. Desai**
**Partner**
**Membership No. : 030850**
**Place: Mumbai**
**Date : 20th April, 2022**
**UDIN: 22030850AHLJDA7937**

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of BHAGWATI LIMESTONE COMPANY PRIVATE LIMITED on the financial statements for the year ended March 31, 2022]

**Report on the Internal Financial Controls over Financial Reporting 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 BHAGWATI LIMESTONE COMPANY PRIVATE LIMITED ("the Company") as of March 31, 2022 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 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, to the extent applicable to an audit of internal financial controls, 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, 2022, based on 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).

**For G. P. KAPADIA & Co.**
**Chartered Accountants**
**FRN.104768W**

**Atul B. Desai**
**Partner**
**Membership No. : 030850**
**Place: Mumbai**
**Date: 20th April, 2022**
**UDIN: 22030850AHLJDA7937**

**Bhagwati Lime Stone Company Private Limited**

## Balance Sheet As At March 31, 2022

in ₹ Lacs

| Particulars | Note No. | | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-Current Assets** | | | | |
| Property, Plant and Equipment | 2 | 187.65 | | 187.74 |
| Capital Work-in-Progress | | - | | - |
| Intangible Assets | | - | | - |
| Intangible Assets under Development | | - | | - |
| | | | 187.65 | 187.74 |
| Financial Assets: | | | | |
| Other Non-Current Assets | 3 | 4.38 | 4.38 | 4.38 |
| **Total Non-Current Assets** | | | 192.03 | 192.12 |
| **Current Assets** | | | | |
| Inventories | 4 | 3.15 | | 3.59 |
| Financial Assets | | | | |
| Trade Receivables | 5 | 9.99 | | 23.79 |
| Cash and Cash Equivalents | 6 | 20.08 | | 22.59 |
| Other Current Assets | 7 | 32.41 | | 19.50 |
| **Total Current Assets** | | | 65.63 | 69.47 |
| **TOTAL ASSETS** | | | 257.66 | 261.59 |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| Equity Share Capital | 8 | 1.19 | | 1.19 |
| Other Equity | | 160.88 | | 165.57 |
| | | | 162.07 | 166.76 |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| Trade Payables | | | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | | - | | - |
| Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | 9 | 60.54 | | 48.94 |
| Other Current Liabilities | 10 | 35.06 | | 45.90 |
| **Total Current Liabilities** | | | 95.60 | 94.84 |
| **TOTAL EQUITY AND LIABILITIES** | | | 257.66 | 261.59 |
| **Significant Accounting Policies** | 1 | | | |
| **The accompanying Notes form an integral part of the Financial Statements.** | | | | |

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850
Mumbai, April 20, 2022

For and on behalf of the Board

M B Agarwal
Directors
DIN-03416254

Atul Daga
Directors
DIN-06416619

**Bhagwati Lime Stone Company Private Limited**

## Statement Of Profit and Loss For the Period Ended March 31, 2022

in ₹ Lacs

| Particulars | Note No. | Period ended Mar 31, 2022 | Period ended Mar 31, 2021 |
|---|---|---|---|
| **Revenue from Operations** | 11 | 60.28 | 70.53 |
| Other Income | 12 | 0.36 | - |
| **TOTAL INCOME (I)** | | 60.63 | 70.53 |
| **EXPENSES** | | | |
| Purchases of stock in trade | 13 | - | - |
| Change in Inventories of finished goods,work-in-progress and stock-in-trade | 14 | 0.44 | - |
| Freight Expenses | 15 | 36.47 | 40.71 |
| Other Expenses | 16 | 28.33 | 34.82 |
| Depreciation and Amortisation Expense | 17 | 0.09 | 0.09 |
| **TOTAL EXPENSES (II)** | | 65.33 | 75.61 |
| **Total Comprehensive Income/(Loss) for the Period** | | (4.69) | (5.09) |
| **Earnings Per Equity Share (Face Value ₹ 10 each)** | | | |
| Basic (in ₹ ) | | (39.45) | (42.75) |
| Diluted (in ₹ ) | | (39.45) | (42.75) |
| Weighted Average Number Of Equity Shares (In Nos.) | | 11,900 | 11,900 |
| Weighted Average Number Of Equity Shares incl Diluted Shares (In Nos.) | | 11,900 | 11,900 |
| **Significant Accounting Policies** | 1 | | |

**The accompanying Notes form an integral part of the Financial Statements.**

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850

Mumbai, April 20, 2022

For and on behalf of the Board

M B Agarwal
Directors
DIN-03416254

Atul Daga
Directors
DIN-06416619

## Bhagwati Lime Stone Company Private Limited

### Statement Of Changes in Equity For The Period ended Mar 31, 2022

**A . Equity Share Capital**

**For the Period ended Mar 31, 2022**

in ₹ Lacs

| Balance as at April 01, 2021 | Changes in equity share capital during the Period | Balance as at Mar 31, 2022 |
|---|---|---|
| 1.19 | - | 1.19 |

**For the Period ended Mar 31, 2021**

| Balance as at Apr 01,2020 | Changes in equity share capital during the Period | Balance as at Mar 31, 2021 |
|---|---|---|
| 1.19 | - | 1.19 |

**B. Other Equity**

**For the Period ended Mar 31, 2022**

in ₹ Lacs

| Particulars | Reserves & Surplus | | | | | | Effective portion of Cash Flow Hedges | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Share option outstanding reserve# | Retained Earnings | | |
| **Balance as at April 01, 2021** | | 207.86 | - | - | - | (42.29) | | 165.57 |
| Profit for the Period (1) | | - | - | - | - | (4.69) | | (4.69) |
| Remeasurement gain / loss on defined benefit plan (2) | | | | | | | | |
| Other Comprehensive Income / (loss) for the Period (3) | | | | | | | | |
| **Total Comprehensive Income / (loss) for the Period(1+2+3)** | | **207.86** | **-** | **-** | **-** | **(46.98)** | | **160.88** |
| Dividends (includes Dividend Distribution Tax) | | | | | | | | |
| Employees Stock Options exercised | | | | | | | | |
| Employees Stock Options granted | | | | | | | | |
| **Balance as at Mar 31, 2022** | | **207.86** | **-** | **-** | **-** | **(46.98)** | **-** | **160.88** |

## Bhagwati Lime Stone Company Private Limited

### Statement Of Changes in Equity For The Period Ended Mar 31, 2021

**For the Period ended Mar 31, 2021**

| Particulars | Reserves & Surplus | | | | | | Effective portion of Cash Flow Hedges | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Share option outstanding reserve# | Retained Earnings | | |
| **Balance as at Apr 01,2020** | | 207.86 | - | - | - | (37.20) | | 170.66 |
| Profit for the Period (1) | | - | - | - | - | (5.09) | | (5.09) |
| Remeasurement gain / loss on defined benefit plan (2) | | | | | | | | |
| Other Comprehensive Income / (loss) for the Period (3) | | | | | | | | |
| **Total Comprehensive Income / (loss) for the Period(1+2+3)** | | **207.86** | **-** | **-** | **-** | **(42.29)** | | **165.57** |
| Dividends (includes Dividend Distribution Tax) | | | | | | | | |
| Employees Stock Options exercised | | | | | | | | |
| Employees Stock Options granted | | | | | | | | |
| **Balance as at Mar 31, 2021** | | **207.86** | **-** | **-** | **-** | **(42.29)** | | **165.57** |

**Bhagwati Limestone Company Private Limited**

**Cash Flow Statement For The Period Ended Mar 31, 2022**

in ₹ Lacs

| Particulars | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **(A) Cash Flow from Operating Activities:** | | |
| **Profit/(Loss) Before tax** | **(4.69)** | (5.09) |
| **Adjustments for:** | | |
| Depreciation | **0.09** | 0.09 |
| Sundry Advances written off | - | |
| **Operating Profit/(Loss) before Working Capital Changes** | **(4.60)** | **(5.00)** |
| Movements in working capital: | | |
| Increase/(Decrease) in Trade payables and other Liabilities | **0.76** | 22.40 |
| Increase/(Decrease) in Trade receivables & Other Current Assets | **1.34** | 4.20 |
| **Cash Used in Operations** | **(2.51)** | **21.61** |
| Direct Taxes Paid (net off Refund) | - | - |
| **Net Cash Used in Operating Activities (A)** | **(2.51)** | **21.61** |
| **(B) Cash Flow from Investing Activities:** | | |
| Purchase of Property, Plant and Equipment | | - |
| Security Deposit (FD) for mines | - | (4.15) |
| **Net Cash generated from / (used in) Investing Activities (B)** | - | (4.15) |
| **(C) Cash Flow from Financing Activities:** | | |
| Proceeds from Issue of Share Capital | - | - |
| Interest Paid | - | - |
| **Net Cash Generated from Financing Activities (C)** | - | - |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A + B+C)** | **(2.51)** | 17.46 |
| **Cash and Cash Equivalents at the Beginning of the Year** | **22.59** | 5.13 |
| **Cash and Cash Equivalents at the End of the Year** | **20.08** | **22.59** |

**Notes:**

1. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.

2. Cash and cash equivalents represent cash and bank balances.

**Significant Accounting Policies**

The Accompanying Notes are an integral part of the Financial Statements.

**In terms of our report attached.**

**For G.P. KAPADIA & CO.**
**Chartered Accountants**
Firm Registration No: 104768W

**Atul B. Desai**
**(Partner)**
Membership No: 30850
**Place: Mumbai**
**DATE:** Apr 20, 2022

**For and on behalf of the Board**

M B Agarwal
Directors
DIN-03416254

Atul Daga
Directors
DIN-06416619

**Note 1: Significant Accounting Policies**

### i. Statement of Compliance

These standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), and amendments thereto other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on Apr 20, 2022.

### ii. Basis of Preparation & Presentation:

The financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The statement of financial position presents Assets and Liabilities as current and non-current. For this purpose, an asset is classified as current if:
It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
It is held primarily for the purpose of trading; or It is expected to realize the asset within 12 months after the reporting period; or
The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

It is expected to be settled in the normal operating cycle; or It is held primarily for the purpose of trading; or
It is due to be settled within 12 months after the reporting period; or
The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

### iii. Use of Estimates:

The preparation of financial statements in conformity with the Ind AS requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### iv. Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

**v. Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of property, plant & equipment over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013

Depreciable amount for property, plant & equipment is the cost of property, plant & equipment less its estimated residual value. The useful life of property, plant & equipment is the period over which property, plant & equipment is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

**vi. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized or disclosed in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

**vii. Revenue Recognition:**

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates, outgoing taxes on sales. Any amount receivable from the customer and are recognized after the control of the goods sold are transferred.
- Dividend income is accounted for when the right to receive the income is established.
- Difference between the sale price and carrying value of investment is recognized as profit or loss on sale / redemption on investment on trade date of transaction.

**viii. Income Taxes:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date. Tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss account.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

Minimum Alternate Tax (MAT):
MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**ix. Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**x. Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, short-term deposits with banks and short-term highly liquid investments that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**Bhagwati Lime Stone Company Private Limited**

Period ended
Mar 31, 2022

**Note 2**

**Property Plant and Equipment**

in ₹ Lacs

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Adjustments | As at Mar, 2022 | As at April 01, 2021 | For the Period | Deductions/ Adjustments | As at Mar, 2022 | As at Mar, 2022 |
| **(A) Tangible Assets *** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 187.51 | - | - | **187.51** | - | - | - | - | **187.51** |
| Leasehold Land | | - | - | - | | - | - | - | - |
| Office Equipment | 0.37 | - | - | **0.37** | 0.14 | 0.09 | - | **0.23** | **0.15** |
| **Total Tangible Assets** | **187.88** | - | - | **187.88** | **0.14** | **0.09** | - | **0.23** | **187.65** |
| **(B) Capital Work-in-Progress** | | | | | | | | | - |
| **Total Tangible Assets** | | | | | | | | | **187.65** |
| **Total Assets (A+B)** | **187.88** | - | - | **187.88** | **0.14** | **0.09** | - | **0.23** | **187.65** |

## Bhagwati Lime Stone Company Private Limited

Period ended
Mar 31, 2021

**Note 2**

**Property Plant and Equipment**

in ₹ Lacs

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Adjustments | As at Mar 31, 2021 | As at April 01, 2020 | For the year | Deductions/ Adjustments | As at Mar 31, 2021 | As at Mar 31, 2021 |
| **(A) Tangible Assets *** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 187.51 | - | - | **187.51** | - | - | - | - | **187.51** |
| Office Equipment | 0.37 | - | - | **0.37** | 0.05 | 0.09 | - | **0.14** | **0.24** |
| **Total Tangible Assets** | **187.88** | - | - | **187.88** | **0.05** | **0.09** | - | **0.14** | **187.74** |
| **(B) Capital Work-in-Progress** | | | | | | | | | - |
| **Total Tangible Assets** | | | | | | | | | **187.74** |
| **Total Assets (A+B)** | **187.88** | - | - | **187.88** | **0** | **0** | - | **0.14** | **187.74** |

In ₹ Lacs

| | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **NOTE 3** | | |
| **OTHER NON - CURRENT ASSETS:** | | |
| Security Deposits | **4.38** | 4.38 |
| | **4.38** | 4.38 |
| **NOTE 4** | | |
| **INVENTORIES: (Valued at lower of Cost and net realisable value, unless otherwise stated)** | | |
| Finished Goods | **3.15** | 3.59 |
| | **3.15** | 3.59 |
| **NOTE 5** | | |
| **TRADE RECEIVABLES** | | |
| Ultratech Cement Limited | **-** | - |
| Secured, Considered good | **9.99** | 23.79 |
| | **9.99** | 23.79 |

**Note 5.1: Trade Receivables Ageing Schedule**

| | Outstanding from due date of Payment | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total as at March 31, 2022** | Receivable but not due | Less than 6 Months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | | 3,27,023.35 | 6,71,528.82 | | | | 9,98,552.17 |
| (ii) Undisputed Trade Receivables – which have significant | | | | | | | - |
| (iii) Undisputed Trade Receivables – credit impaired | | | | | | | - |
| (iv) Disputed Trade Receivables– considered good | | | | | | | - |
| (v) Disputed Trade Receivables – which have significant | | | | | | | - |
| (vi) Disputed Trade Receivables – credit impaired | | | | | | | - |
| **Total** | - | 3,27,023.35 | 6,71,528.82 | - | - | - | 9,98,552.17 |
| **Total as at March 31, 2021** | | | | | | | |
| (i) Undisputed Trade receivables – considered good | 11,21,855 | 12,57,066 | | | | | 23,78,920.52 |
| (ii) Undisputed Trade Receivables – which have significant | | | | | | | - |
| (iii) Undisputed Trade Receivables – credit impaired | | | | | | | - |
| (iv) Disputed Trade Receivables– considered good | | | | | | | - |
| (v) Disputed Trade Receivables – which have significant | | | | | | | - |
| (vi) Disputed Trade Receivables – credit impaired | | | | | | | - |
| **Total** | 11,21,855.00 | 12,57,065.52 | - | - | - | - | 23,78,920.52 |

There are no unbilled trade receivables, hence the same is not disclosed in the ageing schedules.

| | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **NOTE 6** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| Balance with banks (Current Account) | **20.08** | 22.59 |
| | **20.08** | 22.59 |
| **NOTE 7** | | |
| **OTHER CURRENT ASSETS** | | |
| Advance Royalty | **9.22** | 2.99 |
| Other Receivables- TCS & TDS | **0.58** | 0.39 |
| Other Receivables- GST | **22.25** | 16.12 |
| Accrued Interest on Mines FD | **0.36** | - |
| | **32.41** | 19.50 |

| **NOTE 8** | **No. of Shares** | **Amount** | Amount |
|---|---|---|---|
| **EQUITY SHARE CAPITAL** | | | |
| **Authorised** | | | |
| Equity Shares of ₹ 10 each | **50,000.00** | **5.00** | 5.00 |
| **Issued, Subscribed and Fully Paid-up** | | | |
| Equity Shares of ₹ 10 each fully paid-up | **11,900.00** | **1.19** | 1.19 |

**NOTE 9**

**TRADE PAYABLES**

| **Particulars** | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| Trade Payables (other than Micro, Small and Medium Enterprises) | **3.66** | 9.03 |
| Due to Related Party -Ultratech Cement Limited | **56.88** | 39.91 |
| | **60.54** | 48.94 |

**NOTE 9.1 :- Trade Payables Ageing**

| Particulars | Unbilled dues | Outstanding but not due | Outstanding for the following periods from the due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| As on March 31, 2022 | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | | | | | | | - |
| (ii) Others | | 3,58,084.00 | 16,97,389 | 23,01,014 | 16,97,618 | | 60,54,104.73 |
| (iii) Disputed- MSME | | | | | | | - |
| (iv) Disputed Dues- Others | | | | | | | - |
| Total as on March 31, 2022 | - | 3,58,084.00 | 16,97,389.00 | 23,01,013.73 | 16,97,618.00 | - | 60,54,104.73 |
| As on March 31, 2021 | | | | | | | - |
| (i) MSME | | | | | | | - |
| (ii) Others | | 8,94,980 | 22,71,909 | 17,26,723 | | | 48,93,611.92 |
| (iii) Disputed- MSME | | | | | | | - |
| (iv) Disputed Dues- Others | | | | | | | - |
| Total as on March 31, 2021 | | 8,94,979.92 | 22,71,909.00 | 17,26,723.00 | - | - | 48,93,611.92 |

| **Particulars** | **As at Mar 31, 2022** | As at Mar 31, 2021 |
|---|---|---|
| **NOTE 10** | | |
| **OTHER CURRENT LIABILITIES** | | |
| Due to Related Party -Ultratech Cement Limited | **28.85** | 45.18 |
| Others (Incl Provision for Exp & Statutory liabilities) | **6.21** | 0.72 |
| | **35.06** | 45.90 |

In ₹ Lacs

| Particulars | Period ended Mar 31, 2022 | Period ended Mar 31, 2021 |
|---|---|---|
| **NOTE 11** | | |
| **REVENUE FROM OPERATIONS** | | |
| Sale of Limestone | 60.28 | 70.53 |
| | 60.28 | 70.53 |
| **NOTE 12** | | |
| **OTHER INCOME** | | |
| Others - Interest on Mines FD | 0.36 | - |
| | 0.36 | - |
| **NOTE 13** | | |
| **PURCHASES OF STOCK IN TRADE** | | |
| Drill Machine (for Resale) | - | - |
| | - | - |
| **NOTE 14** | | |
| **CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS** | | |
| **Closing Inventories** | | |
| Finished Goods (Limestone) | 3.15 | 3.59 |
| **Opening Inventories** | | |
| Finished Goods | (3.59) | (3.59) |
| | (0.44) | - |
| **NOTE 15** | | |
| **FREIGHT AND FORWARDING EXPENSE** | | |
| On Finished Products | 36.47 | 40.71 |
| | 36.47 | 40.71 |
| **NOTE 16** | | |
| **OTHER EXPENSES** | | |
| Limestone Extraction/Mining charges | 5.85 | 7.35 |
| Overburden Removal Charges | 8.56 | 12.05 |
| Tree Plantaion Charges | 1.80 | 1.80 |
| Rent (including Lease Rent) | 0.22 | 0.21 |
| Rates and Taxes | 10.16 | 11.68 |
| Audit Fees | 0.15 | 0.15 |
| Csr Expenses | 1.47 | 1.52 |
| Sundry Balances Written off | - | - |
| Professional Fees | 0.07 | 0.02 |
| Miscellaneous Expenses | 0.04 | 0.03 |
| | 28.33 | 34.82 |
| **NOTE 17** | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation | 0.09 | 0.09 |
| | 0.09 | 0.09 |

**Note 18 - Disclosure of Related Parties / Related Party as required by Ind AS 24 "Related Party Disclosures":**

**(A) List of Related Parties:** (in ₹ Lac)

| Name of Related Party | Country of Incorporation | % Shareholding and Voting power | |
|---|---|---|---|
| **(I) Holding Company:** | | **As at Mar 31, 2022** | **As at Mar 31, 2021** |
| **UltraTech Cement Limited** | | **100%** | |

**(B)The following transactions were carried out with the related parties in the ordinary course of business:(in₹ Lac)**

| Nature of Transaction/Relationship | Period Ended Mar 31, 2022 | Period Ended Mar 31, 2021 |
|---|---|---|
| **Receiving of Services:** | | |
| **Holding Company:** | | |
| UltraTech Cement Limited (Including Tax) | 17.26 | 23.14 |
| **Total** | 17.26 | 23.14 |
| **Providing Sales/Services:** | | |
| UltraTech Cement Limited (Including Tax) | | |
| **Total** | | |
| | 17.26 | 23.14 |

**(C) Outstanding Balances:** (in ₹ Lac)

| Nature of Transaction/Relationship | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **Trade payables:** | | |
| **Holding Company:** | | |
| UltraTech Cement Limited | 56.88 | 39.91 |
| **Other Current Liabilities:** | | |
| **Holding Company:** | | |
| UltraTech Cement Limited | 28.85 | 45.18 |
| **Total** | 85.73 | 85.09 |

Terms and Conditions of transactions with Related Parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the Period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**Note 19 - Earning per Share (EPS):** (in ₹ Lac)

| Particulars | Period Ended Mar 31, 2022 | Period Ended Mar 31, 2021 |
|---|---|---|
| **(A) Basic EPS:** | | |
| (i) Net Profit/(loss) attributable to Equity Shareholders | (4.69) | (5.08) |
| (ii) Weighted average number of Equity Shares outstanding (Nos.) | 11,900 | 11,900 |
| **Basic EPS (Rs.) (i)/(ii)** | (39.45) | (42.75) |

**Note 20 – Auditors' remuneration (excluding service tax) and expenses** (in ₹ Lac)

| Particulars | Period Ended Mar 31, 2022 | Period Ended Mar 31, 2021 |
|---|---|---|
| **(A) Statutory Auditors:** | | |
| Audit fees | 0.15 | 0.15 |
| **Total** | 0.15 | 0.15 |

**Note 21**

| Sr. No. | Ratio | Numerator - Description | Denominator - Description | FY22 | FY21 | % Variance | Reason for vari |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities excluding Current Borrowings | 0.69 | 0.73 | -0.38% | |
| 2 | Debt-Equity Ratio (in times) | Total Debt | Equity | 0 | 0 | 0 | |
| 3 | Debt Service Coverage Ratio (in times) | Profit for the year+ Finance Costs + Depreciation and Amortization Expense + Loss/(Gain) on sale of fixed assets | Gross Interest + Lease Payment + Repayment of Long Term Debt excluding pre-payments | 0 | 0 | 0 | |
| 4 | Return on Equity Ratio (in %) | Profit for the year | Average Net worth | 36.7% | 41.7% | -4.99% | |
| 5 | Inventory Turnover Ratio (in times) | Sale of Products and Services | Average Inventory | 17.88 | 19.63 | -16.79% | |
| 6 | Trade Receivables turnover Ratio (in times) | Sale of Products and Services | Average Trade Receivable | 3.57 | 2.25 | 2.94% | |
| 7 | Trade Payables turnover Ratio (in times) | Cost of Sales | Average Trade Payable | 1.10 | 1.73 | -0.47% | |
| 8 | Net Capital turnover ratio (in times) | Sale of Products and Services | Working Capital | -2.01 | -2.78 | -3.40% | |
| 9 | Net profit ratio (in %) | Profit for the year | Sale of Products and Services | -7.94% | -7.34% | -0.60% | |
| 10 | Return on Capital employed (in times) | Profit for the year + Tax +Finance Costs | Net worth + Current and Non-current borrowings + Deferred Tax Liability | -0.03 | -0.03 | -1.08% | |
| 11 | Return on Investment (in %) | Treasury Income | Weighted treasury investment | NA | NA | NA | |

**Note 22**

In light of the COVID-19 outbreak being declared a pandemic by the World Health Organization, the Company has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time ensuring business continuity. The company expects to recover the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business based on information available on current economic conditions. The company will continue to monitor any material changes on future economic conditions.

Signatures to Note '1' to '21'

For and on behalf of the Board

In terms of our reports attached.
For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

| | | |
|---|---|---|
| ATUL B. DESAI | M B Agarwal | Atul Daga |
| Partner | Director | Director |
| Membership No: 30850 | DIN-03416254 | DIN-06416619 |

Mumbai, Apr 20, 2022

G. P. KAPADIA & CO.
CHARTERED ACCOUNTANTS

Tel. : 2265 4239, 2265 4313
E-mail : gpkco@yahoo.com

Hamam House,
Ambalal Doshi Marg,
Mumbai - 400 001.

**INDEPENDENT AUDITORS' REPORT**
**TO THE MEMBERS OF**
**GOTAN LIMESTONE KHANIJ UDYOG PRIVATE LIMITED**

Report on the Audit of the Ind AS Financial Statements

We have audited the Ind AS financial statements of GOTAN LIMESTONE KHANIJ UDYOG PRIVATE LIMITED("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as " Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 March 2022, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Other Information**
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Ind AS financial statements.

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.

iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company; and

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For G.P Kapadia & Co.**
***Chartered Accountants***
**Firm Registration No: 104768W**

**Atul B. Desai**
*Partner*
Membership No: 030850
Mumbai
Date: 20th April, 2022
**UDIN: 22030850AHLKOM9032**

**ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of GOTAN LIMESTONE KHANIJ UDYOG PRIVATE LIMITED on the financial statements for the year ended March 31, 2022]

1) In respect of the Company's Property, Plant and Equipment:

a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The company has also maintained proper records showing full particulars, of intangible assets.

b) The Property, Plant and Equipment's have been physically verified by the management in a phased manner, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

c) The title deeds of immovable properties are held in the name of the Company.

d) As per information provided and explained to us by the company has not revalued any of its property, plant and equipment (including right of use of assets) or intangible asset or both during the year.

e) As per information provided and explained to us by the company, no proceedings have been initiated or are pending against the company for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2) (a) As per information provided and explained to us by company, physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate; no discrepancies were found in each class of inventory and inventory is properly dealt in the books of account;

(b)the company does not have any working capital hence the clause 3(ii)(b) of the Order is not applicable to the Company.

3) The company has not made any investments during the year. Also it has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, the clause 3(iii) of the Order is not applicable to the Company.

4) As the company does not have any loans, investments, guarantees, and security, the clause 3(iv) of the Order is not applicable to the Company.

5) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and rules framed thereunder.

6) The company is not required to maintain any cost records as specified by central government under subsection (1) of section 148 of the Companies Act and hence the clause 3(vi) of the Order is not applicable to the Company.

7)(a) According to information and explanation provided to us, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other statutory dues to the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.

b) There are no statutory dues referred to in sub-clause (a) which is required to be deposited on account of any dispute, hence the provisions of clause 3(vii)(b) of the Order are not applicable to the Company.

8)As per information and explanation provided to us, there are no transactions which were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under Income tax Act, 1961. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.

9) In our opinion and according to the information and explanation given to us, the company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

10) In our opinion and according to the information and explanation given to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments), preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

11) a)According to information and explanation provided to us no fraud was recognized by the company or fraud on the company hence clause 3(xi) of the Order is not applicable to the company.

12) In our opinion and according to information and explanation provided to us, the Company is not a Nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable to the company.

13) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) The company is not required to appoint the Internal Auditor for the period under audit and hence clause 3(xiv) of the Order is not applicable to the company.

15) According to explanation provided to us, company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the company.

16) In our opinion and as per information and explanation given to us the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence provisions of clause 3(xvi) of the Order are not applicable to the company.

17) The Company has incurred not incurred any cash losses in the financial year and in the immediately preceding financial year, hence clause 3(xvii) of the Order is not applicable to the company.

18) The company is audited by its previous auditor only in the current year, hence clause 3(xviii) of the Order is not applicable to the company.

19) Based on financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20) The company is not required to spent any amount to a Fund specified in Schedule VII to the Companies Act hence clause 3(xx) is not applicable to the company.

21) In our opinion, these are standalone financial statements, hence clause 3(xxi) is not applicable to the company.

**For G. P. KAPADIA & Co.**
**Chartered Accountants**
**Firm Registration No.104768W**

A B Desai

**Atul B. Desai**
**Partner**
**Membership No. : 030850**
**Place: Mumbai**
**Date : 20th April, 2022**
**UDIN: 22030850AHLKOM9032**

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of GOTAN LIMESTONE KHANIJ UDYOG PRIVATE LIMITED on the financial statements for the year ended March 31, 2022]

**Report on the Internal Financial Controls over Financial Reporting 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 GOTAN LIMESTONE KHANIJ UDYOG PRIVATE LIMITED ("the Company") as of March 31, 2022 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 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, to the extent applicable to an audit of internal financial controls, 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, 2022, based on 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).

**For G. P. KAPADIA & Co.**
**Chartered Accountants**
**FRN.104768W**

**Atul B. Desai**
**Partner**
**Membership No. : 030850**
**Place: Mumbai**
**Date: 20th April, 2022**
**UDIN: 22030850AHLKOM9032**

**Gotan Limestone Khanij Udyog Private Limited**

## BALANCE SHEET AS AT MARCH 31, 2022

₹ in Lacs

| Particulars | Note No. | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, Plant and Equipment | 2 | | 1,634.40 | | 1,674.54 |
| Other Intangible assets | 2 | | 29.38 | | 43.49 |
| Financial Assets | | | | | |
| Others | 3 | 48.30 | 48.30 | | 172.68 |
| Other non-current assets | 4 | | 39.35 | | 19.78 |
| | | | | 1,751.43 | 1,910.48 |
| **Current assets** | | | | | |
| Inventories | 5 | | 56.89 | | 56.89 |
| Financial Assets | | | | | |
| Cash and cash equivalents | 6 | 2.93 | | | 2.30 |
| Loans | 3 | | | | |
| Bank Balances other than Cash and Cash E | 7 | 130.85 | | | 25.68 |
| Others | 3 | 15.32 | 149.10 | | 6.57 |
| Current Tax Assets (Net) | 8 | | 6.92 | | 8.01 |
| Other current assets | 9 | | 50.40 | | 50.25 |
| | | | | 263.31 | 149.70 |
| **Total Assets** | | | | 2,014.73 | 2,060.17 |
| | | | | | |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity Share Capital | 10 | | 232.73 | | 232.73 |
| Other Equity | | | 1,654.47 | | 1,719.00 |
| | | | | 1,887.20 | 1,951.73 |
| **LIABILITIES** | | | | | |
| | | | | | |
| **Non-current liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Provisions | 11 | | 1.30 | | 1.30 |
| Deferred tax liabilities (Net) | 12 | | 27.94 | | 27.94 |
| | | | | 29.24 | 29.24 |
| **Current liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Trade payables | 13 | | 0.40 | | 1.20 |
| Other current liabilities | 14 | | 97.89 | | 77.99 |
| | | | | 98.30 | 79.20 |
| **Total Equity and Liabilities** | | | | 2,014.73 | 2,060.17 |
| **Significant Accounting Policies** | 1 | | | | |

**The accompanying Notes referred to above form an integral part of the Financial Statements.**

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850

Mumbai, April 20, 2022

For and on behalf of the Board of Directors

M.B.Agarwal
Director
DIN - 03416254

ATUL DAGA
Director
DIN - 06416619

**Gotan Limestone Khanij Udyog Private Limited**

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED DECEMBER 31,2021

₹ in Lacs

| Particulars | Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Revenue from Operations | 15 | - | 0.08 |
| Other Income | 16 | 10.35 | 11.20 |
| **Total Income (I)** | | 10.35 | 11.28 |
| **Expenses** | | | |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 17 | - | - |
| Depreciation and Amortisation Expense | 18 | 54.24 | 54.24 |
| Power and Fuel | | - | |
| Other Expenses | 19 | 20.64 | 20.34 |
| **Total Expenses (II)** | | 74.89 | 74.59 |
| **Profit before Tax Expneses (I)-(II)** | | (64.53) | (63.31) |
| **Total** | | - | - |
| **Profit for the Year (III)** | | (64.53) | (63.31) |
| **Earnings Per Equity Share (Face Value ` 10 each)** | | | |
| Basic (in `) | | (2.76) | (2.71) |
| Diluted (in `) | | (2.76) | (2.71) |
| | | | |
| **Significant Accounting Policies** | 1 | | |

**The accompanying Notes referred to above form an integral part of the Financial Statements.**

In terms of our report attached.
For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850
Mumbai, April 20, 2022

For and on behalf of the Board of Directors

M.B. Agarwal
Director
DIN - 03416254

ATUL DAGA
Director
DIN - 06416619

## Gotan Limestone Khanij Udyog Private Limited

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31,2022

**A . Equity Share Capital**

**For the Period ended March 31,2022**

₹ in Lacs

| Balance as at April 01,2021 | Changes in equity share capital during the year | Balance as at March 31,2022 |
|---|---|---|
| **232.73** | - | **232.73** |

**For the Period ended March 31,2021**

| Balance as at April 01, 2020 | Changes in equity share capital during the year | Balance as at March 31,2021 |
|---|---|---|
| **232.73** | - | **232.73** |

**B. Other Equity**

**For the Period ended March 31,2022**

₹ in Lacs

| Particulars | Reserves & Surplus | | | | | | Effective portion of Cash Flow Hedges | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Share option outstanding reserve# | Retained Earnings | | |
| **Balance as at April 01,2021** | - | 2,749.15 | - | - | - | (1,030.15) | - | 1,719.00 |
| Profit for the year (1) | - | - | - | - | - | (64.53) | - | (64.53) |
| Remeasurement gain / loss on defined benefit plan (2) | - | - | - | - | - | - | - | - |
| Other Comprehensive Income / (loss) for the year (3) | - | - | - | - | - | - | - | - |
| **Total Comprehensive Income / (loss) for the year(1+2)** | - | - | - | - | - | **(64.53)** | - | **(64.53)** |
| **Balance as at March 31,2022** | - | **2,749.15** | - | - | - | **(1,094.68)** | - | **1,654.47** |

**For the Period ended March 31,2021**

| Particulars | Reserves & Surplus | | | | | | Effective portion of Cash Flow Hedges | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Share option outstanding reserve# | Retained Earnings | | |
| **Balance as at April 01, 2020** | - | 2,749.15 | - | - | - | (966.84) | - | 1,782.31 |
| Profit for the year (1) | - | - | - | - | - | (63.31) | - | (63.31) |
| Remeasurement gain / loss on defined benefit plan (2) | - | - | - | - | - | - | - | - |
| **Total Comprehensive Income / (loss) for the year(1+2)** | - | - | - | - | - | **(63.31)** | - | **(63.31)** |
| **Balance as at March 31,2021** | - | **2,749.15** | - | - | - | **(1,030.15)** | - | **1,719.00** |

**Significant Accounting Policies Note 1**

**The accompanying Notes form an integral part of the Financial Statements.**

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850

For and on behalf of the Board of Directors

M.B.Agarwal
Director
DIN - 03416254

ATUL DAGA
Director
DIN - 06416619

Mumbai, April 20, 2022

**Gotan Limestone Khanij Udyog Private Limited**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED March 31, 2022**

Rs. in Lacs

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **(A) Cash Flow from Operating Activities:** | | |
| **Profit Before tax** | **(64.53)** | **(32.05)** |
| **Adjustments for:** | - | - |
| Depreciation and Amortisation | 54.24 | 40.68 |
| Interest and Dividend Income | (10.35) | (8.62) |
| **Operating Profit before Working Capital Changes** | (20.64) | 0.01 |
| Movements in working capital: | | |
| Increase/(Decrease) in Trade payables and other Liabilities | 19.10 | 10.35 |
| Decrease/(Increase) in Inventories | - | - |
| Decrease/(Increase) in Financial and Other Current Assets | (27.39) | (21.44) |
| **Cash Generated from Operations** | (28.93) | (11.08) |
| Direct Taxes paid | - | - |
| **Net Cash Generated from Operating Activities (A)** | (28.93) | (11.08) |
| **(B) Cash Flow from Investing Activities:** | | |
| (Investment) / Redemption in Bank deposits (having original maturity of more than three months) | 19.21 | 10.00 |
| Interest / Dividend Received (Incl. Short excess Provision W/B) | 10.35 | 5.48 |
| **Net Cash used in Investing Activities (B)** | 29.57 | 15.48 |
| **(C) Cash Flow from Financing Activities:** | | |
| **Net Cash used in Financing Activities (C)** | - | - |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)** | 0.64 | (6.03) |
| **Cash and Cash Equivalents at the beginning of the Year** | 2.30 | 8.35 |
| **Cash and Cash Equivalents at the end of the Year** | 2.93 | 2.32 |
| **Cash and Bank balance as per Note** | 2.93 | 2.33 |

**Notes:**

1. Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under Section 133 of the Companies Act, 2013.

**Significant Accounting Policies** **Note 1**

The accompanying Notes referred to above form an integral part of the Financial Statements.

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850
Mumbai, April 20, 2022

For and on behalf of the Board of Directors

M.B.Agarwal
Director
DIN - 03416254

ATUL DAGA
Director
DIN - 06416619

**Note 1 (A) Company Overview and Significant Accounting Policies:**

**Company Overview**

Gotan Lime Stone Khanij Udyog Private Limited (the Company) is a Private Limited Company incorporated in India having its registered office at Jodhpur, Rajasthan, India. The Company is exclusively engaged in the business of Mining of Lime Stone.

**Significant Accounting Policies**

**(a) Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on April 20, 2022.

**(b) Basis of Preparation and Presentation:**

**Basis of Preparation**

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value on the consideration given in exchange for goods and service.

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is expected to realize the asset within twelve months after the reporting period; or
(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

**(c) Property, Plant and Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any.
Subsequent costs are included in the assets's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

**(d) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentized its PPE and has separately assessed the life of major components.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

**(e) Intangible Assets and Amortization:**

- **Intangible Assets acquired separately:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment, if any. The Company determines the amortization period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortization method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

- **Class of intangible assets and their estimated useful lives are as under:**

| No | Nature | Useful life |
|---|---|---|
| 1 | Mining Rights | Over the period of the respective mining agreement |

**(f) Inventories:**

Inventories are valued as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**

  Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

- **Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:**

  Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

- **Waste / Scrap:**

  Waste / Scrap inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(g) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(h) Mines Restoration Provision:**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

**(i) Revenue Recognition:**

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates, outgoing taxes on sales. Any amount receivable from the customer and are recognised of the goods sold are transferred.

- Dividend income is accounted for when the right to receive the income is established.

- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

**(j) Income Taxes:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

**(k) Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(l) Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

## Note 2

### PROPERTY, PLANT AND EQUIPMENT

### Fixed Assets

₹ in Lacs

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Adjustments | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions/ Adjustments | As at March 31, 2022 | As at March 31, 2022 |
| **(A) Tangible Assets** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 1,427.70 | - | - | **1,427.70** | - | - | - | - | **1,427.70** |
| Leasehold Land | 207.65 | - | - | **207.65** | 147.19 | 19.61 | - | **166.80** | **40.85** |
| Buildings | 70.71 | - | - | **70.71** | 18.51 | 2.23 | - | **20.75** | **49.96** |
| Plant and Equipment | | | | | | | | | |
| Own | 300.00 | - | - | **300.00** | 165.81 | 18.30 | - | **184.11** | **115.89** |
| Given on Lease | | | | - | | | | - | - |
| Furniture and Fixtures | 0.51 | - | - | **0.51** | 0.513 | - | - | **0.5** | - |
| **Total Tangible Assets** | **2,006.57** | **-** | **-** | **2,006.57** | **332.03** | **40.14** | **-** | **372.17** | **1,634.40** |
| **(B) Intangible Assets** | | | | | | | | | |
| Mining Rights | 169.18 | - | - | **169.18** | 125.70 | 14.10 | - | **139.80** | **29.38** |
| **Total Intangible Assets** | **169.18** | **-** | **-** | **169.18** | **125.70** | **14.10** | **-** | **139.80** | **29.38** |
| **Total Assets (A+B)** | **2,175.75** | **-** | **-** | **2,175.75** | **457.73** | **54.24** | **-** | **511.97** | **1,663.78** |

**Note 2**

## PROPERTY, PLANT AND EQUIPMENT

**Fixed Assets** ₹ in Lac

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Adjustments | As at March 31, 2021 | As at April 01, 2020 | For the year | Deductions/ Adjustments | As at March 31, 2021 | As at March 31, 2021 |
| **(A) Tangible Assets** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 1,427.70 | - | - | **1,427.70** | - | - | - | - | **1,427.70** |
| Leasehold Land | 178.09 | - | - | **178.09** | 98.03 | 19.61 | - | **117.64** | **60.45** |
| Buildings | 65.60 | - | - | **65.60** | 11.17 | 2.23 | - | **13.40** | **52.20** |
| Plant and Equipment | | | | | | | | | |
| Own | 251.00 | - | - | **251.00** | 98.50 | 18.30 | - | **116.80** | **134.19** |
| Given on Lease | | | | **-** | | | | **-** | **-** |
| Furniture and Fixtures | 0.00 | - | - | **0.00** | 0.000 | - | - | **0.0** | **0.00** |
| **Total Tangible Assets** | **1,922.38** | **-** | **-** | **1,922.38** | **207.70** | **40.14** | **-** | **247.84** | **1,674.54** |
| **(B) Intangible Assets** | | | | | | | | | |
| Mining Rights | 128.11 | - | - | **128.11** | 70.52 | 14.10 | - | **84.62** | **43.49** |
| **Total Intangible Assets** | **128.11** | **-** | **-** | **128.11** | **70.52** | **14.10** | **-** | **84.62** | **43.49** |
| **Total Assets (A+B)** | **2,050.49** | **-** | **-** | **2,050.49** | **278.22** | **54.24** | **-** | **332.46** | **1,718.02** |

**NOTE 3**

**OTHER FINANCIAL ASSETS**

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | **As at March 31, 2022** | As at March 31, 2021 | **As at March 31, 2022** | As at March 31, 2021 |
| Interest Accrued on Deposits | | - | - | 6.51 |
| Fixed Deposits with Bank with maturity > 12 months | **48.24** | 172.68 | **15.32** | - |
| Security Deposits | **0.06** | 0.06 | - | |
| | **48.30** | 172.73 | **15.32** | 6.51 |

| Particulars | **As at March 31, 2022** | As at March 31, 2021 |
|---|---|---|
| **NOTE 4** | | |
| **OTHER NON - CURRENT ASSETS** | | |
| Balance with Government Authorities | **39.35** | 19.78 |
| | **39.35** | 19.78 |
| **NOTE 5** | | |
| **INVENTORIES: (Valued at lower of Cost and net realisable value, unless otherwise stated)** | | |
| Finished Goods | **52.80** | 52.80 |
| Stores & Spares | **4.09** | 4.09 |
| | **56.89** | 56.89 |
| **NOTE 6** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| Cash and Cash Equivalents | | |
| Balance with banks (Current Account) | **2.91** | 2.28 |
| Cash on hand | **0.02** | 0.02 |
| | **2.93** | 2.30 |
| **NOTE 7** | | |
| **BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** | | |
| Fixed Deposits with Banks (Maturity more than 3 months and upto 12 months) | **130.85** | 25.68 |
| | **130.85** | 25.68 |
| **NOTE 8** | | |
| **CURRENT TAX ASSETS** | | |
| Advance Tax | **6.92** | 8.01 |
| | **6.92** | 8.01 |
| **NOTE 9** | | |
| **OTHER CURRENT ASSETS:** | | |
| Balance with Government Authorities | **50.40** | 50.14 |
| Advances to suppliers | - | 0.11 |
| | **50.40** | 50.25 |

| Particulars | As at March 31, 2022 |  | As at March 31, 2021 |  |
|---|---|---|---|---|
|  |  | in Lacs |  | ₹ in Lacs |
| **NOTE 10** | **No. of Shares** | **Amount (` in Lacs)** | No. of Shares | Amount (` in Lacs) |
| **EQUITY SHARE CAPITAL** |  |  |  |  |
| **Authorised** |  |  |  |  |
| Equity Shares of ` 10 each | 25,00,000 | 250.00 | 25,00,000 | 250.00 |
| **Issued, Subscribed and Fully Paid-up** |  |  |  |  |
| Equity Shares of ` 10 each | 23,15,780 | 231.58 | 23,15,780 | 231.58 |
| **Issued, Subscribed and Partly Paid-up** |  |  |  |  |
| Equity Shares of ` 10 each (` 5 Paid-up) | 23,000 | 1.15 | 23,000 | 1.15 |
|  | 23,38,780 | 232.73 | 23,38,780 - | 232.73 |

**(a) Reconciliation of the Shares Outstanding at the beginning and at the end of the year**

|  | No. of Shares | Amount (` in Lacs) | No. of Shares |
|---|---|---|---|
| Outstanding at the beginning of the year | 23,38,780 | 232.73 | 23,38,780 |
| Outstanding at the end of the year | 23,38,780 | 232.73 | 23,38,780 |
| **(b) Shares held by Holding Company** |  |  |  |
| UltraTech Cement Limited | 23,38,780 | 232.73 | 23,38,780 |
| **(c) List of shareholders holding more than 5% of Paid-up Equity Share Capital** | **No. of Shares** | **% Holding** | No. of Shares |
| UltraTech Cement Limited | 23,38,780 | 100% | 23,38,780 |

**NOTE 11**

**NON CURRENT PROVISIONS**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| For Mines Restoration Expenditure | 1.30 | 1.30 |
|  | 1.30 | 1.30 |

**NOTE 12**

**DEFERRED TAX LIABILITY (NET)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Deferred Tax Assets:** |  |  |
| Provision allowed under tax on payment basis | 17.94 | 17.94 |
|  | 17.94 | 17.94 |
| **Deferred Tax Liabilities:** |  |  |
| Others (Accumulated Depreciation) | 45.89 | 45.89 |
|  | 45.89 | 45.89 |
| **Net Deferred Tax Liability** | 27.94 | 27.94 |

**NOTE 13**

**TRADE PAYABLES**

|  |  |  |
|---|---|---|
| Due to Others | 0.40 | 1.20 |
| **Total** | 0.40 | 1.20 |

**Note 23.1:** Trade Payables Ageing Schedule

| Particulars | Unbilled dues | Outstanding but not due | Outstanding for the following periods from the due date of Less than 1 year | 1-2 years | 2-3 years |
|---|---|---|---|---|---|
| As on March 31, 2022: |  |  |  |  |  |
| (i) MSME |  |  |  |  |  |
| (ii) Other than MSME | 0.40 |  |  |  |  |
| (iii) Disputed- MSME |  |  |  |  |  |
| (iv) Disputed Dues- Others |  |  |  |  |  |
| **Total as on March 31, 2022** | 0.40 | - | - | - | - |
| As on March 31, 2021: |  |  |  |  |  |
| (i) MSME |  |  |  |  |  |
| (ii) Others | 1.20 |  |  |  |  |
| (iii) Disputed- MSME |  |  |  |  |  |
| (iv) Disputed Dues- Others |  |  |  |  |  |
| **Total as on March 31, 2021** | 1.20 |  |  |  |  |

**NOTE 14**

**OTHER CURRENT LIABILITIES**

|  |  |  |
|---|---|---|
| Others (Statutory Liability Disputed- Environment cess, Land tax ) | 97.89 | 77.99 |
|  | 97.89 | 77.99 |

| | | Year ended March 31, 2022 (₹ in Lacs) | Year ended March 31, 2021 (₹ in Lacs) |
|---|---|---|---|
| **NOTE 15** | | | |
| **OTHER OPERATING REVENUES** | | | |
| Provision no longer required | | - | 0.08 |
| | | - | 0.08 |
| **NOTE 16** | | | |
| **OTHER INCOME** | | | |
| **Interest Income on** | | | |
| Bank and Other Accounts | 10.35 | | 11.20 |
| | | 10.35 | 11.20 |
| | | 10.35 | 11.20 |
| **NOTE 17** | | | |
| **CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** | | | |
| **Closing Inventories** | | | |
| Finished Goods | | 52.80 | 52.80 |
| | | 52.80 | 52.80 |
| **Opening Inventories** | | | |
| Finished Goods | | 52.80 | 52.80 |
| | | 52.80 | 52.80 |
| | | - | - |
| | | - | - |
| **NOTE 18** | | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | | |
| Depreciation | | 40.14 | 40.14 |
| Amortisation | | 14.10 | 14.10 |
| | | 54.24 | 54.24 |
| **NOTE 19** | | | |
| **OTHER EXPENSES** | | | |
| Rates and Taxes | | 19.99 | 19.89 |
| Miscellaneous Expenses | | 0.65 | 0.45 |
| | | 20.64 | 20.34 |

**NOTE 20**

| FINANCIAL RATIOS | March 31, 2022 | March 31, 2021 | % Variance | Reason for variance |
|---|---|---|---|---|
| Current Ratio (in times) | 2.68 | 1.89 | 42% | Due to increase in FD for a period less than 12 months |
| Debt-Equity Ratio (in times) | NA | NA | | |
| Debt Service Coverage Ratio (in times) | NA | NA | | |
| Return on Equity Ratio (in %) | -27.70 | -27.20 | 2% | |
| Inventory Turnover Ratio (in times) | NA | NA | | |
| Trade Receivables turnover Ratio (in times) | NA | NA | | |
| Trade Payables turnover Ratio (in times) | NA | NA | | |
| Net Capital turnover ratio (in times) | NA | NA | | |
| Net profit ratio (in %) | NA | NA | | |
| Return on Capital employed (in times) | -27.70 | -27.20 | 2% | |
| Return on Investment (in %) | NA | NA | | |

**NOTE 21**

**The Supreme Court of India has allowed an appeal filed by the State of Rajasthan in a matter relating to transfer of mining lease in the name of the Company and has directed the State of Rajasthan to frame and notify its policy relating to transfer of mining lease within one month of receipt of the order and thereafter pass appropriate order in respect of the mining lease of the company. Till such a decision is taken, status quo is to be maintained.**

**NOTE 22**

**The Company do not have any transactions with companies struck off**

**Note 21 - Earning per Share (EPS):**

₹ in Lacs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(A) Basic EPS:** | | |
| (i) Net Profit attributable to Equity Shareholders | (64.53) | (63.31) |
| (ii) Weighted average number of Equity Shares outstanding (Nos.) | 23,38,780 | 23,38,780 |
| **Basic EPS (₹) (i)/(ii)** | **(2.76)** | **(2.71)** |

**Note 22 – Auditors' remuneration (excluding GST) and expenses:**

₹ in Lacs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Statutory Auditors:** | | |
| Audit fees | 0.40 | 0.40 |

**Note 23 - Financial Ratios**

| Sr. No. | Ratio | Numerator - Description | Denominator - Description | FY22 | FY21 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities excluding Current Borrowings | 2.68 | 1.89 | 42% | Current assets increased due to transfer of FD from non-current to current assets |
| 2 | Debt-Equity Ratio (in times) | Total Debt | Equity | 0 | 0 | 0 | |
| 3 | Debt Service Coverage Ratio (in times) | Profit for the year+ Finance Costs + Depreciation and Amortisation Expense + Loss/(Gain) on sale of fixed assets | Gross Interest + Lease Payment + Repayment of Long Term Debt excluding pre-payments | 0 | 0 | 0 | |
| 4 | Return on Equity Ratio (in %) | Profit for the year | Average Net worth | -27.7% | -27.2% | -0.5% | Payment of appeal (ITAT) fees of Rs. 10000/- and professional fees of Rs.20000/- for ITAT appeal paid, reduced FD rates |
| 5 | Inventory Turnover Ratio (in times) | Sale of Products and Services | Average Inventory | 0 | 0 | 0 | |
| 6 | Trade Receivables turnover Ratio (in times) | Sale of Products and Services | Average Trade Receivable | 0 | 0 | 0 | |
| 7 | Trade Payables turnover Ratio (in times) | Cost of Sales | Average Trade Payable | 0 | 0 | 0 | |
| 8 | Net Capital turnover ratio (in times) | Sale of Products and Services | Working Capital | 0 | 0 | 0 | |
| 9 | Net profit ratio (in %) | Profit for the year | Sale of Products and Services | 0 | 0 | 0 | |
| 10 | Return on Capital employed (in times) | Profit for the year + Tax +Finance Costs | Networth + Current and Non current borrowings + Deferred Tax Liability | -27.7% | -27.2% | -0.5% | Payment of appeal (ITAT) fees of Rs. 10000/- and professional fees of Rs.20000/- for ITAT appeal paid, reduced FD rates |
| 11 | Return on Investment (in %) | Treasury Income | Weighted treasury investment | 0 | 0 | 0 | |

**Signatures to Notes '1' to '23'**

**For and on behalf of the Board of the Directors**

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

ATUL B. DESAI
Partner
Membership No: 30850

M.B. AGARWAL
Director
DIN – 03416254

ATUL DAGA
Director
DIN – 06416619

Mumbai, April 20, 2022

G. P. KAPADIA & CO.
CHARTERED ACCOUNTANTS

Tel. : 2265 4239, 2265 4313
E-mail : gpkco@yahoo.com

Hamam House,
Ambalal Doshi Marg,
Mumbai - 400 001.

**INDEPENDENT AUDITORS' REPORT**
**TO THE MEMBERS OF**
**HARISH CEMENT LIMITED**

Report on the Audit of the Ind AS Financial Statements

We have audited the Ind AS financial statements of HARISH CEMENT LIMITED("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as " Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 March 2022, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Other Information**
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Ind AS financial statements.

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.

iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company; and

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For G.P Kapadia & Co.**
***Chartered Accountants***
**Firm Registration No: 104768W**

**Atul B. Desai**
*Partner*
Membership No: 030850
Mumbai
Date: 20th April, 2022
**UDIN: 22030850AHLMFE4595**

**ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of HARISH CEMENT LIMITED on the financial statements for the year ended March 31, 2022]

1) In respect of the Company's Property, Plant and Equipment:

a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The company has also maintained proper records showing full particulars, of intangible assets.

b) The Property, Plant and Equipments have been physically verified by the management in a phased manner, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

c) The title deeds of immovable properties are held in the name of the Company.

d) As per information provided and explained to us by the company has not revalued any of its property, plant and equipment (including right of use of assets) or intangible asset or both during the year.

e) As per information provided and explained to us by the company, no proceedings have been initiated or are pending against the company for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2) (a) As per information provided and explained to us by company, physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate; no discrepancies were found in each class of inventory and inventory is properly dealt in the books of account;

(b)the company does not have any working capital hence the clause 3(ii)(b) of the Order is not applicable to the Company.

3) The company has not made any investments during the year. Also it has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, the clause 3(iii) of the Order is not applicable to the Company.

4) As the company does not have any loans, investments, guarantees, and security, the clause 3(iv) of the Order is not applicable to the Company.

5) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and rules framed thereunder.

6) The company is not required to maintain any cost records as specified by central government under subsection (1) of section 148 of the Companies Act and hence the clause 3(vi) of the Order is not applicable to the Company.

7)(a) According to information and explanation provided to us, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other statutory dues to the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.

b) There are no statutory dues referred to in sub-clause (a) which is required to be deposited on account of any dispute, hence the provisions of clause 3(vii)(b) of the Order are not applicable to the Company.

8)As per information and explanation provided to us, there are no transactions which were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under Income tax Act, 1961. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.

9) In our opinion and according to the information and explanation given to us, the company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

10) In our opinion and according to the information and explanation given to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments), preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

11) a)According to information and explanation provided to us no fraud was recognized by the company or fraud on the company hence clause 3(xi) of the Order is not applicable to the company.

12) In our opinion and according to information and explanation provided to us, the Company is not a Nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable to the company.

13) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) The company is not required to appoint the Internal Auditor for the period under audit and hence clause 3(xiv) of the Order is not applicable to the company.

15) According to explanation provided to us, company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the company.

16) In our opinion and as per information and explanation given to us the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence provisions of clause 3(xvi) of the Order are not applicable to the company.

17) The Company has incurred not incurred any cash losses in the financial year and in the immediately preceding financial year, hence clause 3(xvii) of the Order is not applicable to the company.

18) The company is audited by its previous auditor only in the current year, hence clause 3(xviii) of the Order is not applicable to the company.

19) Based on financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20) The company is not required to spent any amount to a Fund specified in Schedule VII to the Companies Act hence clause 3(xx) is not applicable to the company.

21) In our opinion, these are standalone financial statements, hence clause 3(xxi) is not applicable to the company.

**For G. P. KAPADIA & Co.**
**Chartered Accountants**
**Firm Registration No.104768W**

**Atul B. Desai**
**Partner**
**Membership No. : 030850**
**Place: Mumbai**
**Date : 20th April, 2022**
**UDIN: 22030850AHLMFE4595**

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of HARISH CEMENT LIMITED on the financial statements for the year ended March 31, 2022]

**Report on the Internal Financial Controls over Financial Reporting 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 HARISH CEMENT LIMITED ("the Company") as of March 31, 2022 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 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, to the extent applicable to an audit of internal financial controls, 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, 2022, based on 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).

**For G. P. KAPADIA & Co.**
**Chartered Accountants**
**FRN.104768W**

**Atul B. Desai**
**Partner**
**Membership No. : 030850**
**Place: Mumbai**
**Date: 20th April, 2022**
**UDIN: 22030850AHLMFE4595**

**Narich Cement Limited**

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ in Lakhs

| Particulars | Note No. | As at March 31, 2022 | | As at March 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-Current Assets** | | | | |
| Property, Plant and Equipment | 2 | 8,381.35 | | 9,361.35 |
| Capital Work-in-Progress | 2 | 3,831.33 | | 3,405.00 |
| | | 12,283.69 | | 12,166.35 |
| Financial Assets | | | | |
| Other Financial Assets | 3 | 0.30 | | 0.30 |
| | | 0.30 | | 0.30 |
| Income Tax Assets (Net) | | 2.87 | | 1.98 |
| Other Non-Current Assets | 4 | 3,318.83 | | 3,310.53 |
| **Total Non-Current Assets** | | | 15,603.78 | 15,587.16 |
| **Current Assets** | | | | |
| Financial Assets | | | | |
| Cash and Cash Equivalents | 5 | 3.86 | | 0.55 |
| Other Financial Assets | 3 | 0.32 | | 0.27 |
| | | 4.18 | | 0.82 |
| Other Current Assets | 6 | 91.81 | | 89.20 |
| **Total Current Assets** | | | 95.99 | 90.02 |
| **TOTAL ASSETS** | | | 15,699.77 | 15,677.18 |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| Equity Share Capital | 7 (a) | 24.82 | | 24.79 |
| Other Equity | 7 (b) | 15,437.79 | | 15,415.33 |
| | | | 15,462.61 | 15,440.12 |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| Trade Payables | | | | |
| Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | 8 | 0.75 | | 0.65 |
| Other Financial Liabilities | 9 | 236.41 | | 236.41 |
| | | 237.16 | | 237.06 |
| **Total Current Liabilities** | | | 237.16 | 237.06 |
| **TOTAL EQUITY AND LIABILITIES** | | | 15,699.77 | 15,677.18 |
| **Significant Accounting Policies** | 1 | | | |
| **The accompanying notes form an integral part of the Standalone Financial Statements** | | | | |

In terms of our report attached.

**For G.P. Kapadia & Co.**
Chartered Accountants
**Firm Registration No: 104768W**

**Atul B. Desai**
**Membership No: 030850**
**Partner**

For and on behalf of the Board of Directors

**[illegible] Agarwal**
**Director**
DIN: 03436254

**Arun Dega**
**Director**
DIN: 00703261

Mumbai: 20th April, 2022

**Harish Cement Limited**

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

| Particulars | Note No. | Period ended March 31, 2022 | Period ended March 31, 2021 |
|---|---|---|---|
| Other Income | 10 | 0.07 | 0.05 |
| TOTAL INCOME (I) | | 0.07 | 0.05 |
| EXPENSES | | | |
| Other Expenses | 11 | 0.11 | 0.11 |
| | | 0.11 | 0.11 |
| TOTAL EXPENSES (II) | | 0.11 | 0.11 |
| Profit before Exceptional Items and Tax Expense (I)-(II) | | (0.04) | (0.06) |
| Profit before Tax Expense | | (0.04) | (0.06) |
| Total Tax Expense | | - | - |
| Profit for the Year (III) | | (0.04) | (0.06) |
| Total Comprehensive Income for the year (III+IV) | | (0.04) | (0.06) |
| Earnings Per Equity Share (Face Value ₹ 10 each) | 12 | | |
| Basic (in ₹) | | (0.02) | (0.02) |
| Diluted (in ₹) | | (0.02) | (0.02) |
| Significant Accounting Policies | 1 | | |
| The accompanying notes form an integral part of the Standalone Financial Statements. | | | |

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

Atul B. Desai
Membership No: 030850
Partner

Mumbai, 20th April, 2022

For and on behalf of the Board of Directors

N. B. Agarwal
Director
DIN: 03418254

Arun Dagal
Director
DIN: 00703261

**NOTE 3**

**OTHER FINANCIAL ASSETS:**

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | **As at March 31, 2022** | As at March 31, 2021 | **As at March 31, 2022** | As at March 31, 2021 |
| Interest Accrued on Deposits and Investments | **-** | - | **0.32** | 0.27 |
| Fixed Deposits with Bank with Maturity Greater than twelve Months | **0.30** | 0.30 | **-** | |
| | **0.30** | 0.30 | **0.32** | 0.27 |

**NOTE 4**

**OTHER NON-CURRENT ASSETS:**

| Particulars | **As at March 31, 2022** | As at March 31, 2021 |
|---|---|---|
| Capital Advances | **775.95** | 775.95 |
| Less: Provision for Impairment | **-** | - |
| | **775.95** | 775.95 |
| Balance with Government Authorities | **2,542.58** | 2,542.58 |
| | **3,318.53** | 3,318.53 |

**NOTE 5**

**CASH AND CASH EQUIVALENTS**

| | | |
|---|---|---|
| Balance with banks (Current Account) | **3.86** | 0.55 |
| | **3.86** | 0.55 |

**NOTE 6**

**OTHER CURRENT ASSETS**

| | | |
|---|---|---|
| Balance with Government Authorities | **80.32** | 77.71 |
| Prepaid Expenses | **11.49** | 11.49 |
| | **91.81** | 89.20 |

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| **NOTE 7 (a)** | **No. of Shares** | **Amount** | No. of Shares | Amount |
| **EQUITY SHARE CAPITAL** | | | | |
| **Authorised** | | | | |
| Equity Shares of ₹ 10 each | **50,00,000** | **500.00** | 50,00,000 | 500.00 |
| **Issued, Subscribed and Fully Paid-up** | | | | |
| Equity Shares of ₹ 10 each fully paid-up | **2,48,179** | **24.82** | 2,47,601 | 24.76 |
| **Issued, Subscribed and Partly Paid-up** | | | | |
| Equity Shares of ₹10 each partly paid-up ( ₹ 5 each partly paid up) | | | 578 | 0.03 |
| | **2,48,179** | **24.82** | **2,48,179** | **24.79** |

**(a) Reconciliation of the Shares Outstanding at the beginning and at the end of the year**

| | | | | |
|---|---|---|---|---|
| Outstanding at the beginning of the year | **2,48,179** | **24.79** | 2,48,179 | 24.79 |
| Add: Full and Final call on partly paid up equity (₹ 5 per share on 578 shares) | | **0.03** | | |
| **Outstanding at the end of the year** | **2,48,179** | **24.82** | 2,48,179 | 24.79 |

**(b) Shares held by Holding Company**

| | | | | |
|---|---|---|---|---|
| UltraTech Cement Limited | **2,48,179** | **24.82** | 2,48,179 | 24.79 |

| **(c) List of shareholders holding more than 5% of Paid-up Equity Share Capital** | **No. of Shares** | **% Holding** | No. of Shares | % Holding |
|---|---|---|---|---|
| **UltraTech Cement Limited** | **2,48,179** | **100%** | 2,48,179 | 100% |

**(d) Shares held by Promoters:**

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the year |
|---|---|---|---|---|---|
| | No of Shares | % of total shares | No of Shares | % of total shares | |
| UltraTech Cement Limited | 2,48,179 | 100% | 2,47,601 | 100% | |

**NOTE 7 (b)**
**OTHER EQUITY**

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Securities Premium | **15,438.16** | 15,415.65 |
| Retained Earnings | **(0.36)** | (0.32) |
| **Total Other Equity** | **15,437.79** | **15,415.33** |

The Description of the nature and purpose of each reserve within equity is as follows:
a) **Securities Premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses like underwriting costs, etc.

**NOTE 8**

**TRADE PAYABLES**

| | | |
|---|---|---|
| **Total Outsanding Dues of Creditors Other than Micro Enterprises and Small Enterprises** | | |
| Other Trade Payable | **0.75** | **0.65** |
| | **0.75** | **0.65** |

**Note 8.1:** Trade Payables Ageing Schedule

| **Particulars** | **Unbilled dues** | **Outstanding but not due** | **Outstanding for the following periods from the due date of payment** | | | | | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** | |
| As on March 31, 2022: | | | | | | | | |
| (i) MSME | | | | | | | - | - |
| (ii) Others | | | 0.10 | 0.10 | 0.10 | 0.45 | 0.75 | 0.75 |
| (iii) Disputed- MSME | | | | | | | - | - |
| (iv) Disputed Dues- Others | | | | | | | - | - |
| **Total as on March 31, 2022** | | - | **0.10** | **0.10** | **0.10** | **0.45** | **0.75** | **0.75** |
| As on March 31, 2021: | | | | | | | | |
| (i) MSME | | | | | | | | - |
| (ii) Others | | | 0.10 | 0.10 | 0.10 | 0.35 | 0.65 | 0.65 |
| (iii) Disputed- MSME | | | | | | | | - |
| (iv) Disputed Dues- Others | | | | | | - | - | - |
| **Total as on March 31, 2021** | - | - | 0.10 | 0.10 | 0.10 | 0.35 | 0.65 | 0.65 |

**NOTE 9**

**OTHER FINANCIAL LIABILITIES**

₹ In Lakhs

| **Particulars** | **Non-Current** | | **Current** | |
|---|---|---|---|---|
| | **As at March 31, 2022** | As at March 31, 2021 | **As at March 31, 2022** | As at March 31, 2021 |
| Liability for Capital Goods | | - | **232.92** | 232.92 |
| Others (Retention money, Liquidated Damages, etc.) | | - | **3.49** | 3.49 |
| | - | - | **236.41** | 236.41 |

₹ in Lakhs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **NOTE 10** | | |
| **OTHER INCOME** | | |
| Others | **0.07** | 0.05 |
| | **0.07** | 0.05 |
| **NOTE 11** | | |
| **OTHER EXPENSES** | | |
| Miscellaneous Expenses | **0.11** | 0.11 |
| | **0.11** | 0.11 |

**Harish Cement Limited**

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

**A. Equity Share Capital**

**For the year ended March 31, 2022**

₹ In lacs

| Balance as at April 01, 2021 | Changes in Equity Share Capital during the Year | Balance as at March 31, 2022 |
|---|---|---|
| 24.79 | 0.03 | 24.82 |

**For the year ended March 31, 2021**

| Balance as at April 01, 2020 | Changes in Equity Share Capital during the Year | Balance as at March 31, 2021 |
|---|---|---|
| 24.79 | (0.00) | 24.79 |

**B. Other Equity**

**For the year ended March 31, 2022**

₹ In lacs

| Particulars | Share Application Money Pending Allotment | Reserves & Surplus | | | | | Total Other Equity |
|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Retained @ Earnings | |
| Balance as at April 01, 2021 | - | | 15,415.63 | | | (0.30) | 15,415.33 |
| Profit for the year | | - | - | - | - | (0.04) | (0.04) |
| Total Comprehensive Income / (Loss) for the year | - | - | - | - | - | (0.04) | (0.04) |
| Full and Final call on partly paid up equity shares | | | 22.50 | | | | 22.50 |
| Balance as at March 31, 2022 | - | - | 15,438.13 | - | - | (0.34) | 15,437.79 |

**Harish Cement Limited**

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

**For the year ended March 31, 2021**

₹ In lacs

| Particulars | Share Application Money Pending Allotment | Reserves & Surplus | | | | | Total Equity |
|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Retained Earnings | |
| Balance as at April 01, 2020 | | | 15,415.63 | | | (0.23) | 15,415.40 |
| Profit for the year | | | | | | (0.07) | (0.07) |
| Total Comprehensive Income / (Loss) for the year | | - | - | - | - | (0.07) | (0.07) |
| Balance as at March 31, 2021 | - | - | 15,415.63 | - | - | (0.30) | 15,415.33 |

Significant Accounting Policies Note 1

The accompanying notes form an integral part of the Standalone Financial Statements.

In terms of our report attached.

For G.P. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104768W

Atul B. Desai
Membership No: 030850
Partner

Mumbai: 20th April, 2022

For and on behalf of the Board of Directors

M. P. Agarwal
Director
DIN: 03416254

Arun Daga
Director
DIN: 00703261

### Note 2

**Property, Plant and Equipment and Other Intangible Assets**

₹ in lacs

| Particulars | Gross Block | | | | Accumulated Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2022 | As at March 31, 2022 |
| **(A) Tangible Assets *** | | | | | | | | | |
| Freehold Land | 9,361.11 | | | **9,361.11** | | | | - | **9,361.11** |
| Office Equipment | 0.49 | | | **0.49** | 0.27 | | | **0.27** | **0.22** |
| Furniture and Fixtures | 3.02 | | | **3.02** | 3.00 | | | **3.00** | **0.02** |
| Vehicles | 0.00 | | | **0.00** | | | | - | **0.00** |
| **Total Tangible Assets** | **9,364.62** | - | - | **9,364.62** | **3.27** | - | - | **3.27** | **9,361.35** |
| **(B) Capital Work-in-Progress** | | | | | | | | | **2,921.53** |
| | | | | | | | | | |
| **(C) Other Intangible Assets** | | | | | | | | | |
| Software | 0.00 | | | **0.00** | | | | - | **0.00** |
| **Total Intangible Assets** | **0.00** | - | - | **0.00** | - | - | - | - | **0.00** |
| **(D) Intangible Assets under Development** | | | | | | | | | - |
| **Total Assets (A+B+C+D)** | **9,364.62** | - | - | **9,364.62** | **3.27** | - | - | **3.27** | **12,282.88** |

Note 2

Property, Plant and Equipment and Other Intangible Assets

₹ in lacs

| Particulars | Gross Block | | | | Accumulated Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2021 | As at April 01, 2020 | For the year | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2021 | As at March 31, 2021 |
| **(A) Tangible Assets** | | | | | | | | | |
| Land | | | | | | | | | |
| Freehold Land | 9361.11 | | | 9,361.11 | | | | - | 9,361.11 |
| Office Equipment | 0.49 | | | 0.49 | 0.27 | | | 0.27 | 0.22 |
| Furniture and Fixtures | 3.02 | | | 3.02 | 3.00 | | | 3.00 | 0.02 |
| Vehicles | 0.00 | | | 0.00 | | | | - | 0.00 |
| **Total Tangible Assets** | **9364.62** | **-** | **-** | **9,364.62** | **3.27** | **-** | **-** | **3.27** | **9,361.35** |
| **(B) Capital Work-in-Progress** | | | | | | | | | **2,905.00** |
| **(C) Other Intangible Assets** | | | | | | | | | |
| Software | 0.00 | | | 0.00 | | | | - | 0.00 |
| **Total Other Intangible Assets** | **0.00** | **-** | **-** | **0.00** | **-** | **-** | **-** | **-** | **0.00** |
| **(D) Intangible Assets under Development** | | | | | | | | | **-** |
| **Total Assets (A+B+C+D)** | **9,364.62** | **-** | **-** | **9,364.62** | **3.27** | **-** | **-** | **3.27** | **12,266.35** |

2.1 The amount of expenditures recognised in the carrying amount of an item of PPE in the course of its construction:

₹ In lacs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Pre-operative expenses pending allocation:** | | |
| Miscellaneous expenses | **16.53** | 16.50 |
| **Total Pre-operative expenses** | **16.53** | **16.50** |
| Add: Brought forward from Previous Year | **2,905.00** | 2,888.50 |
| **Balance included in Capital Work-in-Progress** | **2,921.53** | **2,905.00** |

2.2 Ageing schedule of capital-work-in progress (CWIP) :

₹ in lacs

| | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As on March 31,2022** | | | | | |
| Projects in progress: Land acquisition | - | - | - | **2,921.53** | **2,921.53** |
| **Total** | - | - | - | **2,921.53** | **2,921.53** |
| As on March 31,2021: | | | | | |
| Projects in progress: Land acquisition | - | - | - | 2,905.00 | 2,905.00 |
| Total | - | - | - | 2,905.00 | 2,905.00 |

**Note-1: Accounting Policies**

**(i) Statement of Compliance**

These standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 20th April 22.

**(ii) Basis of Preparation & Presentation:**

The financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The statement of financial position presents Assets and Liabilities as current and non-current. For this purpose, an asset is classified as current if:

a) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or

b) It is held primarily for the purpose of trading; or It is expected to realize the asset within 12 months after the reporting period; or

c) The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

a) It is expected to be settled in the normal operating cycle; or It is held primarily for the purpose of trading; or

b) It is due to be settled within 12 months after the reporting period; or

c) The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

**(iii) Use of Estimates:**

The preparation of financial statements in conformity with the Ind AS requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

**(iv) Property, Plant & Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.
Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

**(v) Depreciation:**
Depreciation is the systematic allocation of the depreciable amount of property, plant & equipment over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013

Depreciable amount for property, plant & equipment is the cost of property, plant & equipment less its estimated residual value. The useful life of property, plant & equipment is the period over which property, plant & equipment is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

**Note 15– Capital and Other Commitments:**

1. Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) Rs.5965.65 Lacs (Previous Year'Rs.5965.65 Lacs).

2. Certain land owners filed writ petitions challenging (1) acquisition of private lands by the State of Himachal Pradesh for setting up of cement plant and (2) environmental clearance granted to the project, before the High Court of Himachal Pradesh. The High Court of Himachal Pradesh quashed the notifications issued under Section 6 and 7 of the Land Acquisition Act, 1894 and also the environmental clearance granted for the project on procedural grounds. The Company had filed Special Leave Petitions before the Hon'ble Supreme Court of India challenging the order of the High court of Himachal Pradesh. The Special leave Petitions filed by the Company has been admitted and converted to Civil appeals Nos. 1636 – 1641 of 2013.The matter is now pending with supreme court.

**Note 16 - Related party disclosures:**

**A) List of Related Parties where control exists:**

| Name of the Related Party | Principal Place of Business | % Shareholding and Voting Power | |
|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 |
| **(I) Holding Company:** UltraTech Cement Limited | India | 100% | |

**Disclosure of related party transactions:** Amount in ₹

| Nature of Transactions | As at 31st March' 2022 | As at 31st March' 2021 |
|---|---|---|
| **Share Application Money Received from UTCL** | 22,54,200 | NIL |
| **Share Issued to UTCL (Including Premium Amount)** | 22,54,200 | NIL |

## Harish Cement Limited

## Notes to Financial Statements (Contd.)

**Note 17 – Auditors' remuneration (excluding service tax) and expenses:** **Amount in ₹**

| Particulars | Period Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **(a) Statutory Auditors:** | | |
| Audit fees (including quarterly Limited Review) | 10,000 | 10,000 |

**Note 18**

Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

**Note 19 - Financial Ratios**

| Sr. No. | Ratio | Numerator - Description | Denominator - Description | FY22 | FY21 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities excluding Current Borrowings | 0.40 | 0.38 | 5.26% | Full and final call on partly paid up equity. Interest on refund of TCS |
| 2 | Debt-Equity Ratio (in times) | Total Debt | Equity | NA | NA | NA | |
| 3 | Debt Service Coverage Ratio (in times) | Profit for the year+ Finance Costs + Depreciation and Amortisation Expense + Loss/(Gain) on sale of fixed assets | Gross Interest + Lease Payment + Repayment of Long Term Debt excluding pre-payments | NA | NA | NA | |
| 4 | Return on Equity Ratio (in %) | Profit for the year | Average Net worth | -0.17% | -0.25% | 0.07% | Interest on refund of TCS |
| 5 | Inventory Turnover Ratio (in times) | Sale of Products and Services | Average Inventory | NA | NA | NA | |
| 6 | Trade Receivables turnover Ratio (in times) | Sale of Products and Services | Average Trade Receivable | NA | NA | NA | |
| 7 | Trade Payables turnover Ratio (in times) | Cost of Sales | Average Trade Payable | NA | NA | NA | |
| 8 | Net Capital turnover ratio (in times) | Average working Capital | Sale of Products and Services | NA | NA | NA | |
| 9 | Net profit ratio (in times) | Profit for the year | Sale of Products and Services | NA | NA | NA | |
| 10 | Return on Capital employed (in times) | Profit for the year + Tax +Finance Costs | Average of (Networth + Current and Non current borrowings) | 0.00 | 0.00 | NIL | |
| 11 | Return on Investment (in %) | Treasury Income | Weighted treasury investment | NA | NA | NA | |

**Harish Cement Limited**

## Notes to Financial Statements (Contd.)

**Note 20**

In light of the COVID-19 outbreak being declared a pandemic by the World Health Organisation, the Company has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time ensuring business continuity. The company expects to recover the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business based on information available on current economic conditions. The company will continue to monitor any material changes on future economic conditions.

**Signatures to Notes '1' to 20** | **for and on behalf of the Board**

**In terms of our reports attached.**

| | | |
|---|---|---|
| **For G.P. Kapadia & Co.** | **Director** | **Director** |
| **Chartered Accountants** | **(M. B. Agarwal)** | **(Arun Daga)** |
| **Firm Registration No: 104768W** | **DIN : 03416254** | **DIN: 00703261** |

**Atul B. Desai**
**Membership No: 030850**
**Partner**

**Mumbai: 20th April, 2022**

## HARISH CEMENT LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2022

| | ₹ In Lakhs Mar 31, 2022 | ₹ In Lakhs Mar 31, 2021 |
|---|---|---|
| **A Cash Flow from Operating Activities:** | | |
| Profit & (Loss) Before tax | (0.04) | (0.08) |
| Adjustments for: | | |
| Depreciation & Amortisation | | |
| (Increase)/Decrease in current Assets | (2.66) | (1.01) |
| Increase /(Decrease) in Trade Payable and other Liabilities | 0.10 | (2.51) |
| Net Cash Generated from Operating Activities (A) | (2.60) | (3.58) |
| **B Cash Flow from Investing Activities:** | | |
| CWIP(Advances & project Dev.Expes) | (16.53) | (16.50) |
| Net Cash used in Investing Activities (B) | (16.53) | (16.50) |
| **C Cash Flow from Financing Activities:** | | |
| Shares Issued Amount (Including Premium) | 22.44 | 0.00 |
| Net Cash Generated / (Used) from Financing Activities (C) | 22.44 | 0.00 |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C) | 3.31 | (20.08) |
| Cash and Cash Equivalents at the Beginning of the Year | 0.55 | 20.63 |
| Cash and Cash Equivalents at the End of the Year | 3.86 | 0.55 |

**Notes:**
1. Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under Section 133 of the Companies Act,2013.

The Accompanying notes are an integral part of Financial Statements

In terms of our report attached.

**For G.P. Kapadia & Co.**
Chartered Accountants
**Firm Registration No: 104768W**

Atul Desai
Membership No:030850
Partner
Mumbai : 20th April 2022

For and on behalf of the Board of Directors

M. B. Agarwal
Director
DIN :03416254

Arun Daga
Director
DIN :00705281

**Independent Auditor's Report**

To
The Members of
UltraTech Nathdwara Cement Limited

**Report on the audit of the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone Ind AS financial statements of UltraTech Nathdwara Cement Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("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 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

**Emphasis of Matter**

4. We draw attention to Note 31 of the Standalone Financial Statements, which refers to the order dated 31 August 2016 (penalty of Rs. 167.32 crores) of the Competition Commission of India ('CCI') against which the Company had filed appeal. Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing its appeal against the CCI order dated 31 August 2016, the Company has filed an appeal before the Hon'ble Supreme Court of India, which has by its order dated 5 October 2018, granted a stay against the NCLAT order. Consequently, the Company. has deposited an amount of Rs. 16.73 crores equivalent to 10% of the penalty of Rs. 167.32 crores recorded as asset. The Company, backed by legal opinions taken by Ultratech Cement Limited – Parent Company, believes that it has a good case basis which no provision has been recognised in the books of account. Our opinion is not modified in respect of this matter.



KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

**Other Information**

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

6. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

**Management's responsibility for the Standalone Financial Statements**

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

9. In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

**Auditor's responsibilities for the audit of the Standalone Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    12.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    12.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

    12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

    12.4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    12.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

16. The comparative Standalone Financial Statements of the Company for the year ended 31 March 2021 included in these financial statements have been audited by the predecessor auditor who had expressed an unmodified opinion as per their report dated 4 May 2021 and which has been furnished to us by the management and has been relied upon by us for the purpose of our audit. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

17. As required by the Companies (Auditor's Report) Order, 2020 ("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 paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, we report that:

    18.1. 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.

    18.2. 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.

    18.3. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.

    18.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    18.5. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

18.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

18.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

19. 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:

19.1. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note 31 to the Standalone Financial Statements;

19.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

19.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

19.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that caused us to believe that such representation contains any material misstatement.

19.5. The management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that has caused us to believe that such representation contains any material misstatement.

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

19.6. In our opinion and according to the information and explanations given to us, no dividend was declared and / or paid during the year and accordingly reporting on compliance with of Section 123 of the Act will not be applicable for the Company.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AHWHMP5851

Place: Mumbai
Date: 26 April 2022

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

**Annexure "A" to the Independent Auditor's Report on the Standalone Financial Statements of UltraTech Nathdwara Cement Limited for the year ended 31 March 2022**

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").

The Company is maintaining proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its PPE by which all PPE 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 assets. Pursuant to the programme, certain PPE were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion, 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except for the following which are not held in the name of the Company.

**Rs in Crore**

| Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held (Years) | Reason for not being held in name of company |
|---|---|---|---|---|---|
| Freehold Land | 15.41 | Amraram S/o Bheraram | No | 9-10 | Transfer in progress |
| | 4.10 | Balwant S/o Pemaram | No | 9-10 | |
| | 20.22 | Bhukaram S/o Chimanlal | No | 9-10 | |
| | 17.67 | Mahendra S/o Ramlal | No | 9-10 | |
| | 18.13 | Mahendra S/o Ruparam | No | 9-10 | |
| | 1.23 | Tejaram S/o Vanaram | No | 9-10 | |
| | 2.65 | Parmai w/o Ranga Ram | No | 9-10 | |
| | 2.66 | Ranga Ram s/o Chnadra Ram | No | 9-10 | |
| | 2.60 | Krishna Murarka S/o Omprakash | No | 9-10 | |
| | 1.72 | Balwant S/0 Prema ji | No | 9-10 | |
| | 1.46 | Amararam s/o Bheraram | No | 9-10 | |
| Total | 87.85 | | | | |

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

(e) In our opinion, according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the management and, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties.

(b) In our opinion, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) In our opinion and according to the information and explanations given to us, the Company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and the details are mentioned in the following table

(Rs in Crore)

| Particulars | Guarantees | Security | Loans | Advances in the nature of loans |
|---|---|---|---|---|
| Aggregate amount granted/ provided during the year | | | | |
| Subsidiaries | Nil | Nil | Nil | Nil |
| Joint Ventures | NA | NA | NA | NA |
| Associates | NA | NA | NA | NA |
| Others | Nil | Nil | 0.21 | Nil |
| Balance outstanding as at balance sheet date in respect of above cases | | | | |
| Subsidiaries | Nil | Nil | Nil | Nil |
| Joint Ventures | NA | NA | NA | NA |
| Associates | NA | NA | NA | NA |
| Others | Nil | Nil | 0.16 | Nil |

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year are not prejudicial to the Company's interest.

(c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, there is no stipulated schedule of repayment of principal and payment of interest on loans granted by the Company

(d) In our opinion and according to the information and explanations given to us, no amount is overdue in respect of loans and advances in the nature of loans.

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

(e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.

(f) In our opinion and according to the information and explanations given to us, the Company has granted following loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment:

**Rs in Crore**

| **Aggregate amount of loans/ advances in nature of loans** | **All Parties** | **Promoters** | **Related Parties** |
|---|---|---|---|
| - Repayable on demand (A) | Nil | Nil | Nil |
| - Agreement does not specify any terms or period of repayment (B) | 100.87 | Nil | 100.87 |
| Total (A+B) | 100.87 | Nil | 100.87 |
| Percentage of loans/ advances in nature of loans to the total loans | 100% | - | 100% |

iv. In our opinion, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.

v. In our opinion, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the Act, for the maintenance of cost records in respect of products manufactured by the Company, 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 cost records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, 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 Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.



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(b) In our opinion, according to the information and explanations given to us and on the basis of our examination of the records of the Company, as per Approved Resolution Plan upon discharge and payment of resolution amount, the Company shall be immune from attachment or interference and shall not be subject matter of any claim in any proceedings for any past transactions carried out by or for any acts or omissions of the Company, or it's promoter till 19 November 2018. Accordingly, the following dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute, since 19 November 2018.

**(Rs. in Crore)**

| Name of the Statute | Nature of the Dues | Amount | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Rajasthan Finance Act, 2020 | Differential Land Tax, Interets & Penalty | 1.53 | 2020-21 | Hon'ble High Court, Jodhpur | |

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion, according to the information and explanation and on the basis of our examination of the records, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, considering the commitment provided by the Holding Company with respect to its funding in the Company, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis other than referred above have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no material fraud by the Company or any fraud on the Company that has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. (a) 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 to the Company.

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 Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company. and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.

xvi. a) In our opinion, the Company is not required to be registered under Section 4S-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company ('CIC') as defined in the regulations made by Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year. As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, considering the support letter received from the Holding Company and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, provisions of section 135, Corporate Social Responsibility are not applicable to the Company, accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

xxi. The financial statements of subsidiaries incorporated in India are unaudited and have been furnished to us by the management. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AHWHMP5851

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

Place: Mumbai
Date: 26 April 2022

**Annexure "B" to the Independent Auditors' report on the Standalone Financial Statements of UltraTech Nathdwara Cement Limited for the year ended 31 March 2022**

(Referred to in paragraph "18.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

**Opinion**

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of UltraTech Nathdwara Cement Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls 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 ("the Guidance Note").

**Management's responsibility for Internal Financial Controls**

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

**Auditor's responsibility**

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, 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 Standalone Financial Statements, whether due to fraud or error.

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CHARTERED ACCOUNTANTS
MUMBAI

6. 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 with reference to the Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to the Standalone Financial Statements**

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include 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 Standalone 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 Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements**

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, 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 with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AHWHMP5851

KHIMJI KUNVERJI & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 26 April 2022

## UltraTech Nathdwara Cement Limited

**BALANCE SHEET AS AT MARCH 31, 2022**

(₹ in Crores)

| Particulars | Note No. | | As at March 31,2022 | | As at March 31,2021 (restated) Refer Note 33) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, Plant and Equipment | 2 | 1,070.29 | | 983.92 | |
| Capital Work-in-Progress | 2 | 127.45 | | 124.92 | |
| Right of Use Assets | 3 | - | | 8.53 | |
| Other Intangible Assets | 2 | 3.66 | | 3.78 | |
| Intangible Assets under Development | 2 | 0.01 | | - | |
| | | | 1,201.41 | | 1,121.15 |
| Investments Accounted using Equity Method | 4 | 0.10 | | 0.10 | |
| Financial Assets: | | | | | |
| Investments | 5 | 2.60 | | - | |
| Loans | 6 | 7.30 | | 7.30 | |
| Other Financial Assets | 7 | 12.74 | 22.74 | 10.13 | 17.53 |
| Income Tax Assets (Net) | | | 5.49 | | 2.57 |
| Other Non-Current Assets | 8 | | 25.89 | | 9.70 |
| **Total Non-Current Assets** | | | 1,255.53 | | 1,150.95 |
| **Current Assets** | | | | | |
| Inventories | 11 | | 189.61 | | 109.66 |
| Financial Assets | | | | | |
| Investments in subsidiaries( Held for Disposal) | 10 | 33.48 | | 39.99 | |
| Cash and Cash Equivalents | 12 | 0.88 | | 0.24 | |
| Bank Balances other than Cash and Cash Equivalents | 13 | 19.95 | | 20.94 | |
| Loans | 6 | 0.17 | | 0.13 | |
| Other Financial Assets | 7 | 1.29 | 55.77 | 1.24 | 62.54 |
| Other Current Assets | 14 | | 22.31 | | 10.72 |
| **Total Current Assets** | | | 267.69 | | 182.92 |
| Assets Held for Sale | 9 | | - | | 742.01 |
| **TOTAL ASSETS** | | | 1,523.21 | | 2,075.88 |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Equity Share Capital | 15 (a) | | 3,400.00 | | 3,400.00 |
| Other Equity | 15(b) | | (4,794.23) | | (5,084.05) |
| | | | (1,394.23) | | (1,684.05) |
| **LIABILITIES** | | | | | |
| **Non-Current Liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 16 | - | | 2,571.44 | |
| Other Financial Liabilities | 17 | - | - | | 2,571.44 |
| Non Current Provisions | 18 | | 5.35 | | 4.95 |
| **Total Non-Current Liabilities** | | | 5.35 | | 2,576.39 |
| **Current Liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 19 | 2,574.90 | | 867.80 | |
| Trade Payables | | | | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | 49 | 6.99 | | 4.07 | |
| Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | 20 | 114.47 | | 81.61 | |
| Other Financial Liabilities | 17 | 37.20 | 2,733.56 | 39.77 | 993.25 |
| Other Current Liabilities | 21 | | 173.69 | | 182.96 |
| Provisions | 18 | | 4.84 | | 7.33 |
| **Total Current Liabilities** | | | 2,912.09 | | 1,183.54 |
| **TOTAL EQUITY AND LIABILITIES** | | | 1,523.21 | | 2,075.88 |
| **Significant Accounting Policies** | 1 | | | | |

**The accompanying notes form an integral part of the Financial Statements.**

In terms of our report attached.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
Partner
ICAI Membership No: 117348

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : April 26,2022

For and on behalf of the Board of Directors

D.D. Rathi
Director
DIN : 00012575

Alka Bharucha
Director
DIN: 00114067

Yogesh Kumar Bhatt
Chief Financial Officer

Kamal Rathi
Company Secretary

## UltraTech Nathdwara Cement Limited

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in Crores)

| Particulars | Note No. | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 (restated) (Refer Note 33) |
|---|---|---|---|
| Revenue from Operations | 22 | 1,672.39 | 1,278.10 |
| Other Income | 23 | 37.67 | 47.59 |
| **TOTAL INCOME (I)** | | **1,710.06** | 1,325.69 |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 24 | 349.14 | 288.99 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 25 | (22.31) | 9.70 |
| Employee Benefits Expense | 26 | 61.86 | 58.84 |
| Finance Costs | 27 | 210.12 | 274.17 |
| Depreciation and Amortisation Expense | 28 | 74.13 | 74.77 |
| Power and Fuel | | 661.00 | 382.82 |
| Freight and Forwarding Expense | 29 | 41.28 | 37.12 |
| Other Expenses | 30 | 207.97 | 157.03 |
| **TOTAL EXPENSES (II)** | | **1,583.19** | 1,283.44 |
| **Profit before Exceptional Items and Tax Expense (I)-(II)** | | **126.87** | 42.25 |
| **Exceptional Items (Net)** | | | |
| Gain on sale of investment ( Refer Note 51) | | 159.92 | 336.28 |
| Impairment in Value of Loans & Investments | | - | (364.82) |
| **Profit before Tax Expense** | | **286.79** | 13.71 |
| **Total Tax Expense** | | - | - |
| **Profit for the year (III)** | | **286.79** | 13.71 |
| **Other Comprehensive Income** | | | |
| A (i) Items that will not be reclassified to Profit or Loss - Remeasurement Gain / (Loss) on defined benefit plan | | 3.03 | 0.61 |
| **Other Comprehensive Income for the year (IV)** | | **3.03** | 0.61 |
| **Total Comprehensive Income for the year (III+IV)** | | **289.82** | **14.32** |
| **Earnings Per Equity Share (Face Value ₹ 10 each)** | | | |
| **Basic (in ₹)** | 39 | **0.84** | 0.04 |
| **Diluted (in ₹)** | | **0.84** | 0.04 |
| **Significant Accounting Policies** | 1 | | |
| **The accompanying notes form an integral part of the Financial Statements.** | | | |

In terms of our report attached.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : April 26,2022

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**

Kamal Rathi
**Company Secretary**

**UltraTech Nathdwara Cement Limited**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

₹ in Crores

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **(A) Cash Flow from Operating Activities:** | | |
| **Profit Before tax** | **286.79** | 13.71 |
| **Adjustments for:** | | |
| Depreciation and Amortisation | 73.38 | 70.57 |
| Impairment of Assets | - | 4.20 |
| Assets/Pre operative expenses written off | 0.08 | - |
| Unrealised Exchange Rate Fluctuation (net) | (2.72) | (18.51) |
| Provision/Liabilities written back (Net) | (8.59) | (9.64) |
| Provision for Mines Restoration | 0.40 | 0.37 |
| Interest on Lease Liability | - | 0.04 |
| Interest and Dividend Income | (1.21) | (3.00) |
| Finance Costs | 209.72 | 273.76 |
| Exceptional Items (net) | (159.92) | 28.54 |
| (Profit) / Loss on Sale / Retirement of Property, Plant and Equipment (net) | 0.67 | (0.05) |
| **Operating Profit before Working Capital Changes** | **398.60** | 359.99 |
| Movements in working capital: | | |
| Increase in Trade payables and other Liabilities | 42.48 | 124.23 |
| Decrease/(Increase) in Trade receivables | (17.94) | 0.24 |
| (Increase)/ Decrease in Inventories | (79.50) | 10.34 |
| **Cash generated from Operations** | **343.64** | 494.80 |
| Taxes paid (net of refunds) | (2.91) | (0.97) |
| **Net Cash generated from Operating Activities (A)** | **340.73** | 493.83 |
| **(B) Cash Flow from Investing Activities:** | | |
| Purchase of Property, Plant and Equipment | (175.67) | (111.90) |
| Sale of Property, Plant and Equipment | 8.79 | 3.33 |
| Investment (Purchase of Shares) | (2.60) | - |
| Recemption / (Investment) in Other Bank deposits | 0.98 | (0.85) |
| Proceeds from sale of investments in subsidiaries/ step down subsidiaries | 910.08 | 844.73 |
| Due from Subsidiaries / Other Body Corporates | 6.50 | 101.21 |
| Interest Received | 1.27 | 3.64 |
| **Net Cash generated from Investing Activities (B)** | **749.35** | 840.16 |
| **(C) Cash Flow from Financing Activities:** | | |
| Repayment of Non-Current Borrowings | (2,652.75) | (40.50) |
| Inter Corporate Deposit Received/(Repaid) (net) | 1,784.10 | (1,006.54) |
| Proceeds/ (Repayment) of Current Borrowings (net) | 4.00 | 0.73 |
| Repayment of Principal towards Lease Liability | - | (1.52) |
| Interest on Lease Liability | - | (0.04) |
| Interest Paid | (224.79) | (287.80) |
| **Net Cash used in Financing Activities (C)** | **(1,089.44)** | (1,335.67) |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)** | **0.64** | (1.68) |
| **Cash and Cash Equivalents at the beginning of the year** | **0.24** | 1.92 |
| **Cash and Cash Equivalents at the end of the year (Refer Note 12)** | **0.88** | 0.24 |

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**UltraTech Nathdwara Cement Limited**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

**Notes:**

1. The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
2. Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.
3. Changes in liabilities arising from financing activities:

₹ in Crores

| Particulars | As at March 31, 2021 | Cashflows | Non Cash changes | **As at March 31, 2022** |
|---|---|---|---|---|
| Non-Current Borrowing (including current maturities of Non-Current Borrowing) | 2,652.44 | (2,652.74) | (0.30) | - |
| Current Borrowing | 786.80 | 1,779.96 | - | **2,566.76** |
| | 3,439.24 | (872.78) | (0.30) | **2,566.76** |
| **Particulars** | **As at March 31, 2020** | Cashflows | Non Cash changes | As at March 31, 2021 (restated) |
| Non-Current Borrowing (including current maturities of Non-Current Borrowing) | 2,692.91 | (40.50) | 0.03 | 2,652.44 |
| Current Borrowing | 1,792.61 | (1,005.81) | | 786.80 |
| | 4,485.52 | (1,046.31) | 0.03 | 3,439.24 |

**Significant Accounting Policies** **Note 1**

**The accompanying notes form an integral part of the Financial Statements.**

In terms of our report attached.

**For Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348

Place : Mumbai
Date : April 26,2022

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**
Place : Mumbai
Date : April 26,2022

Kamal Rathi
**Company Secretary**

## UltraTech Nathdwara Cement Limited

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

**A. Equity Share Capital**

**For The Year Ended March 31, 2022**

(₹ in Crores)

| Balance as at April 01, 2021 | Changes in Equity Share Capital during the year | Balance as at March 31, 2022 |
|---|---|---|
| 3,400.00 | - | **3,400.00** |

**For the Year ended March 31, 2021**

(₹ in Crores)

| Balance as at April 01, 2020 | Changes in Equity Share Capital during the Year | Balance as at March 31, 2021 (restated) |
|---|---|---|
| 3,400.00 | - | 3,400.00 |

**B. Other Equity**

**For The Year Ended March 31, 2022**

(₹ in Crores)

| **Particulars** | **Reserves & Surplus** | | | **Total Other Equity** |
|---|---|---|---|---|
| | **Capital Redemption Reserve** | **General Reserve** | **Retained Earnings** | |
| Balance as at April 01, 2021 | 14.50 | 106.13 | (5,204.68) | (5,084.05) |
| Profit for the year | - | - | 286.79 | 286.79 |
| **Other Comprehensive Income / (Loss) for the year** | | | | |
| Remeasurement Gain / (Loss) on defined benefit plan | - | - | 3.03 | 3.03 |
| Total Comprehensive Income / (Loss) for the year | - | - | 289.82 | 289.82 |
| **Balance as at March 31, 2022** | **14.50** | **106.13** | **(4,914.86)** | **(4,794.23)** |

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

## UltraTech Nathdwara Cement Limited

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

**For the Year ended March 31, 2021 (restated)**

(₹ in Crores)

| Particulars | Reserves & Surplus | | | Total Other Equity |
|---|---|---|---|---|
| | Capital Redemption Reserve | General Reserve | Retained Earnings | |
| Balance as at April 01, 2020 | 14.50 | 106.13 | (4,714.62) | (4,593.99) |
| Prior Period Adjustments (Note33) | - | - | (504.38) | (504.38) |
| Balance as at April 01,2020 (Restated) | | | (5,219.00) | (5,098.37) |
| Profit for the year | - | - | 13.71 | 13.71 |
| Other Comprehensive Income for the year | | | | |
| Remeasurement Gain / (Loss) on defined benefit plan | - | - | 0.61 | 0.61 |
| Total Comprehensive Income / (Loss) for the year | - | - | 14.32 | 14.32 |
| **Balance as at March 31, 2021 (Restated)** | **14.50** | **106.13** | **(5,204.68)** | **(5,084.05)** |

**Significant Accounting Policies Note 1**

**The accompanying notes form an integral part of the Financial Statements.**

In terms of our report attached.

**For Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration No: 105146W/W-100621

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

Gautam V Shah
**Partner**
ICAI Membership No: **117348**
Place : Mumbai
Date : April 26,2022

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**

Kamal Rathi
**Company Secretary**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**Note 1 (A) Company Overview and Significant Accounting Policies**

**Company Overview**

UltraTech Nathdwara Cement Limited is a Public Limited Company incorporated in India having its registered office at Kolkata, India. The Company is engaged in the manufacturing and selling of Cement and Cement related products.

The name of the Company has been changed to 'UltraTech Nathdwara Cement Limited' (UNCL) from 'Binani Cement Limited' w.e.f. 13th December, 2018.

**SIGNIFICANT ACCOUNTING POLICIES**

**(a) Statement of Compliance:**

These financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and amendments thereto as applicable. The financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on April 26, 2022.

**(b) Basis of Preparation and presentation**

**Basis of Preparation**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative Financial Instruments measured at fair value
(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
(iii) Assets held for disposal – measured at the lower of its carrying amount and fair value less costs to sell
(iv) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Functional and Presentation Currency**

(i) The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.
(ii) Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, all other figures have been rounded off to the nearest ₹ in crores, unless otherwise stated.

**Classification of Assets and Liabilities into Current/Non-Current**

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:
(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is expected to realise the asset within twelve months after the reporting period; or
(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

Similarly, a liability is classified as current if:
(i) It is expected to be settled in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

**(c) Property, Plant and Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. PPE are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

**(d) Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets"

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**(e) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold Land with indefinite life is not depreciated.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The property, plant and equipments also includes the assets constructed on land not owned by the Company.

Such classes of assets and their estimated useful lives are as under:

| No | Nature | Estimated Useful life |
|---|---|---|
| 1 | Buildings | [illegible] |
| 2 | Leasehold land including Railway siding | Over the lease agreement |
| [illegible] | Plant & Machinery | [illegible] |
| 4 | Office Equipment | 4-7 Years |
| 5 | Furniture and Fixtures | 7-12 Years |
| 6 | Mobile Phones | 3 Years |
| 7 | Company Vehicles (other than those provided to the employees | 5 Years |
| 8 | Motor Cars given to the employees as per the Company's Scheme | 4-5 Years |
| 9 | Servers and Networks | 3 Years |
| 10 | Stores and Spares in the nature of PPE | 8-30 Years |
| 11 | Assets individually costing less than or equal to ' 10,000 | Fully Depreciated in the year of purchase |

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

**(f) Intangible Assets and Amortisation**

**· Internally generated Intangible Assets:**

Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

**· Intangible Assets acquired separately:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

**Class of intangible assets and their estimated useful lives / basis of amortisation are as under:**

| No | Nature | Estimated Useful life Basis of amortisation |
|---|---|---|
| 1 | Mining Reserve (Mines Exploration and Development) | On the basis of mineral material extraction (proportion of mineral material extracted per annum to total estimated mining reserve) |
| 2 | Software | 5 Years |

**(g) Non-current assets (or disposal groups) classified as held for sale:**

To classify any Asset or disposal groups (comprising assets and liabilities) as "Asset / Disposal groups held for sale" they must be available for immediate sale and its sale must be highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets / Disposal groups held for sale" and "Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Balance Sheet.

**(h) Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

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(i) **Inventories:**

Inventories are valued as follows:

**(i) Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

**(ii) Work-in- progress (WIP) and finished goods:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

**(iii) Waste / Scrap:**

Waste / Scrap inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) **Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

(k) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised or disclosed in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(l) **Mines Restoration Provision:**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

(m) **Revenue Recognition:**

(i) Revenue from Contracts with Customers

· Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Company is having offtake agreement with the holding company to take the material on ex works basis accordingly revenue has been recognised on ex works basis.

· Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

(ii) Dividend income is accounted for when the right to receive the income is established.

(iii) Interest income is recognised using the Effective Interest Method.

(n) **Lease:**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(i) the contract involves the use of identified asset;

(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Company has the right to direct the use of the asset.

**As a lessee**

The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method, except those which is payable other than functional currency which is measured at fair value through P&L. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU and lease liabilities for

- short term leases that have a lease term of 12 months or lower and
- Leases of low value assets.

The Company recognises the lease payments associated with these leases as an expense over the lease term.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income over the lease term. The respective leased assets are included in the balance sheet based on their nature.

**(o) Employee benefits:**

**Gratuity**

The gratuity, a defined benefit plan, payable to the employees is based on the Employees' service and last drawn salary at the time of the leaving of the services of the Company and is in accordance with the Rules of the Company for payment of Gratuity. Liability with regards to gratuity plan is determined using the projected unit credit method, with actuarial valuations being carried out by a qualified independent actuary at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

(i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
(ii) net interest expense or income; and
(iii) re-measurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Provident Fund**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, which is a defined benefit plan, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

**Superannuation**

Certain employees of the Company are eligible for participation in defined contribution plans such superannuation and national pension fund. Contributions towards these funds are recognized as an expense periodically based on the contribution by the Company, since Company has no further obligation beyond its periodic contribution.

**Other employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured using the projected unit credit method by a qualified independent actuary at the end of each annual reporting period, at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Remeasurement gains / losses are recognised in the Statement of Profit and Loss in the period in which they arise.

**(p) Income Taxes:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset. MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to move to lower tax rate from FY 2020-21 onwards under section 115 BAA.

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**(q) Earnings Per Share:**

Basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders is divided by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares to satisfy the exercise of the share options by the employees.

**(r) Foreign Currency transactions:**

Transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

**(s) Investment in Subsidiaries :**

The Company's investment in its subsidiaries are carried at cost net of accumulated impairment, if any

On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

**(t) Financial Instruments:**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged to the Statement of Profit and Loss over the tenure of the financial assets or financial liabilities.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

(i) the entity's business model for managing the financial assets and

(ii)the contractual cash flow characteristics of the financial asset.

**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL.

Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company's trade receivables do not contain significant financing component and as per simplified approach, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

**Derecognition of financial assets and financial liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability for amounts it has to pay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss.

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**Financial Guarantee Contract Liabilities**

Financial Guarantee Contract Liabilities are disclosed in financial statements in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

**(u) Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**(v) Financial liabilities and equity instruments:**

**(i) Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**(w) Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately excluding derivatives designated as cash flow hedge.

**(x) Segment Reporting: Identification of Segments:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**(y) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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**Note 1 (B) Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(a) Critical judgments in applying accounting policies:**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

**Classification of Lease Ind AS 116:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in arriving at the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a group of leases with similar characteristics.

**(b) Key assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful Lives of Property, Plant & Equipment and Intangible Assets:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. In case of certain mining rights the amortisation is based on the extracted quantity to the total mineral reserve.

**(ii) Impairment of Assets:**

The Company reviews its carrying value of assets annually where there is an indication of impairment by estimating the future economic benefits from using such assets If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**(iii) Recognition and measurement of deferred tax assets and liabilities:**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**(iv) Income Taxes:**

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. The Company has moved to new tax regime (Section 115 BAA) from FY 2020-21 onwards . The Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to realised or settled in the future when the Company may be subject to lower tax rate based on the future financials projections.

**(v) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(vi) Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(vii) Mines Restoration Obligation:**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

**(viii) Disposal Groups/Assets held for sale :**

The Company has used comparable market multiple approach to assess the fair value of the disposal group.

Under the market multiple approach, enterprise value of a company is determined by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies considering Enterprise Value/ Revenue and Enterprise value/ EBITDA multiples based on their market price and latest published financial information.

Appropriate adjustments are made (e.g. for debt and surplus assets) to arrive at the equity value of the disposal group.

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# UltraTech Nathdwara Cement Limited

**Note 2**

**Property, Plant and Equipment and Other Intangible Assets**

(₹ in Crores)

| Particulars | Gross Block | | | | Accumulated Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2022 | As at March 31, 2022 |
| **(A) Tangible Assets** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 124.47 | - | 1.92 | **122.55** | - | - | - | **-** | **122.55** |
| Leasehold Land | 181.19 | 0.34 | (1.92) | **183.45** | 11.47 | 4.29 | - | **15.76** | **167.69** |
| Buildings | 95.44 | 7.80 | - | **103.24** | 65.86 | 1.63 | - | **67.49** | **35.75** |
| Railway Sidings | 29.59 | 13.38 | - | **42.97** | 23.45 | 2.72 | - | **26.17** | **16.80** |
| Plant and Equipment: | | | | | | | | | |
| Own | 1,897.55 | 137.81 | 6.29 | **2,029.07** | 1,247.00 | 62.41 | 2.35 | **1,307.06** | **722.01** |
| Office Equipment | 9.12 | 1.28 | 0.38 | **10.02** | 7.56 | 0.65 | 0.38 | **7.83** | **2.19** |
| Furniture and Fixtures | 3.29 | 0.41 | 0.01 | **3.69** | 3.16 | 0.30 | 0.01 | **3.45** | **0.24** |
| Vehicles | 5.38 | 2.46 | 0.88 | **6.96** | 3.61 | 0.63 | 0.34 | **3.90** | **3.06** |
| **Total Tangible Assets** | **2,346.03** | **163.48** | **7.56** | **2,501.95** | **1,362.11** | **72.63** | **3.08** | **1,431.66** | **1,070.29** |
| **(B) Capital Work-in-Progress** | | | | | | | | | **127.45** |
| **(C) Other Intangible Assets** | | | | | | | | | |
| Software | 8.29 | - | - | **8.29** | 8.29 | - | - | **8.29** | - |
| Mining Rights | 11.28 | - | - | **11.28** | 7.50 | 0.12 | - | **7.62** | **3.66** |
| **Total Intangible Assets** | **19.57** | **-** | **-** | **19.57** | **15.79** | **0.12** | **-** | **15.91** | **3.66** |
| **(D) Intangible Assets under Development** | | | | | | | | | **0.01** |
| **Total Assets (A+B+C)** | **2,365.60** | **163.48** | **7.56** | **2,521.52** | **1,377.90** | **72.75** | **3.08** | **1,447.57** | **1,201.41** |

## UltraTech Nathdwara Cement Limited

**Note 2**
**Property, Plant and Equipment and Other Intangible Assets**

(₹ in Crores)

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Adjustments | As at March 31, 2021 (restated) | As at April 01, 2020 | For the year | Deductions/ Adjustments | As at March 31, 2021 (restated) | As at March 31, 2021 (restated) |
| **(A) Tangible Assets** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 123.02 | 1.45 | - | **124.47** | - | - | - | - | **124.47** |
| Leasehold Land (Refer Note 33) | 725.27 | 0.43 | 544.51 | **181.19** | 47.42 | 4.19 | 40.14 | **11.47** | **169.72** |
| Buildings | 95.21 | 0.23 | - | **95.44** | 64.35 | 1.51 | - | **65.86** | **29.58** |
| Railway Sidings | 29.59 | - | - | **29.59** | 21.44 | 2.01 | - | **23.45** | **6.14** |
| Plant and Equipment: | | | | | | | | | |
| Own | 1,898.90 | 10.06 | 11.41 | **1,897.55** | 1,195.91 | 58.96 | 7.87 | **1,247.00** | **650.55** |
| Office Equipment | 8.53 | 0.76 | 0.17 | **9.12** | 7.28 | 0.45 | 0.17 | **7.56** | **1.56** |
| Furniture and Fixtures | 3.35 | 0.08 | 0.14 | **3.29** | 3.18 | 0.11 | 0.13 | **3.16** | **0.13** |
| Vehicles | 4.34 | 1.23 | 0.19 | **5.38** | 3.34 | 0.39 | 0.12 | **3.61** | **1.77** |
| **Total Tangible Assets** | **2,888.21** | **14.24** | **556.42** | **2,346.03** | **1,342.92** | **67.62** | **48.43** | **1,362.11** | **983.92** |
| **(B) Capital Work-in-Progress** | | | | | | | | | **124.92** |
| **Total Tangible Assets** | | | | | | | | | |
| **(C) Other Intangible Assets** | | | | | | | | | |
| Software | 8.29 | - | - | **8.29** | 8.29 | - | - | **8.29** | - |
| Mining Rights | 11.28 | - | - | **11.28** | 7.40 | 0.10 | - | **7.50** | **3.78** |
| **Total Other Intangible Assets** | **19.57** | - | - | **19.57** | **15.69** | **0.10** | - | **15.79** | **3.78** |
| **Total Assets (A+B+C)** | **2,907.78** | **14.24** | **556.42** | **2,365.60** | **1,358.61** | **67.72** | **48.43** | **1,377.90** | **1,112.62** |

1 Buildings includes assets built on land not owned by the Company ₹ 3.98 crores (Previous year ₹ 3.98 Crores).
2 Plant and Machinery includes assets built on land not owned by the Company ₹ 2.26 Crores (Previous year ₹ 2.26 Crores).
3. Disclosure as per para 49 Ind AS 8 "Accounting policies, Changes in Accounting Estimates and Errors":
Nature: Impairment of leasehold land by Rs.513.73 crore based on independent valuation carried out during acquisition of the Company by Ultratech Cement Limited.
As per para 42 impact is given at the beginning of the earliest period presented i.e. opening reserve as at 01 April 2020.
4. Freehold Land include assets for which ownership is not in the name of the Company - Gross Block of ₹ 87.85 Croress (Previous Year ₹ 101.50 Crores).

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5. Ageing schedule of capital-work-in progress (CWIP) :

₹ In Crores

| | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As at March 31, 2022** | | | | | |
| Projects in progress | 93.34 | 34.09 | 0.02 | - | 127.45 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **93.34** | **34.09** | **0.02** | **-** | **127.45** |
| As at March 31, 2021 (restated): | | | | | |
| Projects in progress | 101.82 | 13.57 | 9.53 | - | 124.92 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 101.82 | 13.57 | 9.53 | | 124.92 |

6. Completion schedule for capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

₹ In Crores

| | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **As at March 31, 2022** | | | | |
| Modifications In Railway Siding Arising Due To Electrification Work Of Indian Railways | 2.58 | - | - | |
| Installation Of Waste Heat Recovery System In Line 2 (10.5 Mw) | 34.67 | - | | |
| Suspended projects: | | | | |
| Project 1 | | - | - | |
| Project 2 | | - | | |

7. Ageing schedule of Intangible assets under development:

₹ in Crores

| | Amount in Intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As at March 31, 2022** | | | | | |
| Projects in progress | 0.01 | - | - | | 0.01 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **0.01** | **-** | **-** | **-** | **0.01** |
| As at March 31, 2021 (restated): | | | | | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | | - | - | - | - |

8. Details of Immovable Property not held in the name of the company:

₹ in Crores

| Asset Decription | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of company |
|---|---|---|---|---|---|
| Immovable Property - Freehold Land | 15.41 | Amararam S/o Bheraram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 4.10 | Balwant S/o Pemaram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 20.37 | Bhukaram S/o Chimnaram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 17.67 | Mahendra S/o Ramlal | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 18.13 | Mahendra S/o Rupa Ram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | [illegible] | Tejaram S/o Vaneram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | [illegible] | Parmal w/o Ranga Ram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 2.66 | Ranga Ram s/o Chhedra Ram | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 2.60 | Krishna Murarka S/o Omprakash | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 1.72 | Balwant S/0 Prema ji | No | 9-10 Year | Transfer in progress |
| Immovable Property - Freehold Land | 1.46 | Amararam s/o Bheraram | No | 9-10 Year | Transfer in progress |
| | **87.85** | | | | |

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## UltraTech Nathdwara Cement Limited

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**Note 3 - Leases (Ind AS 116):**

**As a lessee**

Following are the carrying value of Right of Use Assets for the year ended March 31, 2022:

(₹ in Crores)

| Particulars | Gross Block | | | | Accumulated depreciation and amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Transfer | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions/ Transfer | As at March 31, 2022 | As at March 31, 2022 |
| Plant and Machinery | 20.20 | - | 20.20 | - | 11.67 | 0.63 | 12.30 | - | - |
| **Total** | **20.20** | - | **20.20** | - | **11.67** | **0.63** | **12.30** | - | - |
| **Net Depreciation Charged to Statement of Profit & Loss** | | | | | | **0.63** | **12.30** | - | - |

(₹ in Crores)

| Particulars | Gross Block | | | | Accumulated depreciation and amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Transfer | As at March 31, 2021 (restated) | As at April 01, 2020 | For the year | Deductions/ Transfer | As at March 31, 2021 (restated) | As at March 31, 2021 (restated) |
| Plant and Machinery | 20.20 | - | | **20.20** | 9.15 | 2.52 | | **11.67** | **8.53** |
| **Total** | **20.20** | - | | **20.20** | **9.15** | **2.52** | | **11.67** | **8.53** |
| **Net Depreciation Charged to Statement of Profit & Loss** | | | | | | **2.52** | | | |

(b) Lease Expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:

**(₹ in Crores)**

| Particulars | Year Ended March 31, 2022 | Year Ended March 31,2021 (restated) |
|---|---|---|
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | 0.00 | 0.15 |

(c) Amounts recognised in Statement of Cash Flows:

**(₹ in Crores)**

| Particulars | Year Ended March 31, 2022 | Year Ended March 31,2021 (restated) |
|---|---|---|
| Total cash outflow for leases | | (1.56) |

(d) Income from sub leasing of Right to use assets is ₹ nil

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**UltraTech Nathdwara Cement Limited**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 4**

**INVESTMENTS**

(₹ in Crores)

| Particulars | As at March 31,2022 Nos. | Amount | As at March 31,2021 (Restated) Nos. | Amount |
|---|---|---|---|---|
| **Unquoted:** | | | | |
| **Investments measured at Cost:** | | | | |
| **Equity Instruments:** | | | | |
| **Subsidiaries: (Country of incorporation: India, Percentage of holding: 100%)** | | | | |
| **Face value of ₹ 10 each fully paid:** | | | | |
| Merit Plaza Ltd. | 50,000.00 | 0.05 | 50,000.00 | 0.05 |
| Swiss Merchandise Infra. Ltd. | 50,000.00 | 0.05 | 50,000.00 | 0.05 |
| Smooth Energy Private Ltd. | - | - | 10,000.00 | 0.03 |
| Less: Provision for impairment | - | - | (10,000.00) | (0.03) |
| | | 0.10 | | 0.10 |
| Aggregate Value of: | | | | |
| Unquoted Investments | | 0.10 | | 0.10 |
| Aggregate amount of impairment in value of investments | | - | | 0.03 |

**NOTE 5**

**INVESTMENTS**

(₹ in Crores)

| Particulars | As at March 31,2022 Nos. | Amount | As at March 31,2021 (Restated) Nos. | Amount |
|---|---|---|---|---|
| **Unquoted:** | | | | |
| **Investments measured at Fair value through Profit or Loss:** | | | | |
| **Equity Instruments:** | | | | |
| **Face value of ₹ 10 each fully paid:** | | | | |
| Investment in Amplus Alpha Solar Private Limited | 25,98,864.00 | 2.60 | - | - |
| | | 2.60 | | - |
| Aggregate Value of: | | | | |
| Unquoted Investments | | 2.60 | | - |

**NOTE 6**

**LOANS**

(₹ in Crores)

| Particulars | Non-Current As at March 31,2022 | Current As at March 31,2022 | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| **Considered good, Unsecured:** | | | | |
| Loans and advances to subsidiaries | 100.87 | - | 100.87 | |
| Less: Provision for Impairment | (93.57) | - | (93.57) | - |
| | 7.30 | - | 7.30 | - |
| Loans to Employees | - | 0.17 | - | 0.13 |
| | 7.30 | 0.17 | 7.30 | 0.13 |

Note 6.1 - No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Note 6.2 -Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties, either severally or jointly with any other person, without specifying any terms and conditions:

| Type of Borrower | Amount Outstanding as at March 31, 2022 | Amount Outstanding as at March 31, 2021 (Restated) | % to the total Loans and Advances in the nature of loans as at March 31, 2022 | % to the total Loans and Advances in the nature of loans as at March 31, 2021 (Restated) |
|---|---|---|---|---|
| **Swiss Merchandise Infrastructure Limited** | 57.88 | 57.88 | 57% | 57% |
| **Merit Plaza Limited** | 42.99 | 42.99 | 43% | 43% |
| | **100.87** | 100.87 | **100%** | 100% |

**NOTE 7**

**OTHER FINANCIAL ASSETS:**

(₹ in Crores)

| Particulars | Non-Current As at March 31,2022 | Current As at March 31,2022 | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| Derivative Assets | - | 0.21 | - | - |
| Interest Accrued on Deposits and Investment | - | 0.57 | - | 0.63 |
| Fixed Deposits with Bank with Maturity Greater than twelve Months^ | 0.34 | - | 0.32 | - |
| Security Deposits | 8.30 | - | 6.74 | - |
| Deposit with State Electricity Boards | 4.10 | - | 3.07 | - |
| Others (Includes Other Receivables) | - | 0.51 | - | 0.61 |
| | 12.74 | 1.29 | 10.13 | 1.24 |

^ Lodged as Security with Government Departments - ₹ 0.34 Crores (March 31, 2021: ₹ 0.32 Crores)



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**NOTE 8**

**OTHER NON-CURRENT ASSETS:** (₹ in Crores)

| Particulars | March 31,2022 | March 31,2021 (restated) |
|---|---|---|
| Capital Advances | 101.35 | 88.88 |
| Less: Provision for Impairment | (80.00) | (80.00) |
| | 21.35 | 8.88 |
| Balance with Government Authorities | 10.94 | 7.12 |
| Less: Provision for Impairment | (7.12) | (7.12) |
| | 3.82 | - |
| Prepaid Expenses | 0.72 | 0.82 |
| | 25.89 | 9.70 |

**NOTE 9**

**Assets Held for Sale**

| | | |
|---|---|---|
| Relizlable Value-Wagon Tippler & Accessories | - | 0.45 |
| 3B Binani Glassfibre S.a.r.l. | - | 741.56 |
| | - | 742.01 |

**NOTE 10**

**Investments in subsidiaries( Held for Disposal)** (₹ in Crores)

| Particulars | As at March 31,2022 Nos. | Amount | As at MARCH 31,2021 (restated) Nos. | Amount |
|---|---|---|---|---|
| **(A) Equity Shares (Unquoted)** | | | | |
| Mukundan Holdings Ltd. of US Dollar 1 each fully paid-up | 7,70,05,000.00 | 369.36 | 7,70,05,000 | 369.36 |
| Krishna Holdings Pte. Ltd., Singapore of Singapore Dollar 1 each | - | - | 7,31,249 | 2.36 |
| Murari Holdings Ltd. of US Dollar 1 each | 5,48,05,000.00 | 274.48 | 5,48,05,000 | 274.48 |
| Bhumi Resources (Singapore) Pte. Ltd. of US Dollar 1 each | 1,50,00,000.00 | 67.98 | 1,50,00,000 | 67.98 |
| 3B Binani Glassfibre S.a.r.l. (Luxembourg) of Euro (wef 12th March 2021) | - | - | 8,00,753 | - |
| **(B) Preference shares (Unquoted)** | | | | |
| 6% Non cumulative compulsorily convertible redeemable preference shares of Murari Holdings Ltd. of US Dollar 1 each | 1,53,00,000.00 | 82.41 | 1,53,00,000 | 82.41 |
| **(C) Loan** | | | | |
| Murari Holdings Ltd. | | 5.67 | | 7.05 |
| Less: Impairment loss on investments held for disposal | | (766.42) | | 763.63 |
| | | 33.48 | | 39.99 |

Note : The investment in the Company's subsidiaries Krishna Holdings Pte. Ltd., Bhumi Resources (Singapore) Pte. Ltd., Mukundan Holdings Ltd. and Murari Holdings Ltd. are classified as 'Held for Disposal' as they meet the criteria laid out under Ind AS 105. Accordingly, the Company has measured its investments at lower of their carrying amount and fair value less cost to sell.

**NOTE 11**

**INVENTORIES: (Valued at lower of cost and net realisable value, unless otherwise stated)** (₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| Raw Materials (Includes ₹ 0.16 Crores in transit (Previous Year ₹0.07 Crores)) | 4.82 | 4.65 |
| Work-in-Progress | 39.32 | 20.92 |
| Finished Goods | 9.05 | 5.14 |
| Stores & Spares (Includes ₹ 1.02 Crores in transit (Previous Year ₹ 2.50 Crores))* | 51.90 | 43.73 |
| Fuel (Includes₹ 3.31 Crores in transit (Previous year ₹ 0.79 Crores )) | 79.17 | 26.08 |
| Packing Materials | 4.37 | 3.89 |
| Scrap (valued at net realisable value) | 0.98 | 5.25 |
| | 189.61 | 109.66 |

* The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. The stores & spares inventory is net of provision for diminution in value of stock of ₹ 2.42 Crores (Previous Year ₹ 2.38 Crores).

**NOTE 12**

**CASH AND CASH EQUIVALENTS** (₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 restated) |
|---|---|---|
| Balance with banks (Current Account) | 0.79 | 0.14 |
| Cash on hand | 0.09 | 0.10 |
| | 0.88 | 0.24 |

**NOTE 13**

**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** (₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| Fixed Deposits with Banks (Maturity more than three months and upto twelve months )^ | 19.95 | 19.24 |
| Bank accounts freezed by Government Authorities | - | 1.70 |
| | 19.95 | 20.94 |

^ Lodged as security with Government Departments ₹ 0.62 Crores (March 31, 2021 ₹ 0.60 Crores). Earmarked for specific purpose ₹ 16.73 Crores (March 31, 2021 ₹ 16.73 Crores).



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**NOTE 14**

**OTHER CURRENT ASSETS**

**(₹ in Crores)**

| **Particulars** | **As at March 31,2022** | As at March 31,2021 (restated) |
|---|---|---|
| Balance with Government Authorities | 48.31 | 48.31 |
| Less: Provision for Doubtful Recovery of Statutory payments | (48.26) | (48.26) |
| | 0.05 | 0.05 |
| Advances to Suppliers | 19.41 | 7.65 |
| Prepaid Expenses | 0.47 | 0.39 |
| Others | 0.99 | 2.18 |
| Advance to related party | 1.36 | 0.41 |
| Advances to Employees | 0.03 | 0.04 |
| | 22.31 | 10.72 |

**NOTE 15 (a)**

**EQUITY SHARE CAPITAL**

**(₹ in Crores)**

| **Particulars** | **As at March 31,2022** | | As at March 31,2021 (restated) | |
|---|---|---|---|---|
| | **No. of Shares** | **Amount** | No. of Shares | Amount |
| **Authorised** | | | | |
| Equity Shares of ₹ 10 each | 4,00,00,00,000 | 4,000.00 | 4,00,00,00,000 | 4,000.00 |
| Preference Shares of ₹ 100 each | 20,00,00,000 | 2,000.00 | 20,00,00,000 | 2,000.00 |
| | 4,20,00,00,000 | 6,000.00 | 4,20,00,00,000 | 6,000.00 |
| **Issued, Subscribed and Fully Paid-up** | | | | |
| Equity Shares of ₹ 10 each fully paid-up | 3,40,00,00,000 | 3,400.00 | 3,40,00,00,000 | 3,400.00 |

| **(a) Reconciliation of the Shares Outstanding at the beginning and at the end of the year** | **No. of Shares** | **Amount** | No. of Shares | Amount |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 3,40,00,00,000 | 3,400.00 | 3,40,00,00,000 | 3,400.00 |
| **Outstanding at the end of the year** | **3,40,00,00,000** | **3,400.00** | 3,40,00,00,000 | 3,400.00 |

| | | |
|---|---|---|
| **(b) Shares held by Holding Company** | | |
| UltraTech Cement Limited | **3,40,00,00,000** | 3,40,00,00,000 |
| **(c) List of shareholders holding more than 5% of Paid-up Equity Share Capital** | | |
| UltraTech Cement Limited | **100%** | 100% |

**(d) Terms/Rights attached to equity shares**

The company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

**(e) Shares held by Promoters:**

| **Promoter Name** | **As at March 31, 2022** | | **As at March 31, 2021 (restated)** | | **% change during the year** |
|---|---|---|---|---|---|
| | **No of Shares** | **% of total shares** | **No of Shares** | **% of total shares** | |
| **UltraTech Cement Limited** | **3,40,00,00,000** | **100%** | 3,40,00,00,000 | 100% | - |
| **Total** | **3,40,00,00,000** | | 3,40,00,00,000 | | |

**NOTE 15(b)**

**OTHER EQUITY**

**(₹ in Crores)**

| **Particulars** | **As at March 31,2022** | As at March 31,2021 (restated) |
|---|---|---|
| Capital Redemption Reserve | 14.50 | 14.50 |
| General Reserve | 106.13 | 106.13 |
| Retained Earnings (restated) (Refer Note 33) | (4,914.86) | (5,204.68) |
| **Total Other Equity** | **(4,794.23)** | (5,084.05) |

**Nature and Purpose of Reserves:**

**(1) Capital Redemption Reserve** - The Company in an earlier year had recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

**(2) General Reserve** - The Company in an earlier year had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956.

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**NOTE 16**

**NON-CURRENT BORROWINGS** (₹ in Crores)

| **Particulars** | **As at March 31,2022** | As at March 31,2021 (restated) |
|---|---|---|
| **Secured:** | | |
| Term Loans from Banks: | | |
| In Local Currency | - | 2,571.44 |
| **Total** | - | 2,571.44 |

| **Particulars** | **Repayment Schedule** | **As at March 31,2022** | As at March 31,2021 (restated) |
|---|---|---|---|
| **Term Loans from Banks in Local Currency;Secured** | | | |
| HDFC Bank Ltd | Repaid Fully in Oct'21 | - | 2,652.44 |
| Less: Current Portion of Term Loans shown under Current Borrowings (refer Note 19) | | - | 81.00 |
| **Total** | | - | 2,571.44 |

**NOTE 17**

**OTHER FINANCIAL LIABILITIES** (₹ in Crores)

| **Particulars** | **Non-Current As at March 31,2022** | **Current As at March 31,2022** | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| Interest Accrued but not due on Borrowings | - | - | | 14.96 |
| Derivative Liability | - | - | - | 2.56 |
| Liability for Capital Goods | - | 6.92 | | 2.95 |
| Security Deposits | - | 3.50 | - | 3.52 |
| Salaries, Wages, Bonus and Other Employee Payables | - | 4.43 | - | 2.72 |
| Liquidated Damages | - | 1.78 | - | 0.32 |
| Retention Money | - | 20.57 | - | 12.72 |
| | - | 37.20 | - | 39.77 |

**NOTE 18**

**PROVISIONS** (₹ in Crores)

| **Particulars** | **Non-Current As at March 31,2022** | **Current As at March 31,2022** | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| **Provision for Employee Benefits:** | | | | |
| For Employee Benefits | - | 4.84 | | 7.33 |
| **Others:** | | | | |
| For Mines Restoration Expenditure | 5.35 | - | 4.95 | - |
| | 5.35 | 4.84 | 4.95 | 7.33 |

**Note 18.1** - Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" specified under Section 133 of the Companies Act, 2013:

| | | | | |
|---|---|---|---|---|
| **(a) Mines Restoration Expenditure:** | | | | |
| Opening Balance | 4.95 | - | 4.59 | - |
| Add: Unwinding of discount on Mine Restoration Provision | 0.40 | | 0.36 | |
| **Closing Balance** | 5.35 | - | 4.95 | - |

**NOTE 19**

**CURRENT BORROWINGS** (₹ in Crores)

| **Particulars** | **As at March 31,2022** | As at March 31,2021 (restated) |
|---|---|---|
| **Secured:** | | |
| Current Maturities of Long Term Debt | - | 81.00 |
| From Banks - Cash Credits * | 8.14 | 4.14 |
| **Unsecured:** | | |
| **Loans repayable on demand:** | | |
| Inter Corporate Deposits from Holding Company (Refer Note 45) | 2,566.76 | 782.66 |
| | 2,574.90 | 867.80 |

**Note:**

*Cash Credit are secured against all present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and any other goods, movable assets or merchandise and all book debts, amounts outstanding, monies receivable, claims and bills

KUNVERJI & CO LLP KHIMJI CHARTERED ACCOUNTANTS MUMBAI

## NOTE 20

### TRADE PAYABLES

(₹ In Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| **Due to Micro and Small Enterprises (Refer Note 49 )** | **6.99** | 4.07 |
| **Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises** | | |
| Other Trade Payable | **89.13** | 71.04 |
| Due to Related Parties (Refer Note 38) | **25.34** | 10.57 |
| | **121.46** | 85.68 |

**Note 20.1:** Trade Payables Ageing Schedule

| Particulars | Unbilled | Outstanding but not due | Outstanding for the following periods from the due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| As on March 31, 2022: | | | | | | | |
| (i) MSME | - | 6.99 | - | - | - | - | 6.99 |
| (ii) Others | 32.82 | 57.17 | 24.13 | - | - | - | 114.12 |
| (iii) Disputed- MSME | | | - | - | - | - | - |
| (iv) Disputed Dues- Others | | - | - | - | - | 0.35 | 0.35 |
| **Total as on March 31 2022** | 32.82 | 64.16 | **24.13** | - | - | **0.35** | **121.46** |
| As on March 31, 2021 (restated): | | | | | | | |
| (i) MSME | - | 4.07 | - | - | - | - | 4.07 |
| (ii) Others | 38.91 | 28.67 | 13.22 | - | - | - | 80.80 |
| (iii) Disputed- MSME | | - | - | - | - | - | - |
| (iv) Disputed Dues- Others | | - | - | 0.26 | 0.55 | - | 0.81 |
| **Total as on March 31 2021(restated)** | 38.91 | 32.74 | 13.22 | 0.26 | 0.55 | - | 85.68 |

## NOTE 21

### OTHER CURRENT LIABILITIES

(₹ In Crores)

| Particulars | As at March 31 2022 | As at March 31 2021 restated |
|---|---|---|
| Advance from Holding Company | **138.70** | 145.62 |
| Others (including statutory liabilities and other payables) | **34.99** | 37.34 |
| | **173.69** | 182.96 |

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(₹ in Crores)

| Particulars | For The Year Ended March 31, 2022 | | For The Year Ended March 31, 2021 (restated) | |
|---|---|---|---|---|
| **NOTE 22** | | | | |
| **REVENUE FROM OPERATIONS** | | | | |
| **SALE OF PRODUCTS AND SERVICES** | | | | |
| Sale of Manufactured Products | | 1,651.03 | | 1,252.85 |
| **OTHER OPERATING REVENUES** | | | | |
| Scrap Sales | 12.57 | | 11.99 | |
| Provisions no longer required written back | 8.59 | | 12.12 | |
| Miscellaneous Income / Receipts | 0.20 | | 1.14 | |
| | | 21.36 | | 25.25 |
| | | 1,672.39 | | 1,278.10 |
| **NOTE 23** | | | | |
| **OTHER INCOME** | | | | |
| Interest Income on | | | | |
| Government Securities and Others | 0.31 | | 0.55 | |
| Bank and Other Accounts | 0.90 | | 2.45 | |
| | | 1.21 | | 3.00 |
| Exchange Gain (net) | | 36.11 | | 44.31 |
| Profit on Sale of Property, plant and equipment (net) | | - | | 0.05 |
| Others | | 0.35 | | 0.23 |
| | | 37.67 | | 47.59 |
| **NOTE 24** | | | | |
| **COST OF MATERIALS CONSUMED** | | | | |
| Opening Stock | | 4.65 | | 9.50 |
| Purchases | | 349.31 | | 284.14 |
| | | 353.96 | | 293.64 |
| Less: Closing Stock | | 4.82 | | 4.65 |
| | | 349.14 | | 288.99 |
| **NOTE 25** | | | | |
| **CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS** | | | | |
| **Closing Inventories** | | | | |
| Work-in-progress | | 39.32 | | 20.92 |
| Finished Goods | | 9.05 | | 5.14 |
| | | 48.37 | | 26.06 |
| **Opening Inventories** | | | | |
| Work-in-progress | | 20.92 | | 28.36 |
| Finished Goods | | 5.14 | | 7.40 |
| | | 26.06 | | 35.76 |
| (Increase) / Decrease in Inventories | | (22.31) | | 9.70 |
| | | (22.31) | | 9.70 |

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(₹ in Crores)

| Particulars | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 (restated) |
|---|---|---|
| **NOTE 26** | | |
| **EMPLOYEE BENEFITS EXPENSE** | | |
| Salaries, Wages and Bonus | 51.85 | 51.09 |
| Contribution to Provident and Other Funds | | |
| Contribution to Gratuity and Other Defined Benefit Plans | 1.74 | 1.11 |
| Contribution to Superannuation and Other Defined Contribution Funds | 3.18 | 3.31 |
| Staff Welfare Expenses | 5.09 | 3.33 |
| | 61.86 | 58.84 |
| **NOTE 27** | | |
| **FINANCE COSTS** | | |
| Interest Expense: | | |
| On Borrowings (at amortised cost) | 209.72 | 273.76 |
| Interest on Lease Liability | - | 0.04 |
| Unwinding of discount on Mine Restoration Provision | 0.40 | 0.37 |
| | 210.12 | 274.17 |
| **NOTE 28** | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation | 72.63 | 67.62 |
| Depreciation on ROU Assets (Refer Note 3) | 0.63 | 2.52 |
| Amortisation | 0.12 | 0.10 |
| Obsolescence / Impairment | 0.75 | 4.53 |
| | 74.13 | 74.77 |
| **NOTE 29** | | |
| **FREIGHT AND FORWARDING EXPENSE** | | |
| On Finished Products | 26.05 | 20.60 |
| On Clinker Transfer | 15.23 | 16.52 |
| | 41.28 | 37.12 |
| **NOTE 30** | | |
| **OTHER EXPENSES** | | |
| Consumption of Stores, Spare Parts and Components | 58.85 | 32.80 |
| Consumption of Packing Materials | 81.05 | 65.58 |
| Repairs to Plant and Machinery, Buildings and Others | 40.69 | 28.84 |
| Insurance | 4.04 | 4.21 |
| Rent | 0.04 | 0.05 |
| Rates and Taxes | 5.73 | 5.61 |
| Directors' Fees | 0.04 | 0.04 |
| Advertisement | 0.12 | 0.02 |
| Miscellaneous Expenses | 16.41 | 19.86 |
| | 207.97 | 157.03 |

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**Note 31 Contingent Liabilities (to the extent not provided for) (Ind AS 37):**

**(a) Claims against the company not acknowledged as debt:**

(₹ in Crores)

| Particulars | Brief Description of Matter | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| CCI (Refer Note below) | Claims against the Company not acknowledged as debts in respect of CCI matter | **167.32** | 167.32 |
| Finance Department, Rajasthan | Claims against the Company not acknowledged as debts in respect of Land Tax matter | **1.53** | 1.53 |

The Company had filed appeals against the orders of the Competition Commission of India (CCI) dated 31/08/2016 (Penalty of ₹ 167.32 crores). Upon the NCLAT disallowing its appeal against the CCI order dated 31/08/2016, the Hon'ble Supreme Court has, by its order dated 18/01/2019, granted a stay against the NCLAT order. Consequently, the Company has deposited an amount of ₹ 16.73 crores equivalent to 10% of the penalty of ₹ 167.32 crores. The Company, backed by legal opinions, believes that it has a good case in the matter and accordingly no provision has been made in the results.

The finance department of Government of Rajasthan vide notification dated 30/03/2020 has promulgated Rajasthan Land Tax Rules, 2020 in exercise of powers under section 34 of Rajasthan Finance Act, 2020 and imposed tax on various types of land including land falling under mining leases. The Company has deposited applicable tax based on self assessment, however, the Department has raised the demand alongwith interest on 27/08/2020 without allowing any exemptions available in the Act. The Company has filed the writ petition on 29/10/2020 in the Hon'ble Rajasthan High Court challenging the demand. The Company believes that it has good case in this matter and no provision has been made in the books.

(b)As per Resolution Plan approved by NCLAT vide its order dated 14/11/2018, upon discharge and payment of resolution amount, all contingent liabilities, additional liabilities, litigations including statutory operational creditors and claims against the company upto the transfer date, stands fully discharged without any payment and there will be no recourse to the company, except as mentioned in 31 (a).

**Note 32 Capital and other commitments:**

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 126.19 Crores (March 31, 2021 (restated) ₹ 32.83 Crores).

**Note 33 Disclosure as per para 49 Ind AS 8 "Accounting policies, Changes in Accounting Estimates and Errors":**
Nature. Impairment of leasehold land by Rs.513.73 crore based on independent valuation carried out during acquisition of the Company by Ultratech Cement Limited.
As per para 42 impact is given at the beginning of the earliest period presented i.e. opening reserve as at 01 April 2020.

**Note 34 Relationship with Struck off Companies:**

During the year there were no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

**Note 35 Other Statutory Information**

(i) As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(ii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(ix) The Company has filed quarterly statements of current assets with the banks in agreement with the books of accounts.

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**Note 36 Employee Benefits (Ind AS 19):**

**(A) Defined Benefit Plans:**

**a)Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the company and is in accordance with the Rules of the company for payment of gratuity.

**Inherent Risk**

The plan is defined benefit in nature which is sponsored by the company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(₹ in Crores)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | Gratuity | |
| | | Funded | Funded |
| | **Change in defined benefit obligation** | | |
| (i) | Balance at the beginning of the year | 16.02 | 14.68 |
| | Adjustment of: | | |
| | Current Service Cost | 1.57 | 1.18 |
| | Past Service Cost | - | 0.83 |
| | Interest Cost | 1.12 | 1.00 |
| | Actuarial (gains) losses recognised in Other Comprehensive Income: | | |
| | - Change in Financial Assumptions | (0.42) | (0.18) |
| | - Experience Changes | (2.64) | (0.56) |
| | Benefits Paid from the fund | (0.87) | (0.93) |
| | Liabilities transferred in /Acquisitions | 1.73 | - |
| | Liabilities transferred out | (0.40) | - |
| | **Balance at the end of the year** | 16.11 | 16.02 |
| | **Change in Fair Value of Assets** | | |
| (ii) | Balance at the beginning of the year | 13.55 | 13.54 |
| | Expected Return on Plan Assets | (0.03) | (0.14) |
| | Interest income | 0.95 | 1.08 |
| | Re measurements due to: | | |
| | Contribution by the employer | 2.47 | |
| | Benefits Paid from the fund | (0.87) | (0.93 |
| | **Balance at the end of the year** | 16.07 | 13.55 |
| | **Net Asset / (Liability) recognised in the Balance Sheet** | | |
| (iii) | Present value of Defined Benefit Oblig | (16.11) | (16.02) |
| | Fair Value of Plan Assets | 16.07 | 13.55 |
| | **Net Asset / (Liability) in the Balance Sheet** | (0.04) | (2.46) |
| (iv) | **Expenses recognised in the Statement of Profit and Loss** | | |
| | Current Service Cost | 1.57 | 1.18 |
| | Interest Cost | 0.18 | [illegible] |
| | **Total Expense** | 1.75 | [illegible] |
| | **Amount charged to the Statement of Profit and Loss** | 1.75 | 1.11 |
| | **Re-measurements recognised in Other Comprehensive Income (OCI):** | | |
| (v) | Changes in Financial Assumptions and experience changes | (3.06) | (0.74) |
| | Actual return on Plan assets less interest on plan assets | 0.03 | 0.13 |
| | **Amount recognised in Other Comprehensive Income (OCI):** | (3.03) | (0.61) |
| | **Maturity profile of defined benefit obligation:** | | |
| (vi) | Within the next 12 months | 0.87 | 0.62 |
| | Between 1 and 5 years | 4.16 | 4.38 |
| | Between 5 and 10 years | 7.06 | 8.31 |
| | 10 Years and above | 24.29 | 20.26 |
| | **Sensitivity analysis for significant assumptions:*** | | |
| (vii) | **Increase/(Decrease) in present value of defined benefits obligation at the end of the year** | 16.11 | 16.02 |
| | 1% increase in discount rate | (1.36) | (1.26) |
| | 1% decrease in discount rate | 1.58 | 1.48 |
| | 1% increase in salary escalation rate | 1.57 | 1.47 |
| | 1% decrease in salary escalation rate | (1.38) | (1.29) |
| | 1% increase in employee turnover rate | 0.03 | (0.01) |
| | 1% decrease in employee turnover rate | (0.03) | 0.01 |

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| | | | |
|---|---|---|---|
| (viii) | **The major categories of plan assets as a percentage of total plan @**<br>Insurer Managed Funds<br><br>Debt, Equity and Other Instruments | **100%**<br><br>**NA** | 100%<br><br>NA |
| (ix) | **Actuarial Assumptions:**<br>Discount Rate (p.a.)<br>Turnover Rate<br><br>Mortality tables<br><br>Salary Escalation Rate (p.a.)<br>Retirement age :<br>Management -<br>Non-Management- | **7.25%**<br>**2.00%**<br><br>**Indian Assured Lives Mortality (2012-14) Urban**<br><br>**7.00%**<br><br>**60**<br>**58** | 6.97%<br>2.00%<br><br>Indian Assured Lives Mortality (2006-08) Ult<br><br>7.00%<br><br>60<br>58 |
| (x) | Weighted Average duration of Defined benefit obligation | **11** | 14 |

*The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

*Indian Assured Lives Mortality (2012-14) Urban

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**(xi) Discount Rate:**

The discount rate is based on the prevailing market rates of Indian government securities for the estimated terms of obligations.

**(xii) Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors.

**(xiii)** The Company's expected contribution during next year is ₹ 1.14 crores (March 31, 2021 (restated) is ₹ 1.96 Crores).

Amount recognised as an expense and included under the head 'Contribution to Provident & other funds' is ₹ 2.65 crores (March 31, 2021 (restated) is ₹ 2.79 Crores).

Amount recognised as an expense and included under the head 'Contribution to Other funds' is ₹ 0.54 crores (March 31, 2021 (restated) is ₹ 0.51 Crores).

Amount recognised as an expense in respect of Compensated Absences is ₹ 0.07 crores (March 31, 2021 (restated) is ₹ 0.30 Crores).

**Note 37 Segment Reporting (Ind AS 108):**

The Company is exclusively engaged in the business of cement . As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable segments applicable to the Company.

**Note 38 Related party disclosures (Ind AS 24):**

**(A) List of Related Parties where control exists:**

| Name of the Company | Principal Place of Business | % Shareholding and Voting Power | |
|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 |
| **(i) Subsidiary Companies:** | | | |
| (a) Smooth Energy Private Limited (formerly known as Binani Energy Private Limited) (Struck off w.e.f. October 26,2021) | India | - | 100% |
| (b) Bahar Ready Mix Concrete Limited (formerly known as Binani Ready Mix Concrete Limited) (Struck off w.e.f. November 2 2021) | India | - | 100% |
| (c) Merit Plaza Limited | India | 100% | 100% |
| (d) Swiss Merchandise Infrastructure Limited | India | 100% | 100% |
| (e) Krishna Holdings PTE Limited (KHPL) (under liquidation) | Singapore | - | 100% |
| (f) Bhumi Resources PTE Limited (BHUMI) $ | Singapore | 100% | 100% |
| (g) Murari Holdings Limited (MUHL)$ | British Virgin Islands | 100% | 100% |
| (h) Mukundan Holdings Limited (MHL) $ | British Virgin Islands | 100% | 100% |
| (i) PT Anggana Energy resources (Anggana), Indonesia $ | Indonesia | 100% | 100% |
| (j) 3B Binani Glassfibre Sarl $ (w.e.f. 12th March 2021) | Luxembourg | - | 100% |
| (k)Project bird Holding II Sarl $ (w.e.f. 12th March 2021) | Luxembourg | - | 100% |
| (l) 3B-Fibreglass Srl $ (w.e.f. 12th March 2021) | Belgium | - | 100% |
| (m) 3B-FibreGlass Norway as $(w.e.f. 12th March 2021) | Norway | - | 100% |
| (n) Tunfib Sarl $# (w.e.f. 12th March 2021) | Tunisia | - | 67% |
| (o) Goa Glass Fibre Ltd. $ (w.e.f. 12th March 2021) | India | - | 100% |

$ Assets of Foreign Subsidiaries classified as held for disposal.

**Names of Related Parties with whom transactions were carried out during the year:**

| Name of Related Party | Relationship |
|---|---|
| UltraTech Cement Limited | Holding company |
| Mr. D. D. Rathi- Non Executive Independent Director | Key Management Personnel (KMP) |
| Mrs. Alka Bharucha - Non Executive Independent Director | Key Management Personnel (KMP) |
| Mr. Yogesh Kumar Bhatt- Chief Financial Officer (From May 5,2021) | Key Management Personnel (KMP) |
| Mr. Rajendra Vijay- Chief Financial Officer (till May 4,2021) | Key Management Personnel (KMP) |
| Krishna Holdings Pte. Ltd | Subsidiary |
| Swiss Merchandise Pvt. Ltd. | Subsidiary |
| Merit Plaza Ltd. | Subsidiary |
| Mukundan Holdings Ltd. | Subsidiary |
| Murari Holdings Ltd. | Subsidiary |
| 3B Binani Glassfibre Sarl | Subsidiary |
| Project bird Holding II Sarl $ | Subsidiary |

**(a) The following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Crores)

| Nature of Transaction/Relationship | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **Sale of Goods:** | | |
| UltraTech Cement Limited | 2 116.78 | 1,601.56 |
| **Total** | 2 116.78 | 1,603.56 |
| **Sale of Property, Plant and Equipment:** | | |
| UltraTech Cement Limited | 4.18 | 3.79 |
| **Total** | 4.18 | 3.79 |
| **Purchase of Goods:** | | |
| UltraTech Cement Limited | 563.10 | 317.19 |
| Total | 563.10 | 317.19 |
| **Services received from:** | | |
| UltraTech Cement Limited | 0.27 | 0.45 |
| KMP (Remuneration) | 0.74 | 0.71 |
| KMP (Director Sitting fees) | 0.04 | 0.04 |
| **Total** | 1.05 | 1.20 |
| **Interest paid** | | |
| UltraTech Cement Limited (on Inter Corporate deposit) | 110.77 | 90.05 |
| **Total** | 110.77 | 90.05 |
| **Services given to:** | | |
| UltraTech Cement Limited | 1.16 | 0.11 |
| **Total** | 1.16 | 0.11 |
| **Provision for bad or doubtful debts** | | |
| Merit Plaza Limited | - | 35.69 |
| Swiss Merchandise Infrastructure Limited | - | 57.88 |
| **Total** | - | 93.57 |
| **Repayment of Loan Given/Redemption of Investment** | | |
| Krishna Holdings PTE Limited | 5.08 | 450.24 |
| Mukundan Holdings Limited | - | 326.86 |
| Murari Holdings Limited | 1.36 | 61.47 |
| Merit Plaza Limited | - | 0.31 |
| Swiss Merchandise Infrastructure Limited | - | 0.33 |
| 3B Binani Glassfibre Sarl | 364.39 | - |
| Project bird Holding II Sarl | 254.41 | - |
| **Total** | 625.24 | 839.21 |
| **Intercorporate Deposit Received** | | |
| UltraTech Cement Limited | 2 725.00 | - |
| **Total** | 2 725.00 | - |
| **Intercorporate Deposit Repaid** | | |
| UltraTech Cement Limited | 940.90 | 1,006.54 |
| **Total** | 940.90 | 1,006.54 |

**(b) Outstanding balances:**

(₹ in Crores)

| Nature of Transaction/Relationship | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| **Loans and Advances:** | | |
| UltraTech Cement Limited (including ICD and Interest payable) | 2 566.76 | 782.56 |
| **Total** | 2 566.76 | 782.56 |
| **Corporate Guarantees** | | |
| UltraTech Cement Limited | 350.00 | 2,050.00 |
| **Total** | 350.00 | 2,050.00 |
| **Advance from Customers** | | |
| UltraTech Cement Limited | 138.70 | 145.59 |
| **Total** | 138.70 | 145.59 |
| **Loans and Advances given** | | |
| Merit Plaza Limited | 42.99 | 42.99 |
| Swiss Merchandise Infrastructure Limited | 57.88 | 57.88 |
| **Total** | 100.87 | 100.87 |
| **Other Receivables:** | | |
| UltraTech Cement Limited | 1.36 | 0.41 |
| **Total** | 1.36 | 0.41 |
| **Trade Payables:** | | |
| UltraTech Cement Limited | 25.34 | 10.57 |
| **Total** | 25.34 | 10.57 |

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1.The investment in the Company's subsidiaries Bhumi Resources PTE Limited , Mukundan Holdings Ltd., Murari Holdings Ltd. and 38 Binani Glassfibre Sarl are classified as 'Held for Disposal' as they meet the criteria laid out under Ind AS 105. Accordingly, the Company has measured its investments at lower of their carrying amount and fair value less cost to sell. The company has made provision for impairment of investments in these subsidiaries aggregating to ₹760.84 Crores (Previous year ₹ 758.11 Crores).

**Terms and Conditions of transactions with Related Parties:**

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

**Note 39 Income Taxes (Ind AS 12):**

**I. The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:**

**A. UltraTech Nathdwara Cement Limited** (₹ in Crores)

| Particulars | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| a) **Deferred Tax Liability** | | |
| Tangible and Intangible Assets | 163.95 | 334.42 |
| Other Items | - | - |
| **Total (a)** | 163.95 | 334.42 |
| b) **Deferred Tax Asset** | | |
| Unabsorbed Depreciation, LTCL and Business Losses | (1,219.68) | (1,541.38) |
| **Total (b)** | (1,219.68) | (1,541.38) |
| Deferred Tax Liability/ (Assets) - (a+b) * | - | - |
| Recognised in P&L for the period/ year - Liability / (Assets) * | - | |

*Deferred tax assets have not been recognised in respect of allowances for business losses, capital losses and unabsorbed depreciation and temporary deductible differences aggregating to Rs. 1055.73 Crores as at 31st March 2022, where it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realised in the normal course of business. Brought forward business losses for AY 2016-17 to AY 2020-21 can be carried forward till next eight years i.e. 2024-25 to 2028-29 respectively.

**II. The reconciliation of estimated income tax expense at applicable income tax rate to income tax expense reported in Statement of Profit and Loss:**

(₹ in Crores)

| Particulars | 31 March 2022 | 31-03-2021 (restated) |
|---|---|---|
| Profit before Tax | 286.79 | 13.71 |
| Applicable Income Tax Rate | 25.17% | 25.17% |
| **Expected Income Tax Expense** | 72.18 | 3.45 |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:** | | |
| Recognition of Tax Gain on losses of previous years to the extent of Tax Expense of current year | 72.18 | 3.45 |
| **Income Tax Expense recognised in Statement of Profit and Loss** | - | |

**Note 40 Earnings per Share (EPS) (Ind AS 33):**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **(A) Basic EPS:** | | |
| (i) Net Profit attributable to Equity Shareholders | 286.79 | 13.71 |
| (ii) Weighted average number of Equity Shares outstanding (Nos.) | 3,40,00,00,000 | 3,40,00,00,000 |
| (iii) Weighted average number of Equity Shares outstanding for calculation of Basic EPS | 3,40,00,00,000 | 3,40,00,00,000 |
| **Basic EPS (₹) (i)/(iv)** | 0.84 | 0.04 |
| **(B) Diluted EPS:** | | |
| (i) Weighted average number of Equity Shares Outstanding (Nos.) | 3,40,00,00,000 | 3,40,00,00,000 |
| (ii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii) | 3,40,00,00,000 | 3,40,00,00,000 |
| **Diluted EPS (₹) ((A) (i) / (B) (iii))** | 0.84 | 0.04 |

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**Note 41 Financial Ratios**

| Sr. No. | Ratio | Numerator - Description | Denominator - Description | FY22 | FY21 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities excluding Current Borrowings | 0.79 | 0.58 | 37% | Increase in Inventory by 73% |
| 2 | Debt-Equity Ratio (in times) | Total Debt | Equity | -1.85 | -2.04 | -10% | Repayment of HDFC term loan |
| 3 | Debt Service Coverage Ratio (in times) | Profit for the year+ Finance Costs + Depreciation and Amortisation Expense + Loss/(Gain) on sale of fixed assets | Gross Interest + Lease Payment + Repayment of Long Term Debt excluding pre-payments | 2.15 | 1.10 | 96% | Increase in PAT by ₹ 273 Cr |
| 4 | Return on Equity Ratio (in %) | Profit for the year | Average Net worth | -19% | -1% | 2199% | Increase in PAT by ₹ 273 Cr |
| 5 | Inventory Turnover Ratio (in times) | Sale of Products and Services | Average Inventory | 11.03 | 10.91 | 1% | Increase in Inventory by 73%<br>Increase in turnover by 32% |
| 6 | Trade Receivables turnover Ratio (in times) | Sale of Products and Services | Average Trade Receivable | NA | NA | NA | |
| 7 | Trade Payables turnover Ratio (in times) | Cost of Sales | Average Trade Payable | 15.94 | 16.90 | -6% | Increase in Trade Payable by 42%<br>Increase in turnover by 32% |
| 8 | Net Capital turnover ratio (in times) | Sale of Products and Services | Working Capital | (0.62) | (1.25) | -50% | Increase in turnover by 32%,and Increase in ICD from holding company by ₹ 1784 Cr |
| 9 | Net profit ratio (in %) | Profit for the year | Sale of Products and Services | 17.37% | 1.09% | 1487% | Increase in PAT by ₹ 273 Cr<br>Increase in turnover by 32% |
| 10 | Return on Capital employed (in times) | Profit for the year + Tax +Finance Costs | Networth + Current and Non current borrowings + Deferred Tax Liability | 0.42 | 0.16 | 157% | Increase in PAT by ₹ 273 Cr |
| 11 | Return on Investment (in %) | Treasury Income | Weighted treasury investment | NA | NA | NA | |

**Note 42 Auditor's remuneration (excluding GST) and expenses:**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **(a) Statutory Auditors:** | | |
| Audit fees (including Quarterly Limited Reviews) | 0.17 | 0.23 |
| Tax audit fees | 0.03 | 0.03 |
| Fees for other services | 0.02 | 0.01 |
| Expenses reimbursed | 0.00 | 0.00 |
| **(b) Cost Auditors:** | | |
| Audit fees | 0.01 | 0.01 |

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**Note 43 Classification of Financial Assets and Liabilities (Ind AS – 107):**

(₹ in Crores)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 (restated) | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets at amortised cost** | | | | |
| Loans | 7.47 | 7.47 | 7.43 | 7.43 |
| Cash and Bank Balances | 0.88 | 0.88 | 0.24 | 0.24 |
| Bank balances other than Cash and cash equivalents | 19.95 | 19.95 | 20.94 | 20.94 |
| Investments (non current) | 0.10 | 0.10 | 0.10 | 0.10 |
| Other Financial Assets | 13.82 | 13.82 | 11.37 | 11.37 |
| **Financial Assets at fair value through profit or loss** | | | | |
| Investments (non current) | 2.6 | 2.6 | - | - |
| **Fair Value Hedging Instruments** | | | | |
| Derivative Assets | 0.21 | 0.21 | - | - |
| **Total** | 45.03 | 45.03 | [illegible] | [illegible] |
| **Financial liabilities at amortised cost** | | | | |
| Borrowing | 2,574.90 | 2,574.90 | 3,439.24 | 3,439.24 |
| Trade Payables | 121.46 | 121.46 | 85.68 | 85.68 |
| Other Financial Liabilities | 37.20 | 37.20 | 37.21 | 37.21 |
| **Fair Value Hedging Instruments** | | | | |
| Derivative Liability | - | - | 2.56 | 2.56 |
| **Total** | 2,733.56 | 2,733.56 | 3,564.69 | 3,564.68 |

**Note 44 Fair Value Measurements (Ind AS 113):**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(₹ in Crores)

| Particulars | Fair Value | |
|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 (restated) |
| **Financial Assets at fair value through profit** | | |
| Investments – Level 3 | 2.6 | - |
| **Fair value Hedge Instruments** | | |
| Derivative assets – Level 2 | 0.21 | |
| **Total** | 2.81 | - |
| **Fair value Hedge Instruments** | | |
| Derivative liability – Level 2 | - | 2.56 |
| **Total** | 0.00 | 2.56 |

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The management assessed that cash and bank balances, trade receivables, loans, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

**Note 45 Financial Risk Management Objectives (Ind AS 107):**

The company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The company's activities expose it to market risk, liquidity risk and credit risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments, such as foreign exchange forward contracts that are entered to hedge foreign currency risk exposure, variable interest rate exposure, commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

**The sources of risks which the company is exposed to and their management are given below:**

| Risk | Exposure Arising From | Measurement | Management |
|---|---|---|---|
| **I) Market Risk** | | | |
| **A) Foreign Currency Risk** | Commited commercial transaction | Cash Flow Forecasting | (a) Forward foreign exchange contracts |
| | Financial asset and Liabilities not denominated in INR | Sensitivity Analysis | |
| **B) Interest Rate Risk** | Long Term Borrowings at variable rates | Sensitivity Analysis, Interest rate movements | a) Portfolio Diversification |
| **II) Credit Risk** | Trade receivables, Investments, Derivative financial instruments, Loans and Bank balances | Ageing analysis, Credit Rating | (a) Credit limit & credit worthiness monitoring.<br>(b) Criteria based approval process |
| **III) Liquidity Risks** | Borrowings and Other Liabilities and Liquid Investments | Rolling cash flow forecasts | (a) Adequate unused credit lines and borrowing facilities |

The company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

The Company's Management regularly reviews the implementation of the above policies.

**I) Market Risk:**
Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**A) Foreign Currency Risk:**
Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials & spare parts, capital expenditure and the Company's net investments in foreign subsidiaries

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.
The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

(In Crores)

| Outstanding foreign currency exposure (Gross) as at | March 31, 2022 | March 31, 2021 (restated) |
|---|---|---|
| **Trade Payables** | | |
| USD | **0.10** | 0.03 |
| Euro | **0.00** | 0.03 |
| Others | - | [illegible] |

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**Foreign currency sensitivity on unhedged exposure:**

100 bps increase or decrease in foreign exchange rates will have the following impact on profit before tax.

| Particulars | As at March 31, 2022 | As at March 31, 2021 (restated) |
|---|---|---|
| USD | (0.00) | (0.00) |
| EURO | (0.00) | (0.00) |
| Others | - | (0.00) |

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

**B) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term and short term borrowings with floating interest rates. The company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**Interest rate exposure**

(₹ in Crores)

| Particulars | Total borrowings | Floating rate borrowings |
|---|---|---|
| INR | 2,574.90 | 2,574.90 |
| **Total as at March 31, 2022** | **2,574.90** | **2,574.90** |
| INR | 3,439.24 | 3,439.24 |
| Total as at March 31, 2021 (restated) | 3,439.24 | 3,439.24 |

**Interest rate sensitivities for unhedged exposure (impact on profit before tax due to increase in 100 bps):**

| Particulars | As at March 31, 2022 | As at March 31, 2021 (restated) |
|---|---|---|
| INR | (25.75) | (34.39) |

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

**Foreign Currency and Interest Rate Risk Management:**

**Forward Exchange Contracts:**

**(A) Derivatives for hedging currency and interest rates, outstanding are as under:**

(₹ in Crores)

| Particulars | Hedged item | Currency | As at March 31,2022 | As at March 31, 2021 (restated) | Cross Currency |
|---|---|---|---|---|---|
| Forward Contracts | Loans | USD | 0.48 | 11.00 | Rupees |
| | Imports | USD | - | - | Rupees |

**II) Credit Risk Management:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The company has no significant concentration of credit risk with any counterparty.

**Trade receivables**

Trade Receivables in case of UNCL consists of UltraTech Cement Ltd. only for the year 2021-22.

Total Trade receivables as on March 31, 2022 is ₹ nil (March 31, 2021 (restated) is ₹ nil )

The company has total exposure in sales 100% (March 31, 2021 (restated) is 100%) and in receivables nil (March 31, 2021 (restated) is nil) to UltraTech Cement Ltd, being its only customer.

**Movement of provision for doubtful debts:**

(₹ in Crores)

| Particulars | March 31, 2022 | March 31, 2021 (restated) |
|---|---|---|
| **Opening provision** | - | - |
| Add: Provided during the year | - | - |
| Less: Provision written off | - | - |
| **Closing Provision** | - | - |

**Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions / Counterparty. Investments primarily include investment in units of mutual funds, quoted Bonds, Non-Convertible Debentures issued by Government / Semi Government Agencies / PSU Bonds / High Investment grade corporates etc. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on March 31, 2022 is ₹ 2.70 crores (March 31, 2021 (restated) ₹ 0.10 crores)

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### III) Liquidity risk management:

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company's treasury team is responsible for liquidity, funding as well as settlement management.The Company is not generating enough surplus to fund its future funding requirements however the Company has mitigated this risk basis the support letter obtained from holding company to fund its immediate or long term funding requirement. Further, the holding company is committed to continue existing funding to the Company and it will be demanded for repayment based on liquidity position of the Company without impacting ongoing business of the Company. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments held for managing the risk at the reporting date based on contractual undiscounted payments.

(₹ in Crores)

| **As at March 31, 2022** | **Less than 1 year** | **1 to 5 years** | **More than 5 Years** | **Total** |
|---|---|---|---|---|
| Borrowings (including current maturities of long term debts) | **2,574.90** | - | - | **2,574.90** |
| Trade Payables | **121.46** | - | - | **121.46** |
| Others | **37.20** | - | - | **37.20** |

(₹ in Crores)

| As at March 31, 2021 (restated) | Less than 1 year | 1 to 5 years | More than 5 Years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities of long term debts) | 867.80 | 388.13 | 2,183.32 | 3,439.24 |
| Trade Payables | 85.69 | - | - | 85.69 |
| Interest accrued but not due on borrowings | 14.98 | | - | 14.98 |
| Others | 22.21 | - | - | 22.21 |
| Derivative Liability | 2.56 | | - | 2.56 |

**Note 46 Capital Management (Ind AS 1):**

The capital management of the Company is to

(a) maximise shareholder value and provide benefits to other stakeholders and

(b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the company's capital management, capital includes issued equity share capital, share premium and all other equity.
The company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

(₹ in Crores)

| **Particulars** | **As at March 31, 2022** | As at March 31, 2021 (restated) |
|---|---|---|
| Total Debt (Bank and other Borrowings) | **2,574.90** | 3,439.00 |
| Equity | **(1,394.23)** | (1,684.05) |
| **Debt to Equity (Net)** | **(1.85)** | (2.04) |

**Note 47 Corporate Social Responsibility:**

The provisions of section 135 Corporate Social Responsibility are not applicable to the Company. Accordingly, no disclosure is made in the financial statements.

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**Note 48** **Revenue (Ind AS115)**

**(A)** The Company is primarily in the Business of manufacture and sale of cement and cement related products. The product shelf life being short, all sales are made at a point in time and revenue is recognised as per offtake agreement.

**(B) Reconciliation of revenue recognised from Contract liability:**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| Closing Contract liability-Advances from Customers | **138.70** | 145.62 |

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2022.

**(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| Revenue as per Contract price<br>Less: Discounts and Incentives | **1,651.03** | 1,252.85 |
| Revenue as per statement of profit and loss | **1,651.03** | 1,252.85 |

**Note 49** **Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Crores)

| Particulars | | As at March 31, 2022 | As at March 31, 2021 (restated) |
|---|---|---|---|
| (a) | (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables | **6.99** | 4.07 |
| | (ii) The interest due on above | | |
| | (iii) The total of (i) & (ii) | **6.99** | 4.07 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the Act | - | - |
| (c) | The amount of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| (d) | The amounts of interest accrued and remaining unpaid at the end of financial year | - | - |
| (e) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act. | - | - |
| (f) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

The above information has been determined to the extent such parties have been identified and the Company is in the process of further identifying MSME parties as per the ('The Micro Small & Medium Enterprises Development Act 2006') and accordingly no provision of interest has been made during the period, in the books of accounts and the same has been relied upon by the auditors.

**Note 50** The following expenses are included in the different heads of expenses in the Statement of Profit and Loss:

(₹ in Crores)

| Particulars | **Year Ended March 31, 2022** | | | Year Ended March 31, 2021 (restated) | | |
|---|---|---|---|---|---|---|
| | **Raw Materials Consumed** | **Power and Fuel Consumed** | **Total** | Raw Materials Consumed | Power and Fuel Consumed | Total |
| Stores and Spares Consumed | **11.30** | **6.28** | **17.59** | 6.76 | 3.76 | 10.53 |
| Royalty and Cess | **60.27** | - | **60.27** | 46.25 | - | 46.25 |

**Note 51** **Exceptional item** -

During the year ended 31/03/2022, UltraTech Nathdwara Cement Limited ("UNCL") entered into an agreement with Galata Chemicals Holding Gmbh, Germany ("Galata") as per which Galata along with its affiliates has made necessary payments to UNCL for the purposes of refinancing the loans given to 3B and acquisition of entire shareholding of UNCL in 3B and UNCL has, inter alia, transferred its entire shareholding in 3B to Galata as on 31/03/2022. Consequent to the transaction, 3B has ceased to be a wholly-owned subsidiary of the company and recognised ₹ 159.92 crores as exceptional gain for the year ended 31/03/2022.

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**Note 52** **Assets / Disposal group held for sale (Ind AS 105):**

During the year ended March 31, 2021:

(i) The Company, through its subsidiary, Krishna Holdings Pte. Ltd., a company incorporated in Singapore, has completed the divestment of its entire equity shareholding of 92.5% in its cement subsidiary which was classified as asset held for sale at a net consideration of USD 94.70 million and has recorded net gain on divestment of ₹ 427.60 crores.

(ii) The Company has sold its subsidiary Star Super Cement Industries LLC (SSCILLC) to UltraTech Cement Middle East Investments Limited ("UCMEIL"), for a consideration of USD 15.29 Mn on 23rd November 2020.

(iii) In terms of the National Company Law Appellate Tribunal's (NCLAT) order dated 14th November 2018, approving the Resolution Plan submitted by the Company under the Insolvency and Bankruptcy Code, 2016 for acquisition of Binani Cement Limited, subsequently renamed UltraTech Nathdwara Cement Limited, ("UNCL"), a loan of USD 230.4 mn to 3B Binani Glassfibre SARL, ("3B") a company registered in Luxembourg was assigned to UNCL from IDBI Bank Limited which has been classified as "Assets/ Disposal Group Held for Sale". Assignment of the loan was along with securities which included pledge over certain assets and shares of 3B in various forms in favour of UNCL. Since 3B has been in continuous default in servicing the loan, UNCL has enforced its pledge of 3B shares, consequent to which 3B has become a wholly owned subsidiary of UNCL w.e.f. March 12, 2021. The above asset held for sale was recorded at its fair value of ₹ 743.56 crores as on March 31, 2021 based on an independent valuation report after considering an impairment of ₹ 371.18 crores for the year ended March 31, 2021.

Further, during the year ended March 31, 2022, the Company entered into an agreement with Galata Chemicals Holding Gmbh, Germany ("Galata") as per which Galata along with its affiliates has made necessary payments to UNCL for the purposes of refinancing the loans given to 3B and acquisition of entire shareholding of UNCL in 3B and UNCL has, inter alia, transferred its entire shareholding in 3B to Galata as on March 31, 2022. Consequent to the transaction, 3B has ceased to be a wholly-owned subsidiary of the company and recognised ₹ 159.92 crores as exceptional gain for the year ended March 31, 2022.

**Note 53** **Estimation of uncertainty relating to the global health pandemic on COVID-19 :**

In the face of COVID – 19 pandemic the Company's operations across locations were stopped in line with the Government directives. This had an adverse impact on revenues during Q1FY21, as expected.

Even before the formal announcement of the national lockdown, keeping in mind the well-being of its employees, the Company enabled 'work from home' for its employees and had taken all necessary steps to ensure a seamless transition to the new ways of working for employees, while at the same time ensuring business continuity. The Company was in continuous engagement with all its stakeholders through various digital platforms. Critical Response Teams were set up across the organization to plan scenarios and respond to the rapidly changing situation.

With the Government allowing select activities to operate, the Company gradually resumed operations at its establishments after obtaining necessary government approvals and ensuring compliance with the statutory guidelines in line with the standard operating procedure (SOP) announced by the Ministry of Home Affairs, Government of India.

With the easing of lockdown, operations gradually stabilised.

The Company recovered the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business. The Company's capital and financial resources remained entirely protected and its liquidity position remain adequately covered. The Company was able to service its debt obligations as per schedule and on due dates. It did not avail the moratorium extended by the banks as per the Reserve Bank of India guidelines.

**Note 54** **Previous year figures have been regrouped wherever necessary to correspond with current year classification / disclosure.**

Signatures to Note'1' to '54'

As per our report of even date attached

**For Khimji Kunverji & Co LLP**
**Chartered Accountants**
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348

Place : Mumbai
Date : April 26, 2022

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**
Place : Mumbai
Date : April 26, 2022

Kamal Rathi
**Company Secretary**

Khimji Kunverji & Co LLP
Chartered Accountants

**Independent Auditor's Report**

To
The Members of
UltraTech Nathdwara Cement Limited

**Report on the audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated Ind AS financial statements of UltraTech Nathdwara Cement Limited ("the Holding Company" or "the Parent" or "the Company") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and financial information of such subsidiaries, as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

**Emphasis of Matter**

4. We draw attention to Note 29 of the Consolidated Financial Statements, which refers to the order dated 31 August 2016 (penalty of Rs. 167.32 crores) of the Competition Commission of India ('CCI') against which the Company had filed appeal. Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing its appeal against the CCI order dated 31 August 2016, the Company has filed an appeal before the Hon'ble Supreme Court of India, which has by its order dated 5 October 2018, granted a stay against the NCLAT order. Consequently, the Company. has deposited an amount of Rs.16.73 crores equivalent to 10% of the penalty of Rs.167.32 crores recorded as asset. The Company, backed by legal opinions taken by Ultratech Cement Limited – Parent Company, believes that it has a good case basis which no provision has been recognised in the books of account. Our opinion is not modified in respect of this matter.

**Other Information**

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

**Management's responsibility for the Consolidated Financial Statements**

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

9. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's responsibilities for the audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    12.1 Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    12.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

    12.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

    12.4 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

12.5 Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12.6 Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

16. We did not audit the financial statements / financial information of five subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. Nil Crore as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. Nil and net cash flows (before consolidation adjustments) amounting to Rs. Nil for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

17. We did not audit the financial statements of nine subsidiaries and, whose financial statements reflect total assets (before consolidation adjustments) of Rs.67.13 Crore as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. Nil and net cash flows (before consolidation adjustments) amounting to Rs. Nil for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

    Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the matters reported in Para 16 & 17 above with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

18. The comparative Consolidated Financial Statements of the Company for the year ended 31 March 2021 included in these financial statements are management certified, which has been furnished to us by the Management and has been relied upon by us for the purpose of our audit. Our opinion is not modified in respect of the this matter.

**Report on Other Legal and Regulatory Requirements**

19. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

    19.1 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 of the aforesaid Consolidated Financial Statements.

    19.2 In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    19.3 The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    19.4 In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    19.5 On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

19.6 With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

19.7 In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act.

20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (Reporting is done only with reference to Holding Company since financial statements of all the Subsidiaries incorporated in India are unaudited and have been furnished to us by the management), in our opinion and to the best of our information and according to the explanations given to us:

20.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, Refer Note 29 to the Consolidated Financial Statements.

20.2. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

20.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

20.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that has caused us to believe that such representation contains any material misstatement.

20.5. The management has represented that no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that has caused us to believe that such representation contains any material misstatement.

20.6. In our opinion and according to the information and explanations given to us, no dividend was declared and / or paid during the year and accordingly reporting on compliance of Section 123 of the Act will not be applicable for the Group.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AHWHNI4885

Place: Mumbai
Date: 26 April 2022

**Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of UltraTech Nathdwara Cement Limited for the year ended 31 March 2022**

(Referred to in paragraph "19.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**
(Reporting is done only with reference to Holding Company since financial statements of all the Subsidiaries incorporated in India are unaudited and have been furnished to us by the management)

**Opinion**

1. In conjunction with our audit of the Consolidated Financial Statements of UltraTech Nathdwara Cement Limited as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of UltraTech Nathdwara Cement Limited ("the Holding Company"), as of that date.

2. In our opinion, the Holding Company, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

**Management's responsibility for Internal Financial Controls**

3. The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 Act.

**Auditor's responsibility**

4. Our responsibility is to express an opinion on the Holding Company internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 Consolidated Financial Statements, whether due to fraud or error.

**Meaning of Internal Financial controls with reference to the Consolidated Financial Statements**

6. A company's internal financial controls with reference to the Consolidated Financial Statements 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 controls with reference to the Consolidated Financial Statements 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 with reference to the consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AHWHNI4885

Place: Mumbai
Date: 26 April 2022

**UltraTech Nathdwara Cement Limited**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(₹ in Crores)

| Particulars | Note No. | | As at March 31,2022 | | As at March 31,2021 (restated) (Refer Note 31) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, Plant and Equipment | 2 | 1,079.53 | | 993.16 | |
| Capital Work-In-Progress | 2 | 127.45 | | 124.92 | |
| Right of Use Assets | 3 | - | | 8.53 | |
| Other Intangible Assets | 2 | 3.66 | | 3.78 | |
| Intangible Assets under Development | 2 | 0.01 | | | |
| | | | 1,210.65 | | 1,130.39 |
| Financial Assets: | | | | | |
| Investments | 4 | 2.60 | | - | |
| Loans | 5 | - | | - | |
| Other Financial Assets | 6 | 12.74 | 15.34 | 10.14 | 10.14 |
| Income Tax Assets (Net) | | | 5.48 | | 2.57 |
| Other Non-Current Assets | 7 | | 25.89 | | 9.70 |
| **Total Non-Current Assets** | | | 1,257.36 | | 1,152.80 |
| **Current Assets** | | | | | |
| Inventories | 8 | | 189.61 | | 109.66 |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 9 | 34.37 | | 40.24 | |
| Bank Balances other than Cash and Cash Equivalents | 10 | 19.95 | | 20.94 | |
| Loans | 5 | 0.17 | | 0.13 | |
| Other Financial Assets | 6 | 1.29 | 55.78 | 1.24 | 62.55 |
| Other Current Assets | 11 | | 22.31 | | 10.72 |
| **Total Current Assets** | | | 267.70 | | 182.93 |
| Non Current Assets/ Disposal Group held for Sale | | | - | | 985.97 |
| **TOTAL ASSETS** | | | 1,525.06 | | 2,321.70 |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Equity Share Capital | 12 (a) | | 3,400.00 | | 3,400.00 |
| Other Equity | 12 (b) | | (4,792.38) | | (5,082.20) |
| | | | (1,392.38) | | (1,682.20) |
| **LIABILITIES** | | | | | |
| **Non-Current Liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 13 | - | | 2,571.44 | |
| Other Financial Liabilities | 14 | - | - | - | 2,571.44 |
| Non Current Provisions | 15 | | 5.35 | | 4.95 |
| **Total Non-Current Liabilities** | | | 5.35 | | 2,576.39 |
| **Current Liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 16 | 2,574.90 | | 867.80 | |
| Trade Payables | | | | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | 47 | 6.99 | | 4.07 | |
| Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | 17 | 114.47 | | 81.62 | |
| Other Financial Liabilities | 14 | 37.20 | 2,733.56 | 39.77 | 993.26 |
| Other Current Liabilities | 18 | | 173.69 | | 182.96 |
| Provisions | 15 | | 4.84 | | 7.33 |
| **Total Current Liabilities** | | | 2,912.09 | | 1,183.55 |
| Non Current Liabilities/ Disposal Group held for sale | | | - | | 243.96 |
| **TOTAL EQUITY AND LIABILITIES** | | | 1,525.06 | | 2,321.70 |
| **Significant Accounting Policies** | 1 | | | | |

**The accompanying notes form an integral part of the Consolidated Financial Statements.**

In terms of our report attached.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
Partner
ICAI Membership No: 117348
Place : Mumbai
Date : April 26, 2022

For and on behalf of the Board of Directors

D.D. Rathi
Director
DIN : 00012575

Alka Bharucha
Director
DIN: 00114067

Yogesh Kumar Bhatt
Chief Financial Officer

Kamal Rathi
Company Secretary

## UltraTech Nathdwara Cement Limited

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in Crores)

| Particulars | Note No. | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 (restated) (Refer Note 31) |
|---|---|---|---|
| **Sales of Products and Services** | | | |
| **Continuing operations** | | | |
| Revenue from Operations | 19 | 1,672.39 | 1,278.10 |
| Other Income | 20 | 37.67 | 47.61 |
| **TOTAL INCOME (I)** | | 1,710.06 | 1,325.71 |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 21 | 349.14 | 288.99 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 22 | (22.31) | 9.70 |
| Employee Benefits Expense | 23 | 61.86 | 58.84 |
| Finance Costs | 24 | 210.12 | 274.18 |
| Depreciation and Amortisation Expense | 25 | 74.13 | 74.77 |
| Power and Fuel | | 661.00 | 382.82 |
| Freight and Forwarding Expense | 26 | 41.28 | 37.12 |
| Other Expenses | 27 | 207.97 | 157.03 |
| **TOTAL EXPENSES (II)** | | 1,583.19 | 1,283.45 |
| **Profit before Exceptional Item and Tax From Continuing operations (I)-(II)** | | 126.87 | 42.26 |
| **Exceptional Items** | | | |
| Continuing operations | | - | (96.74) |
| **Profit/(Loss) before tax from Continuing operations** | | 126.87 | (54.48) |
| Tax Expense: | | | |
| Deferred Tax (Credit) / Charge | | - | (0.56) |
| **Total Tax Expense** | | - | (0.56) |
| **Profit/ (Loss) for the year from Continuing operations(III)** | | 126.87 | (53.92) |
| **Discontinued Operations** | | | |
| Profit before tax from discontinued operations | | 196.54 | 22.80 |
| Exceptional Items (Net)( Refer Note 51) | | 159.92 | 88.69 |
| **Profit before tax from Discontinued Operations after exceptional item** | | 356.46 | 111.49 |
| Less: Reversal of /(Provision) for impairment of disposal group classified as held for sale | | (67.42) | (31.18) |
| Tax expense of discontinued operations | | 129.12 | 15.21 |
| **Profit for the year from Discontinued Operations (after tax)** | | 159.92 | 65.10 |
| **Profit for the year** | | 286.79 | 11.18 |
| **Other Comprehensive Income** | | | |
| A (i) Items that will not be reclassified to Profit or Loss - Remeasurement Gain on defined benefit plan | | 3.03 | 0.61 |
| **Other Comprehensive Income for the year (IV)** | | 3.03 | 0.61 |
| **Total Comprehensive Income for the year (III+IV)** | | 289.82 | 11.79 |
| **Earnings Per Equity Share (Face Value ₹ 10 each)** | 38 | | |
| Basic - Continuing operations | | 0.37 | (0.16) |
| Diluted - Continuing operations | | 0.37 | (0.16) |
| Basic - Discontinued operations | | 0.47 | 0.19 |
| Diluted - Discontinued operations | | 0.47 | 0.19 |
| **Basic - Continuing and Discontinued operations** | | 0.84 | 0.03 |
| **Diluted - Continuing and Discontinued operations** | | 0.84 | 0.03 |

**Significant Accounting Policies** 1

**The accompanying notes form an integral part of the Consolidated Financial Statements.**

In terms of our report attached.

**For Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348

Place : Mumbai
Date : April 26, 2022

**For and on behalf of the Board of Directors**

D.D. Rathi
Director
DIN : 00012575

Alka Bharucha
Director
DIN: 00114067

Yogesh Kumar Bhatt
Chief Financial Officer

Kamal Rathi
Company Secretary

## UltraTech Nathdwara Cement Limited

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

**A. Equity Share Capital**

**For the Year ended March 31, 2022**

**(₹ in Crores)**

| Balance as at April 01, 2021 | Changes in Equity Share Capital during the Year | Balance as at March 31, 2022 |
|---|---|---|
| 3,400.00 | - | **3,400.00** |

For the Year ended March 31, 2021

(₹ in Crores)

| Balance as at April 01, 2020 | Changes in Equity Share Capital during the Year | Balance as at March 31, 2021 (restated) |
|---|---|---|
| 3,400.00 | - | 3,400.00 |

**B. Other Equity**

**For the Year ended March 31, 2022**

**(₹ in Crores)**

| **Particulars** | **Reserves & Surplus** | | | **Total Other Equity** |
|---|---|---|---|---|
| | **Capital Redemption Reserve** | **General Reserve** | **Retained Earnings** | |
| Balance as at April 01, 2021 | 14.50 | 106.13 | (5,202.83) | (5,082.20) |
| Profit for the year | - | - | 286.79 | 286.79 |
| Other Comprehensive Income / (Loss) for the year | | | | |
| Remeasurement Gain / (Loss) on defined benefit plan | - | - | 3.03 | 3.03 |
| Total Comprehensive Income / (Loss) for the year | - | - | 289.82 | 289.82 |
| **Balance as at March 31, 2022** | **14.50** | **106.13** | **(4,913.01)** | **(4,792.38)** |

## UltraTech Nathdwara Cement Limited

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

**For the Year ended March 31, 2021 (restated)** (₹ in Crores)

| Particulars | Reserves & Surplus | | | Total Equity |
|---|---|---|---|---|
| | Capital Redemption Reserve | General Reserve | Retained Earnings | |
| Balance as at April 01, 2020 | 14.50 | 106.13 | (4,710.24) | (4,589.60) |
| Prior Period Adjustments ( Refer Note 31) | - | - | (504.38) | (504.38) |
| Balance as at April 01,2020 (Restated) | 14.50 | 106.13 | (5,214.62) | (5,093.99) |
| Profit for the year | - | - | 11.18 | 11.18 |
| Less : Modified Retrospective impact of Leases | - | - | - | - |
| Remeasurement Gain / (Loss) on defined benefit plan | - | - | 0.61 | 0.61 |
| Total Comprehensive Income / (Loss) for the year | - | - | 11.79 | 11.79 |
| **Balance as at March 31, 2021 (restated)** | **14.50** | **106.13** | **(5,202.83)** | **(5,082.20)** |

**Significant Accounting Policies Note 1**

**The accompanying notes form an integral part of the Consolidated Financial Statements.**

In terms of our report attached.

**For Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348
Place : Mumbai
Date : April 26, 2022

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**

Kamal Rathi
**Company Secretary**

**UltraTech Nathdwara Cement Limited**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **(A) Cash Flow from Operating Activities:** | | |
| **Profit/ (Loss) before tax from Continuing operations** | **126.87** | (54.48) |
| **Adjustments for:** | | |
| Depreciation and Amortisation | **73.38** | 70.57 |
| Provision/ Liabilities written back (Net) | **(8.59)** | (9.64) |
| Unrealised Exchange Rate Fluctuation (net) | **(2.72)** | (18.51) |
| Interest Income | **(1.21)** | (3.02) |
| Finance Costs | **209.72** | 273.77 |
| (Profit) / Loss on Sale / Retirement of Property, Plant and Equipment (net) | **0.67** | (0.05) |
| Assets/Pre operative expenses written off | **0.08** | - |
| Provision for Mines Restoration | **0.40** | 0.37 |
| Interest on lease liability | - | 0.04 |
| Impairment of Assets | - | 4.20 |
| Exceptional items | - | 96.74 |
| **Operating Profit before Working Capital Changes** | **398.60** | 359.99 |
| Movements in working capital: | | |
| Increase in Trade payables and other Liabilities | **51.07** | 10.34 |
| Decrease/(Increase) in Trade receivables | **(17.94)** | 0.24 |
| (Increase)/ Decrease in Inventories | **(79.50)** | 124.23 |
| **Cash generated from Operations** | **352.23** | 494.80 |
| Taxes paid (net of refunds) | **(2.91)** | (0.97) |
| **Net Cash generated from Operating Activities (A)** | **349.32** | 493.83 |
| **(B) Cash Flow from Investing Activities:** | | |
| Purchase of Property, Plant and Equipment | **(175.67)** | (111.90) |
| Sale of Property, Plant and Equipment | **8.79** | 3.33 |
| Investment (Purchase of Shares) | **(2.60)** | - |
| Redemption of investment in Subsidiaries / Other Body Corporates | - | 100.51 |
| Redemption / (Investment) in Other Bank deposits | **0.98** | (0.81) |
| Interest Received | **1.27** | 3.69 |
| **Net Cash used in Investing Activities (B)** | **(167.23)** | (5.18) |
| **(C) Cash Flow from Financing Activities:** | | |
| Repayment of Non-Current Borrowings | **(2,652.75)** | (40.50) |
| Proceeds/ (Repayment) of Current Borrowings (net) | **4.00** | 0.73 |
| Repayment of Principal towards Lease Liability | - | (1.52) |
| Interest on Lease Liability | - | (0.04) |
| Inter Corporate Deposit (repaid)/received (net) | **1,784.10** | (1,006.54) |
| Interest Paid | **(224.79)** | (287.81) |
| **Net Cash used in Financing Activities (C)** | **(1,089.44)** | (1,335.68) |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)** | **(907.35)** | (847.03) |
| **Net Cash Flow Transferred from Discontinued operations to Continuing operations on account of Proceeds from Assets held for sale** | **901.48** | 884.77 |
| **Cash and Cash Equivalents as at beginning of the year from Continuing operations** | **40.24** | 2.50 |
| **Closing Cash & Cash Equivalents from Continuing operations** | **34.37** | 40.24 |
| **CASH FLOW FROM DISCONTINUING OPERATIONS** | | |
| Opening Cash & Cash Equivalents | - | 31.98 |
| Cash flows from Operating activities of discontinuing operations | - | 85.86 |
| Cash flows from Investing activities of discontinuing operations | - | 882.99 |
| Cash flows from Financing activities of discontinuing operations | **901.48** | (116.06) |
| Net Increase/(Decrease) in Cash and Cash Equivalents from Discontinued operations | **901.48** | 852.79 |
| Net Cash Flow Transferred from Discontinued operations to Continuing operations on account of Proceeds from Assets held for sale | **(901.48)** | (884.77) |
| **Closing Cash & Cash Equivalents** | - | - |
| **Reclassified to Asset/ Disposal group held for Sale** | - | |
| **Cash and Cash Equivalents at the end of the year (Refer Note B)** | **34.37** | 40.24 |

## UltraTech Nathdwara Cement Limited
## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

**Notes:**

1. The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
2. Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.
3. Changes in liabilities arising from financing activities:

(₹ in Crores)

| Particulars | As at March 31,2021 | Cashflows | Non Cash changes | **As at March 31, 2022** |
|---|---|---|---|---|
| Non-Current Borrowing (Including current maturities of Non-Current Borrowing) | 2,652.44 | (2,652.74) | (0.30) | - |
| Current Borrowing | 786.80 | 1,779.96 | - | **2,566.76** |
| | 3,439.24 | (872.78) | (0.30) | **2,566.76** |
| **Particulars** | As at March 31, 2020 | Cashflows | Non Cash changes | As at March 31, 2021 (restated) |
| Non-Current Borrowing (Including current maturities of Non-Current Borrowing) | 2,692.91 | (40.50) | 0.03 | 2,652.44 |
| Current Borrowing | 1,792.61 | (1,005.81) | - | 786.80 |
| | 4,485.52 | (1,046.31) | 0.03 | 3,439.24 |

**Significant Accounting Policies Note 1**

**The accompanying notes form an integral part of the Consolidated Financial Statements.**

In terms of our report attached.

**For Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348
Place : Mumbai
Date : April 26, 2022

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**

Kamal Rathi
**Company Secretary**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 1 (A) Company Overview and Significant Accounting Policies

**Company Overview**

UltraTech Nathdwara Cement Limited (the Holding Company) is a Public Limited Company incorporated in India having its registered office at Kolkata, India. The Holding Company and its subsidiaries are engaged in the manufacturing and sale of Cement and Cement related products. The Holding Company and its subsidiaries together referred as "the Company" or "the Group".

The name of the Company has been changed to 'UltraTech Nathdwara Cement Limited' (UNCL) from 'Binani Cement Limited' w.e.f. 13th December, 2018.

### SIGNIFICANT ACCOUNTING POLICIES

**(a) Statement of Compliance:**

These consolidated financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and amendments thereto as applicable.

The financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on April 26, 2022.

**(b) Basis of Preparation and presentation**

**Basis of Preparation**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative Financial Instruments measured at fair value
(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
(iii) Assets held for disposal – measured at the lower of its carrying amount and fair value less costs to sell
(iv) Employee's Defined Benefit Plan as per actuarial valuation
(v) Assets and liabilities acquired under Business Combination measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Functional and Presentation Currency**

(i) The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.
(ii) Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, all other figures have been rounded off to the nearest ₹ in crores, unless otherwise stated.

**Classification of Assets and Liabilities into Current/Non-Current**

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:
(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is expected to realise the asset within twelve months after the reporting period; or
(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
Similarly, a liability is classified as current if:
(i) It is expected to be settled in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

**(c) Property, Plant and Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

PPE are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any.

**(d) Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets"

**(e) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold Land with indefinite life is not depreciated.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The property, plant and equipments also includes the assets constructed on land not owned by the Company. The estimated useful life are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

| No | Nature | Estimated Useful life |
|---|---|---|
| 1 | Buildings | 3-60 Years |
| 2 | Leasehold land including Railway siding | Over the lease agreement |
| 3 | Plant & machinery | 8-50 Years |
| 4 | Office Equipment | 4-7 Years |
| 5 | Furniture and Fixtures | 7-12 Years |
| 6 | Mobile Phones | 3 Years |
| 7 | Company Vehicles (other than those provided to the employees) | 5 Years |
| 8 | Motor Cars given to the employees as per the Company's Scheme | 4-5 Years |
| 9 | Servers and Networks | 3 Years |
| 10 | Stores and Spares in the nature of PPE | 8-30 Years |
| 11 | Assets individually costing less than or equal to ₹ 10,000 | Fully Depreciated in the year of purchase |

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

**(f) Intangible Assets and Amortisation**

**(i) Internally generated Intangible Assets:**
Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

**(ii) Intangible Assets acquired separately:**
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

**(iii) Class of intangible assets and their estimated useful lives / basis of amortisation are as under:**

| No | Nature | Estimated Useful life / Basis of amortisation |
|---|---|---|
| 1 | Mining Reserve (Mines Exploration and Development) | On the basis of mineral material extraction (proportion of mineral material extracted per annum to total estimated mining reserve) |
| 2 | Software | 5 Years |

**(g) Non-current assets (or disposal groups) classified as held for sale:**

To classify any Asset or disposal groups (comprising assets and liabilities) as "Asset / Disposal groups held for sale" they must be available for immediate sale and its sale must be highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets / Disposal groups held for sale" and "Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.
Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Balance Sheet.

A discontinued operation is a component of the Group's business, the operations and cashflows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and
- Is a part of single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

**(h) Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

**(i) Inventories:**

Inventories are valued as follows:

**(i) Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

**(ii) Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

**(iii) Waste / Scrap:**

Waste / Scrap inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(j) Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**(k) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised or disclosed in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(l) Mines Restoration Provision:**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

**(m) Revenue Recognition:**

(i) Revenue from Contracts with Customers

(a) Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Company is having offtake agreement with the holding company to take the material on ex works basis accordingly revenue has been recognised on ex works basis.

(b) Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

(ii) Dividend income is accounted for when the right to receive the income is established.
(iii) Interest income is recognised using the Effective Interest Method.

**(n) Lease:**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether
(i) the contract involves the use of identified asset;
(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
(iii) the Company has the right to direct the use of the asset.

**As a lessee**
The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.
The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method, except those which are payable other than functional currency which is measured at fair value through profit or loss. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

**Short-term leases and leases of low-value assets**
The Company has elected not to recognise ROU and lease liabilities for
- short term leases that have a lease term of 12 months or lower and
- Leases of low value assets.

The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

**As a lessor**
Lease income from operating leases where the Company is a lessor is recognised in income over the lease term. The respective leased assets are included in the balance sheet based on their nature.

**(o) Employee benefits:**
**Gratuity**
The gratuity, a defined benefit plan, payable to the employees is based on the Employees' service and last drawn salary at the time of the leaving of the services of the Company and is in accordance with the Rules of the Company for payment of Gratuity. Liability with regards to gratuity plan is determined using the projected unit credit method, with actuarial valuations being carried out by a qualified independent actuary at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

(i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
(ii) net interest expense or income; and
(iii)re-measurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Provident Fund**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, which is a defined benefit plan, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

**Superannuation**

Certain employees of the Company are eligible for participation in defined contribution plans such superannuation and national pension fund. Contributions towards these funds are recognized as an expense periodically based on the contribution by the Company, since Company has no further obligation beyond its periodic contribution.

**Other employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured using the projected unit credit method by e qualified independent actuary at the end of each annual reporting period, at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Remeasurement gains / losses are recognised in the Statement of Profit and Loss in the period in which they arise.

**(p) Income Taxes:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset. MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to move to lower tax rate from FY 2020-21 onwards under section 115 BAA.

**(q) Earnings Per Share:**

Basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders is divided by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(r) Foreign Currency transactions:**

Transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the retes prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

**(s) Financial Instruments:**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged to the Statement of Profit and Loss over the tenure of the financial assets or financial liabilities.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

(i) the entity's business model for managing the financial assets and

(ii)the contractual cash flow characteristics of the financial asset.

**Amortised Cost:**
A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

**Fair Value through OCI:**
A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**
A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial liabilities**
Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**
Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL.

Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**
Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company's trade receivables do not contain significant financing component and as per simplified approach, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

**Derecognition of financial assets and financial liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability for amounts it has to pay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss.

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**Financial Guarantee Contract Liabilities**
Financial Guarantee Contract Liabilities are disclosed in financial statements in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

**(t) Cash and cash equivalents:**
Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**(u) Financial liabilities and equity instruments:**
**(i) Classification as debt or equity**
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**(v) Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately excluding derivatives designated as cashflow hedge.

**(w) Segment Reporting: Identification of Segments:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**(x) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**Note 1 (B) Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts

**(a) Critical judgments in applying accounting policies:**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

**Classification of Lease Ind AS 116:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in arriving at the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a group of leases with similar characteristics.

**(b) Key assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful Lives of Property, Plant & Equipment and Intangible Assets:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. In case of certain mining rights the amortisation is based on the extracted quantity to the total mineral reserve.

**(ii) Impairment of Assets:**

The Company reviews its carrying value of assets annually where there is an indication of impairment by estimating the future economic benefits from using such assets If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**(iii) Recognition and measurement of deferred tax assets and liabilities:**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**(iv) Income Taxes:**

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. The Company has moved to new tax regime (Section 115 BAA) from FY 2020-21 onwards . The Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to realised or settled in the future when the Company may be subject to lower tax rate based on the future financials projections.

**(v) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(vi) Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(vii) Mines Restoration Obligation:**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

**(viii) Disposal Groups/Assets held for sale :**

The Company has used comparable market multiple approach to assess the fair value of the disposal group.

Under the market multiple approach, enterprise value of a company is determined by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies considering Enterprise Value/ Revenue and Enterprise value/ EBITDA multiples based on their market price and latest published financial information.

Appropriate adjustments are made (e.g. for debt and surplus assets) to arrive at the equity value of the disposal group.

## UltraTech Nathdwara Cement Limited

**Note 2**

**Property, Plant and Equipment and Other Intangible Assets**

(₹ in Crores)

| Particulars | Gross Block | | | | Accumulated Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions/ Adjustments/ Held for Disposal | As at March 31, 2022 | As at March 31, 2022 |
| **(A) Tangible Assets** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 133.71 | - | 1.92 | **131.79** | - | - | - | **-** | **131.79** |
| Leasehold Land | 181.19 | 0.34 | (1.92) | **183.45** | 11.47 | 4.29 | - | **15.76** | **167.69** |
| Buildings | 95.44 | 7.80 | - | **103.24** | 65.86 | 1.63 | - | **67.49** | **35.75** |
| Railway Sidings | 29.59 | 13.38 | - | **42.97** | 23.45 | 2.72 | - | **26.17** | **16.80** |
| Plant and Equipment: | | | | | | | | | |
| Own | 1,897.55 | 137.81 | 6.18 | **2,029.18** | 1,247.00 | 62.42 | 2.25 | **1,307.17** | **722.01** |
| Office Equipment | 9.12 | 1.28 | 0.38 | **10.02** | 7.56 | 0.65 | 0.38 | **7.83** | **2.19** |
| Furniture and Fixtures | 3.29 | 0.41 | 0.01 | **3.69** | 3.16 | 0.30 | 0.01 | **3.45** | **0.24** |
| Vehicles | 5.38 | 2.46 | 0.88 | **6.96** | 3.61 | 0.63 | 0.34 | **3.90** | **3.06** |
| **Total Tangible Assets** | **2,355.27** | **163.48** | **7.45** | **2,511.30** | **1,362.11** | **72.64** | **2.98** | **1,431.77** | **1,079.53** |
| **(B) Capital Work-in-Progress** | | | | | | | | | **127.45** |
| **(C) Other Intangible Assets** | | | | | | | | | |
| Software | 8.29 | - | - | **8.29** | 8.29 | - | - | **8.29** | **-** |
| **Total Intangible Assets** | **19.57** | **-** | **-** | **19.57** | **15.79** | **0.12** | **-** | **15.91** | **3.66** |
| **(D) Intangible Assets under Development** | | | | | | | | | **0.01** |
| **Total Assets (A+B+C)** | **2,374.84** | **163.48** | **7.45** | **2,530.87** | **1,377.90** | **72.76** | | **1,450.66** | **1,210.65** |

**Note 2**
**Property, Plant and Equipment and Other Intangible Assets**

₹ in Crores

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Adjustments Held for Disposal | As at March 31, 2021 (Restated) | As at April 01, 2020 | For the year | Deductions/ Adjustments Held for Disposal | Upto March 31, 2021 (Restated) | As at March 31, 2021 (Restated) |
| **(A) Tangible Assets** | | | | | | | | | |
| Land: | | | | | | | | | |
| Freehold Land | 228.98 | 1.45 | 96.72 | **133.71** | - | - | - | - | **133.71** |
| Leasehold Land (Refer Note 31) | 725.27 | 0.43 | 544.51 | **181.19** | 47.42 | 4.19 | 40.14 | **11.47** | **169.72** |
| Buildings | 95.21 | 0.23 | - | **95.44** | 64.35 | 1.51 | - | **65.86** | **29.58** |
| Railway Sidings | 29.59 | - | - | **29.59** | 21.44 | 2.01 | - | **23.45** | **6.14** |
| Plant and Equipment: | | | | | | | | | |
| Own | 1,898.90 | 10.06 | 11.41 | **1,897.55** | 1,195.91 | 58.96 | 7.87 | **1,247.00** | **650.55** |
| Office Equipment | 8.53 | 0.76 | 0.17 | **9.12** | 7.28 | 0.45 | 0.17 | **7.56** | **1.56** |
| Furniture and Fixtures | 3.35 | 0.08 | 0.14 | **3.29** | 3.18 | 0.11 | 0.13 | **3.16** | **0.13** |
| Vehicles | 4.34 | 1.23 | 0.19 | **5.38** | 3.34 | 0.39 | 0.12 | **3.61** | **1.77** |
| **Total Tangible Assets** | **2,994.17** | **14.24** | **653.14** | **2,355.27** | **1,342.92** | **67.62** | **48.43** | **1,362.11** | **993.16** |
| **(B) Capital Work-in-Progress** | | | | | | | | | **124.92** |
| **Total Tangible Assets** | | | | | | | | | |
| **(C) Other Intangible Assets** | | | | | | | | | |
| Software | 8.29 | - | - | **8.29** | 8.29 | - | - | **8.29** | - |
| Mining Rights | 11.28 | - | - | **11.28** | 7.40 | 0.10 | - | **7.50** | **3.78** |
| **Total Other Intangible Assets** | **19.57** | - | - | **19.57** | **15.69** | **0.10** | - | **15.79** | **3.78** |
| **Total Assets (A+B+C)** | **3,013.74** | **14.24** | **653.14** | **2,374.84** | **1,358.61** | **67.72** | **48.43** | **1,377.90** | **1,121.86** |

1 Buildings includes assets built on land not owned by the Company ₹ 3.98 crores (Previous year ₹ 3.98 Crores).

2. Plant and Machinery includes assets built on land not owned by the Company ₹ 2.26 Crores (Previous year ₹ 2.26 Crores).

3. Freehold Land include assets for which ownership is not in the name of the Company - Gross Block of ₹ 87.85 Croress (Previous Year ₹ 101.50 Crores).

4. Disclosure as per para 49 Ind AS 8 "Accounting policies, Changes in Accounting Estimates and Errors":
Nature: Impairment of leasehold land by Rs.513.73 crore based on independent valuation carried out during acquisition of the Company by Ultratech Cement Limited.
As per para 42 impact is given at the beginning of the earliest period presented i.e. opening reserve as at 01 April 2020.

5. Ageing schedule of capital-work-in progress (CWIP) :

₹ in Crores

| | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| **As at March 31, 2022** | | | | | |
| Projects in progress | **93.34** | **34.09** | **0.02** | - | **127.45** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **93.34** | **34.09** | **0.02** | - | **127.45** |
| As at March 31, 2021 (restated): | | | | | |
| Projects in progress | 101.82 | 13.57 | 9.53 | - | 124.92 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 101.82 | 13.57 | 9.53 | - | 124.92 |

6. Completion schedule for capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

₹ in Crores

| | To be completed in | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** |
| **As at March 31, 2022** | | | | |
| Due To Electrification Work Of Indian Railways | 2.58 | - | - | - |
| Installation Of Waste Heat Recovery System In Line 2 (10.5 Mw) | 34.62 | - | - | - |
| Suspended projects: | | | | |
| Project 1 | - | - | - | - |
| Project 2 | - | - | - | - |

7. Ageing schedule of Intangible assets under development:

₹ in Crores

| | Amount in Intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| **As at March 31, 2022** | | | | | |
| Projects in progress | **0.01** | - | - | - | **0.01** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **0.01** | - | - | - | **0.01** |
| As at March 31, 2021 (restated): | | | | | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | - | - | - | - | - |

## UltraTech Nathdwara Cement Limited

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**Note 3 - Leases (Ind AS 116):**

**As a lessee**

Following are the carrying value of Right of Use Assets for the year ended March 31, 2022:

(₹ in Crores)

| Particulars | Gross Block | | | | Accumulated depreciation and amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Deductions/ Transfer | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions/ Transfer | As at March 31, 2022 | As at March 31, 2022 |
| Plant and Machinery | 20.20 | - | 20.20 | - | 11.67 | 0.63 | 12.30 | - | - |
| **Total** | **20.20** | - | **20.20** | - | **11.67** | **0.63** | **12.30** | - | - |
| **Net Depreciation Charged to Statement of Profit & Loss** | | | | | | **0.63** | **12.30** | - | - |

(₹ in Crores)

| Particulars | Gross Block | | | | Accumulated depreciation and amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Additions | Deductions/ Transfer | As at March 31, 2021 (restated) | As at April 01, 2020 | For the year | Deductions/ Transfer | As at March 31, 2021 (restated) | As at March 31, 2021 (restated) |
| Plant and Machinery | 20.20 | | | **20.20** | 9.15 | 2.52 | | **11.67** | **8.53** |
| **Total** | **20.20** | - | | **20.20** | **9.15** | **2.52** | | **11.67** | **8.53** |
| **Net Depreciation Charged to Statement of Profit & Loss** | | | | | | **2.52** | | | |

(b) Lease Expenses recognized in Statement of Profit and Loss, not included in the measurement of lease liabilities:

(₹ in Crores)

| Particulars | Year Ended March 31,2022 | Year Ended March 31,2021 (restated) |
|---|---|---|
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | 0.00 | 0.15 |

(c) Amounts recognised in Statement of Cash Flows:

(₹ in Crores)

| Particulars | Year Ended March 31,2022 | Year Ended March 31,2021 (restated) |
|---|---|---|
| Total cash outflow for leases | | (1.56) |

(d) Income from sub leasing of Right to use assets is ₹ nil

(₹ in Crores)

| Particulars | | As at March 31,2022 | | As at March 31,2021 (restated) |
|---|---|---|---|---|
| **NOTE 4** | | | | |
| **INVESTMENTS** | | | | |
| **Unquoted:** | | | | |
| **Investments measured at Fair value through Profit or Loss:** | | | | |
| **Equity Instruments:** | | | | |
| **Face value of ₹ 10 each fully paid:** | | | | |
| Investment in Amplus Alpha Solar Private Limited | 25,98,864 | 2.60 | - | - |
| | | 2.60 | | - |
| Aggregate Value of: | | | | |
| Unquoted Investments | - | 2.60 | | - |

**NOTE 5**
**LOANS**

| Particulars | Non-Current As at March 31,2022 | Current As at March 31,2022 | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| **Considered good, Unsecured:** | | | | |
| Security Deposits | - | - | - | - |
| Loans to Employees | - | 0.17 | - | 0.13 |
| | - | 0.17 | - | 0.13 |

Note 5.1 - No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

**NOTE 6**
**Other Financial Assets**

| Particulars | Non-Current As at March 31,2022 | Current As at March 31,2022 | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| Derivative Assets | - | 0.21 | - | - |
| Interest Accrued on Deposits and Investment | - | 0.57 | - | 0.63 |
| Fixed Deposits with Bank with Maturity Greater than twelve Months^ | 0.34 | - | 0.32 | - |
| Security Deposits | 8.30 | - | 6.75 | - |
| Deposit with State Electricity Boards | 4.10 | - | 3.07 | - |
| Others Includes Other Receivables | - | 0.51 | - | 0.61 |
| | 12.74 | 1.29 | 10.14 | 1.24 |

^ Lodged as Security with Government Departments - ₹ 0.34 Crores (March 31, 2021: ₹ 0.32 Crores)

**NOTE 7**
**OTHER NON-CURRENT ASSETS:**

| Particulars | As at March 31,2022 | As at March 31,2021(restated) |
|---|---|---|
| Capital Advances | 122.60 | 110.13 |
| Less: Provision for Impairment | (101.25) | (101.25) |
| | 21.35 | 8.88 |
| Balance with Government Authorities | 10.94 | 7.12 |
| Less: Provision for Impairment | (7.12) | (7.12) |
| | 3.82 | - |
| Prepaid Expenses | 0.72 | 0.82 |
| | 25.89 | 9.70 |

**NOTE 8**
**INVENTORIES: (Valued at lower of cost and net realisable value, unless otherwise stated)**

| Particulars | As at March 31 2022 | As at March 31,2021(restated) |
|---|---|---|
| Raw Materials (Includes ₹ 0.16 Crores in transit (Previous Year ₹0.07 Crores)) | 4.82 | 4.65 |
| Work-in-Progress | 39.32 | 20.92 |
| Finished Goods | 9.05 | 5.14 |
| Stores & Spares (Includes ₹ 1.02 Crores in transit (Previous Year ₹ 2.50 Crores))* | 51.90 | 43.73 |
| Fuel (Includes₹ 3.31 Crores in transit (Previous year ₹ 0.79 Crores )) | 79.17 | 26.08 |
| Packing Materials | 4.37 | 3.89 |
| Scrap (valued at net realisable value) | 0.98 | 5.25 |
| | 189.61 | 109.66 |

* The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. The stores & spares inventory is net of provision for diminution in value of stock of ₹ 2.42 Crores (Previous Year ₹ 2.38 Crores).

**NOTE 9**

**CASH AND CASH EQUIVALENTS**

(₹ in Crores)

| Particulars | As at March 31, 2022 | As at March 31,2021 (restated) |
|---|---|---|
| Balance with banks | 34.28 | 40.14 |
| Cash on hand | 0.09 | 0.10 |
| | 34.37 | 40.24 |

**NOTE 10**

**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| Fixed Deposits with Banks (Maturity more than three months and upto twelve months)^ | 19.95 | 19.24 |
| Bank accounts freezed by Government Authorities | - | 1.70 |
| | 19.95 | 20.94 |

^ Lodged as security with Government Departments ₹ 0.62 Crores (March 31, 2021 ₹ 0.60 Crores). Earmarked for specific purpose ₹ 16.73 Crores (March 31, 2021 ₹ 16.73 Crores)

**NOTE 11**

**OTHER CURRENT ASSETS**

(₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| Balance with Government Authorities | 48.31 | 48.31 |
| Less: Provision for Doubtful Recovery of Statutory payments | (48.26) | (48.26) |
| | 0.05 | 0.05 |
| Advances to Suppliers | 19.41 | 7.65 |
| Prepaid Expenses | 0.47 | 0.39 |
| Advance to Employees | 0.03 | 0.04 |
| Others | 0.99 | 2.18 |
| Advance to related party | 1.36 | 0.41 |
| | 22.31 | 10.72 |

**NOTE 12 (a)**

**EQUITY SHARE CAPITAL**

(₹ in Crores)

| Particulars | As at March 31,2022 No. of Shares | Amount | As at March 31,2021(restated) No. of Shares | Amount |
|---|---|---|---|---|
| **Authorised** | | | | |
| Equity Shares of ₹ 10 each | 4,00,00,00,000 | 4,000.00 | 4,00,00,00,000 | 4,000.00 |
| Preference Shares of ₹ 100 each | 20,00,00,000 | 2,000.00 | 20,00,00,000 | 2,000.00 |
| | 4,20,00,00,000 | 6,000.00 | 4,20,00,00,000 | 6,000.00 |
| **Issued, Subscribed and Fully Paid-up** | | | | |
| Equity Shares of ₹ 10 each fully paid-up | 3,40,00,00,000 | 3,400.00 | 3,40,00,00,000 | 3,400.00 |

| **(a) Reconciliation of the Shares Outstanding at the beginning and at the end of the year** | No. of Shares | Amount | No. of Shares | Amount |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 3,40,00,00,000 | 3,400.00 | 3,40,00,00,000 | 3,400.00 |
| **Outstanding at the end of the year** | 3,40,00,00,000 | 3,400.00 | 3,40,00,00,000 | 3,400.00 |

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **(b) Shares held by Holding Company** | | |
| UltraTech Cement Limited | 3,40,00,00,000 | 3,40,00,00,000 |
| **(c) List of shareholders holding more than 5% of Paid-up Equity Share Capital** | | |
| UltraTech Cement Limited | 100% | 100% |

**(d) Terms/Rights attached to equity shares**

The company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

**(e) Shares held by Promoters:**

| **Promoter Name** | As at March 31, 2022 No of Shares | % of total shares | As at March 31, 2021 (restated) No of Shares | % of total shares | % change during the year |
|---|---|---|---|---|---|
| **UltraTech Cement Limited** | 3,40,00,00,000 | 100% | 3,40,00,00,000 | 100% | - |
| **Total** | 3,40,00,00,000 | | 3,40,00,00,000 | | |

**NOTE 12 (b)**
**OTHER EQUITY** (₹ in Crores)

| Particulars | As at March 31 2022 | As at March 31,2021 restated |
|---|---|---|
| Capital Redemption Reserve | 14.50 | 14.50 |
| General Reserve | 106.13 | 106.13 |
| Retained Earnings (restated) (Note 31) | (4,913.01) | (5,202.83) |
| **Total Other Equity** | (4,792.38) | (5,082.20) |

**Nature and Purpose of Reserves:**

**(1) Capital Redemption Reserve** - The Company in an earlier year had recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

**(2) General Reserve** - The Company in an earlier year had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956.

**NOTE 13**
**NON-CURRENT BORROWINGS** (₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021(restated) |
|---|---|---|
| **Secured:** | | |
| Term Loans from Banks: | | |
| In Local Currency | - | 2,571.44 |
| **Total** | - | 2,571.44 |

| Particulars | Repayment Schedule | As at March 31 2022 | As at March 31,2021 restated |
|---|---|---|---|
| **Term Loans from Banks in Local Currency:Secured** | | | |
| HDFC Bank Ltd | Repaid Fully in Oct'21 | - | 2,652.44 |
| Less: Current Portion of Term Loans shown under Current Borrowings (refer Note 16) | | - | 81.00 |
| **Total** | | | 2,571.44 |

**NOTE 14**
**OTHER FINANCIAL LIABILITIES** (₹ in Crores)

| Particulars | Non-Current As at March 31,2022 | Current As at March 31,2022 | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| Interest Accrued but not due on Borrowings | - | - | | 14.98 |
| Retention Money | - | 20.57 | - | 12.72 |
| Derivative Liability | - | - | | 2.56 |
| Liability for Capital Goods | - | 6.92 | - | 2.95 |
| Security Deposits | - | 3.50 | - | 3.52 |
| Salaries, Wages, Bonus and Other Employee Payables | - | 4.43 | | 2.72 |
| Liquidated damages | - | 1.78 | - | 0.32 |
| | - | 37.20 | | 39.77 |

**NOTE 15**
**PROVISIONS** (₹ in Crores)

| Particulars | Non-Current As at March 31,2022 | Current As at March 31,2022 | Non-Current As at March 31,2021 (restated) | Current As at March 31,2021 (restated) |
|---|---|---|---|---|
| **Provision for Employee Benefits:** | | | | |
| For Employee Benefits | - | 4.84 | - | 7.33 |
| **Others:** | | | | |
| For Mines Restoration Expenditure | 5.35 | - | 4.95 | - |
| | 5.35 | 4.84 | 4.95 | 7.33 |

**Note 15.1** - Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" specified under Section 133 of the Companies Act, 2013:

| **(a) Mines Restoration Expenditure:** | | | |
|---|---|---|---|
| Opening Balance | 4.95 | 4.59 | |
| Add: Unwinding of discount on Mine Restoration Provision | 0.40 | 0.36 | |
| **Closing Balance** | 5.35 | 4.95 | - |

**NOTE 16**

**CURRENT BORROWINGS**

(₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021 restated) |
|---|---|---|
| **Secured:** | | |
| Current Maturities of Long Term Debt | - | 81.00 |
| From Banks - Cash Credits* | 8.14 | 4.14 |
| **Unsecured:** | | |
| **Loans repayable on demand:** | | |
| Inter Corporate Deposits from Holding Company (Refer Note 42) | 2,566.76 | 782.66 |
| | 2,574.90 | 867.80 |

**Note:**

*Cash Credit are secured against all present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and any other goods, movable assets or merchandise and all book debts, amounts outstanding, monies receivable, claims and bills

**NOTE 17**

**TRADE PAYABLES (Other than Micro and Small Enterprises)**

(₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021(restated) |
|---|---|---|
| **Due to Micro and Small Enterprises (Refer Note 47)** | 6.99 | 4.07 |
| **Total Outsanding Dues of Creditors Other than Micro Enterprises and Small Enterprises** | | |
| Other Trade Payable | 89.13 | 71.05 |
| Due to Related Parties (Refer Note 36) | 25.34 | 10.57 |
| | 121.46 | 85.69 |

**Note 17.1:** Trade Payables Ageing Schedule

| Particulars | Unbilled | Outstanding but not due | Outstanding for the following periods from the due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| As on March 31, 2022: | | | | | | | |
| (i) MSME | - | 6.99 | - | | | - | 6.99 |
| (ii) Others | 32.82 | 57.17 | 24.13 | - | | - | 114.12 |
| (iii) Disputed- MSME | - | | - | - | - | - | - |
| (iv) Disputed Dues- Others | | | - | | - | 0.35 | 0.35 |
| **Total as on March 31,2022** | **32.82** | **64.16** | **24.13** | **-** | **-** | **0.35** | **121.46** |
| As on March 31, 2021: | | | | | | | |
| (i) MSME | - | 4.07 | - | | | - | 4.07 |
| (ii) Others | 38.91 | 28.68 | 13.22 | - | | - | 80.81 |
| (iii) Disputed- MSME | | | - | | - | - | - |
| (iv) Disputed Dues- Others | - | - | - | 0.26 | 0.55 | - | 0.81 |
| **Total as on March 31,2021(restated)** | 38.91 | 32.75 | 13.22 | 0.26 | 0.55 | 0.00 | 85.69 |

**NOTE 18**

**OTHER CURRENT LIABILITIES**

(₹ in Crores)

| Particulars | As at March 31,2022 | As at March 31,2021(restated |
|---|---|---|
| Advance from Holding Company | 138.70 | 145.62 |
| Others (including Statutory liabilities and other payables) | 34.99 | 37.34 |
| | 173.69 | 182.96 |

(₹ in Crores)

| Particulars | | For The Year Ended March 31, 2022 | | For The Year Ended March 31, 2021 (restated) |
|---|---|---|---|---|
| **NOTE 19** | | | | |
| **REVENUE FROM OPERATIONS** | | | | |
| **SALE OF PRODUCTS AND SERVICES** | | | | |
| Sale of Manufactured Products | | 1,651.03 | | 1,252.85 |
| **OTHER OPERATING REVENUES** | | | | |
| Scrap Sales | 12.57 | | 11.99 | |
| Provisions no longer required written back | 8.59 | | 12.12 | |
| Miscellaneous Income / Receipts | 0.20 | | 1.14 | |
| | | 21.36 | | 25.25 |
| | | 1,672.39 | | 1,278.10 |
| **NOTE 20** | | | | |
| **OTHER INCOME** | | | | |
| Interest Income on | | | | |
| Government Securities and Others | 0.31 | | 0.55 | |
| Bank and Other Accounts | 0.90 | | 2.47 | |
| | | 1.21 | | 3.02 |
| Exchange Gain (net) | | 36.11 | | 44.31 |
| Profit on Sale of Property, plant and equipment (net) | | - | | 0.05 |
| Others | | 0.35 | | 0.23 |
| | | 37.67 | | 47.61 |
| **NOTE 21** | | | | |
| **COST OF MATERIALS CONSUMED** | | | | |
| Opening Stock | | 4.65 | | 9.50 |
| Purchases | | 349.31 | | 284.14 |
| | | 353.96 | | 293.64 |
| Less: Closing Stock | | 4.82 | | 4.65 |
| | | 349.14 | | 288.99 |
| **NOTE 22** | | | | |
| **CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS** | | | | |
| **Closing Inventories** | | | | |
| Work-in-progress | | 39.32 | | 20.92 |
| Finished Goods | | 9.05 | | 5.14 |
| | | 48.37 | | 26.06 |
| **Opening Inventories** | | | | |
| Work-in-progress | | 20.92 | | 28.36 |
| Finished Goods | | 5.14 | | 7.40 |
| | | 26.06 | | 35.76 |
| (Increase) / Decrease in Inventories | | (22.31) | | 9.70 |
| **NOTE 23** | | | | |
| **EMPLOYEE BENEFITS EXPENSE** | | | | |
| Salaries, Wages and Bonus | | 51.85 | | 51.09 |
| Contribution to Provident and Other Funds | | | | |
| Contribution to Gratuity and Other Defined Benefit Plans | | 1.74 | | 1.11 |
| Contribution to Superannuation and Other Defined Contribution Funds | | 3.18 | | 3.31 |
| Staff Welfare Expenses | | 5.09 | | 3.33 |
| | | 61.86 | | 58.84 |

(₹ in Crores)

| Particulars | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 (restated) |
|---|---|---|
| **NOTE 24** | | |
| **FINANCE COSTS** | | |
| Interest Expense: | | |
| On Borrowings (at amortised cost) | 209.72 | 273.77 |
| Interest on Lease Liability | - | 0.04 |
| Unwinding of discount on Mine Restoration Provision | 0.40 | 0.37 |
| | 210.12 | 274.18 |
| **NOTE 25** | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation | 72.63 | 67.63 |
| Depreciation on ROU Assets (Refer Note 3) | 0.63 | 2.52 |
| Amortisation | 0.12 | 0.09 |
| Obsolescence / Impairment | 0.75 | 4.53 |
| | 74.13 | 74.77 |
| **NOTE 26** | | |
| **FREIGHT AND FORWARDING EXPENSE** | | |
| On Finished Products | 26.05 | 20.60 |
| On Clinker Transfer | 15.23 | 16.52 |
| | 41.28 | 37.12 |
| **NOTE 27** | | |
| **OTHER EXPENSES** | | |
| Consumption of Stores, Spare Parts and Components | 58.65 | 32.80 |
| Consumption of Packing Materials | 81.65 | 65.58 |
| Repairs to Plant and Machinery, Buildings and Others | 40.69 | 28.84 |
| Insurance | 4.64 | 4.21 |
| Rent | 0.04 | 0.05 |
| Rates and Taxes | 5.73 | 5.61 |
| Directors' Fees | 0.04 | 0.04 |
| Advertisement | 0.12 | 0.02 |
| Miscellaneous Expenses | 16.41 | 19.88 |
| | 207.97 | 157.00 |

**Note 28 Principles of Consolidation:**

These Consolidated Financial Statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), specified under Section 133 of the Companies Act, 2013.

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

**(ii) Non-controlling interest (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**(iii) Loss of control**

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

**(iv) Transactions eliminated on consolidation**

The financial statements of the Company, its Subsidiaries used in the consolidation procedure are drawn upto the same reporting date i.e. March 31, 2022.

The consolidated financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Company follows uniform accounting policies for like transactions and other events in similar circumstances.

The Consolidated Financial Statements are comprised of the financial statements of the members of the Group as under:

| Name of the Company | Principal Place of Business | % Shareholding and Voting Power | |
|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 |
| **(i) Subsidiary Companies:** | | | |
| (a) Smooth Energy Private Limited (formerly known as Binani Energy Private Limited) (Struck off w.e.f. October 26, 2021) | India | - | 100% |
| (b) Bahar Ready Mix Concrete Limited (formerly known as Binani Ready Mix Concrete Limited) (Struck off w.e.f. November [illegible] 2021) | India | - | 100% |
| (c) Merit Plaza Limited | India | **100%** | 100% |
| (d) Swiss Merchandise Infrastructure Limited | India | **100%** | 100% |
| (e) Krishna Holdings PTE Limited (KHPL) (under liquidation) | Singapore | - | 100% |
| (f) Bhumi Resources PTE Limited (BHUMI) $ | Singapore | **100%** | 100% |
| (g) Murari Holdings Limited (MUHL)$ | British Virgin Islands | **100%** | 100% |
| (h) Mukundan Holdings Limited (MHL) $ | British Virgin Islands | **100%** | 100% |
| (k) PT Anggana Energy resources (Anggana), Indonesia | Indonesia | **100%** | 100.00% |
| (l) 3B Binani Glassfibre Sarl $ (w.e.f. 12th March 2021) | Luxembourg | - | 100% |
| (m)Project bird Holding II Sarl $ (w.e.f. 12th March 2021) | Luxembourg | - | 100% |
| (n) 3B-Fibreglass Srl $ (w.e.f. 12th March 2021) | Belgium | - | 100% |
| (o) 3B-FibreGlass Norway as $ (w.e.f. 12th March 2021) | Norway | - | 100% |
| (p) Tunfib Sarl $# (w.e.f. 12th March 2021) | Tunisia | - | 67% |
| (q) Goa Glass Fibre Ltd. $ (w.e.f. 12th March 2021) | India | - | 100% |

$ Assets of Foreign Subsidiaries classified as held for sale.

**Note 29 Contingent Liabilities (to the extent not provided for) (Ind AS 37):**

**(a) Claims against the Group not acknowledged as debt:**

(₹ in Crores)

| Particulars | Brief Description of Matter | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| CCI (Refer Note below) | Claims against the Company not acknowledged as debts in respect of CCI matter | **167.32** | 167.32 |
| Finance Department, Rajasthan | Claims against the Company not acknowledged as debts in respect of Land Tax matter | **1.53** | 1.53 |

The Company had filed appeals against the orders of the Competition Commission of India (CCI) dated 31/08/2016 (Penalty of ₹ 167.32 crores). Upon the NCLAT disallowing its appeal against the CCI order dated 31/08/2016, the Hon'ble Supreme Court has, by its order dated 18/01/2019, granted a stay against the NCLAT order. Consequently, the Company has deposited an amount of ₹ 16.73 crores equivalent to 10% of the penalty of ₹ 167.32 crores. The Company, backed by legal opinions, believes that it has a good case in the matter and accordingly no provision has been made in the results.

The finance department of Government of Rajasthan vide notification dated 30/03/2020 has promulgated Rajasthan Land Tax Rules, 2020 in exercise of powers under section 34 of Rajasthan Finance Act, 2020 and imposed tax on various types of land including land falling under mining leases. The Company has deposited applicable tax based on self assessment, however, the Deptt. has raised the demand alongwith interest on 27/08/2020 without allowing any exemptions available in the Act. The Company has filed the writ petition on 29/10/2020 in the Hon'ble Rajasthan High Court challenging the demand. The Company believes that it has good case in this matter and no provision has been made in the books.

(b)As per Resolution Plan approved by NCLAT vide its order dated 14/11/2018, upon discharge and payment of resolution amount, all contingent liabilities,

**Note 30 Capital and other commitments:**

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 126.19 Crores (March 31,2021 (restated) ₹ 32.83 Crores).

**Note 31 Disclosure as per para 49 Ind AS 8 "Accounting policies, Changes in Accounting Estimates and Errors":**

Nature: Impairment of leasehold land by Rs.513.73 crore based on independent valuation carried out during acquisition of the Company by Ultratech Cement Limited.

As per para 42 impact is given at the beginning of the earliest period presented i.e. opening reserve as at 01 April 2020.

**Note 32 Relationship with Struck off Companies:**

During the year there were no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Note 33 Other Statutory Information**

(i) As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(ii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(viii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions

(ix) The Company has filed quarterly statements of current assets with the banks in agreement with the books of accounts.

**Note 34 Employee Benefits (Ind AS 19):**

**I. UltraTech Nathdwara Cement Limited**

**(A) Defined Benefit Plans:**

**(a) Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Group and is in accordance with the Rules of the Group for payment of gratuity.

**Inherent Risk**

The plan is defined benefit in nature which is sponsored by the company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(₹ in Crores)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | Gratuity | |
| | | Funded | Funded |
| | **Change in defined benefit obligation** | | |
| (i) | Balance at the beginning of the year | **16.02** | 14.68 |
| | Adjustment of: | | |
| | Current Service Cost | **1.57** | 1.18 |
| | Past Service Cost | - | 0.83 |
| | Interest Cost | **1.12** | 1.00 |
| | Actuarial (gains) losses recognised in Other Comprehensive Income: | | |
| | - Change in Financial Assumptions | **(0.42)** | (0.18) |
| | - Experience Changes | **(2.64)** | (0.56) |
| | Benefits Paid from the fund | **(0.87)** | (0.93) |
| | Liabilities transferred in /Acquisitions | **1.73** | - |
| | Liabilities transferred out | **(0.40)** | - |
| | **Balance at the end of the year** | **16.11** | 16.02 |

| | | | |
|---|---|---|---|
| | **Change in Fair Value of Assets** | | |
| (ii) | **Balance at the beginning of the year** | **13.55** | 13.54 |
| | Expected Return on Plan Assets | **(0.03)** | (0.14) |
| | Interest income | **0.95** | 1.08 |
| | Re measurements due to: | | |
| | Contribution by the employer | **2.47** | - |
| | Benefits Paid from the fund | **(0.87)** | (0.93) |
| | **Balance at the end of the year** | **16.07** | 13.55 |
| (iii) | **Net Asset / (Liability) recognised in the Balance Sheet** | | |
| | Present value of Defined Benefit Obligation | **(16.11)** | (16.02) |
| | Fair Value of Plan Assets | **16.07** | 13.55 |
| | **Net Asset / (Liability) in the Balance Sheet** | **(0.04)** | (2.46) |
| (iv) | **Expenses recognised in the Consolidated Statement of Profit and Loss** | | |
| | Current Service Cost | **1.57** | 1.18 |
| | Interest Cost | **0.18** | (0.08) |
| | **Total Expense** | **1.75** | 1.11 |
| | **Amount charged to the Consolidated Statement of Profit and Loss** | **1.75** | 1.11 |
| (v) | **Re-measurements recognised in Other Comprehensive Income (OCI):** | | |
| | Changes in Financial Assumptions and experience changes | **(3.06)** | (0.74) |
| | Actual return on Plan assets less interest on plan assets | **0.03** | 0.13 |
| | **Amount recognised in Other Comprehensive Income (OCI):** | **(3.03)** | (0.61) |
| (vi) | **Maturity profile of defined benefit obligation:** | | |
| | Within the next 12 months | **0.87** | 0.62 |
| | Between 1 and 5 years | **4.16** | 4.38 |
| | Between 5 and 10 years | **7.06** | 8.31 |
| | 10 Years and above | **24.28** | 20.26 |
| (vii) | **Sensitivity analysis for significant assumptions:*** | | |
| | **Increase/(Decrease) in present value of defined benefits obligation at the end of the year** | **16.11** | 16.02 |
| | 1% increase in discount rate | **(1.36)** | (1.28) |
| | 1% decrease in discount rate | **1.58** | 1.48 |
| | 1% increase in salary escalation rate | **1.57** | 1.47 |
| | 1% decrease in salary escalation rate | **(1.38)** | (1.29) |
| | 1% increase in employee turnover rate | **0.03** | (0.01) |
| | 1% decrease in employee turnover rate | **(0.03)** | 0.01 |
| (viii) | **The major categories of plan assets as a percentage of total plan @** | | |
| | Insurer Managed Funds | **100%** | 100% |
| | Debt, Equity and Other Instruments | **NA** | NA |
| (ix) | **Actuarial Assumptions:** | | |
| | Discount Rate (p.a.) | **7.25%** | 6.97% |
| | Turnover Rate | **2.00%** | 2.00% |
| | Mortality tables | **Indian Assured Lives Mortality (2012-14) Urban** | Indian Assured Lives Mortality (2006-08) Ult |
| | Salary Escalation Rate (p.a.) | **7.00%** | 7.00% |
| | Retirement age : | | |
| | Management - | 60 | 60 |
| | Non-Management- | 58 | 58 |
| (x) | Weighted Average duration of Defined benefit obligation | **11** | 14 |

*The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

*Indian Assured Lives Mortality (2006-08) Ult table.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**(xi) Discount Rate:**

The discount rate is based on the prevailing market rates of Indian government securities for the estimated terms of obligations.

**(xii) Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors.

(xiii) The Company's expected contribution during next year is ₹ 1.14 crores (March 31, 2021 (restated) is ₹ 1.96 Crores ).

Amount recognised as an expense and included under the head 'Contribution to Provident & other funds' is ₹ 2.65 crores (March 31, 2021 (restated) is ₹ 2.79 Crores ).

Amount recognised as an expense and included under the head 'Contribution to Other funds' is ₹ 0.54 crores (March 31, 2021 (restated) is ₹ 0.51 Crores).

Amount recognised as an expense in respect of Compensated Absences is ₹ 0.07 crores (March 31, 2021 (restated) is ₹ 0.30 Crores).

**Note 35 Segment Reporting (Ind AS 108):**

The Company is exclusively engaged in the business of cement . As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable segments applicable to the Company.

**Note 36 Related party disclosures (Ind AS 24):**

**Names of Related Parties with whom transactions were carried out during the year:**

| Name of Related Party | Relationship |
|---|---|
| UltraTech Cement Limited | Holding company |
| Mr. D. D. Rathi- Non Executive Independent Director | Key Management Personnel (KMP) |
| Mrs. Alka Bharucha- Non Executive Independent Director | Key Management Personnel (KMP) |
| Mr. Rajendra Vijay- Chief Financial Officer (till May 4,2021) | Key Management Personnel (KMP) |
| Mr. Yogesh Kumar Bhatt- Chief Financial Officer (From May 5,2021) | Key Management Personnel (KMP) |

**(a) The following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Crores)

| Nature of Transaction/Relationship | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **Sale of Goods:** | | |
| UltraTech Cement Limited | **2,116.78** | 1,603.56 |
| Fellow Subsidiary | - | 14.20 |
| **Total** | **2,116.78** | 1,617.76 |
| **Sale of Property, Plant and Equipment:** | | |
| UltraTech Cement Limited | **4.18** | 3.79 |
| **Total** | **4.18** | 3.79 |
| **Purchase of Goods:** | | |
| UltraTech Cement Limited | **563.10** | 317.19 |
| Fellow Subsidiary (Materials/ Fixed Assets) | - | 99.01 |
| **Total** | **563.10** | 416.20 |
| **Services received from:** | | |
| UltraTech Cement Limited | **0.27** | 0.45 |
| Fellow Subsidiary | - | 1.10 |
| KMP (Remuneration) | **0.74** | 0.71 |
| KMP (Director Sitting fees) | **0.04** | 0.04 |
| **Total** | **1.05** | 2.30 |
| **Interest paid** | | |
| UltraTech Cement Limited (on Inter Corporate deposit ) | **110.77** | 90.05 |
| **Total** | **110.77** | 90.05 |
| **Services given to:** | | |
| UltraTech Cement Limited | **1.16** | 0.11 |
| **Total** | **1.16** | 0.11 |
| **Inter Corporate Deposits Received** | | |
| UltraTech Cement Limited | **2,725.00** | - |
| **Total** | **2,725.00** | |
| **Inter Corporate Deposits Repaid** | | |
| UltraTech Cement Limited | **940.90** | 1,006.54 |
| **Total** | **940.90** | 1,006.54 |

**(b) Outstanding balances:**

(₹ in Crores)

| Nature of Transaction/Relationship | As at March 31,2022 | As at March 31,2021 (restated) |
|---|---|---|
| **Loans and Advances:** | | |
| UltraTech Cement Limited (including ICD and Interest payable) | **2,566.76** | 782.66 |
| **Total** | **2,566.76** | 782.66 |
| **Advances from Customers** | | |
| UltraTech Cement Limited | **138.70** | 145.59 |
| **Total** | **138.70** | 145.59 |
| **Corporate Guarantees** | | |
| UltraTech Cement Limited | **350.00** | 3,050.00 |
| **Total** | **350.00** | 3,050.00 |
| **Trade and other Receivables:** | | |
| UltraTech Cement Limited | **1.36** | 0.41 |
| **Total** | **1.36** | 0.41 |
| **Trade Payables:** | | |
| UltraTech Cement Limited | **25.34** | 10.57 |
| **Total** | **25.34** | 10.57 |

**Terms and Conditions of transactions with Related Parties:**

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

**Note 37 Income Taxes (Ind AS 12):**

**I. The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:**

**A. UltraTech Nathdwara Cement Limited**

(₹ in Crores)

| Particulars | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| a) **Deferred Tax Liability** | | |
| Tangible and Intangible Assets | **163.95** | 334.42 |
| Other items | - | - |
| Total (a) | **163.95** | 334.42 |
| b) **Deferred Tax Asset** | | |
| Unabsorbed Depreciation and Business Losses | **(1,219.68)** | (1,541.38) |
| Total (b) | **(1,219.68)** | (1,541.38) |
| Deferred Tax Liability/ (Assets) - (a+b) * | - | - |
| Less: Provided upto last year - Liability / (Assets) | - | - |
| Deferred Tax for the year - Liability / (Assets) | - | - |
| Recognised in P&L for the period/ year - Liability / (Assets) * | - | - |

*Deferred tax assets have not been recognised in respect of allowances for business losses, capital losses and unabsorbed depreciation and temporary deductiable differences aggregating to Rs. 1055.73 Crores as at 31st March 2022, where it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realised in the normal course of business. Brought forward business losses for AY 2016-17 to AY 2020-21 can be carried forward till next eight years i.e. 2024-25 to 2028-29 respectively.

**B. Merit Plaza Limited**

(₹ in Crores)

| Particulars | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| a) **Deferred Tax Liability** | | |
| Deferred tax liability on fair valuation of Freehold Land | - | |
| **Total (a)** | - | |
| b) **Deferred Tax Asset** | | |
| MAT Credit Entitlement | - | - |
| **Total (b)** | - | - |
| Deferred Tax Liability/ (Assets) - (a+b) | - | - |
| Less: Provided upto last period - Liability / (Assets) | - | 0.56 |
| Deferred Tax for the period - Liability / (Assets) | - | (0.56) |
| Recognised in P&L for the period - Liability / (Assets) | - | (0.56) |

**II.The reconciliation of estimated income tax expense at applicable income tax rate to income tax expense reported in Statement of Profit and Loss:**

(₹ in Crores)

| Particulars | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| Profit before Tax from Continuing Operations | 126.87 | (54.48) |
| Profit before Tax from Discontinuing Operations | 356.46 | 111.49 |
| **Total Profit Before Tax** | 483.33 | 57.01 |
| Applicable Income Tax Rate | 25.17% | 25.17% |
| **Expected Income Tax Expense** | 121.64 | 14.35 |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:** | | |
| Recognition of Tax Gain on losses of previous years to the extent of Tax Expense of current year | (72.18) | (3.45) |
| Effect of unused tax losses on which deferred tax asset has not been recognised | - | 0.15 |
| Effect of Different Tax Rate in Local and Foreign Jurisdiction | 79.66 | 3.20 |
| Others | - | (0.03) |
| **Income Tax Expense recognised in Statement of Profit and Loss for continuing and discontinuing operations** | 129.12 | 14.22 |

**Note 38 Earnings per Share (EPS) (Ind AS 33):**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **(A) Basic EPS:** | | |
| (i) Net Profit attributable to Equity Shareholders | 286.79 | 11.18 |
| (ii) Weighted average number of Equity Shares outstanding (Nos.) | 3,40,00,00,000 | 3,40,00,00,000 |
| (iii) Weighted average number of Equity Shares outstanding for calculation of Basic EPS | 3,40,00,00,000 | 3,40,00,00,000 |
| **Basic EPS (₹) (i)/(iv)** | 0.84 | 0.03 |
| **(B) Diluted EPS:** | | |
| (i) Weighted average number of Equity Shares Outstanding (Nos.) | 3,40,00,00,000 | 3,40,00,00,000 |
| (ii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii) | 3,40,00,00,000 | 3,40,00,00,000 |
| **Diluted EPS (₹) ((A) (i) / (B) (iii))** | 0.84 | 0.03 |

**Note 39 Auditors' remuneration including remuneration for Subsidiaries' Auditors (excluding GST) and expenses:**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| **(a) Statutory Auditors:** | | |
| Audit fees (including Quarterly Limited Reviews) | 0.17 | 0.23 |
| Audit fees (Other Auditors) | - | 0.42 |
| Tax audit fees | 0.03 | 0.03 |
| Fees for other services | 0.02 | 0.01 |
| Expenses reimbursed | 0.00 | 0.00 |
| **(b) Cost Auditors:** | | |
| Audit fees | 0.01 | 0.01 |

Note 40 **Classification of Financial Assets and Liabilities (Ind AS – 107):**

(₹ in Crores)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 (restated) | |
|---|---|---|---|---|
| | **Carrying Value** | **Fair Value** | Carrying Value | Fair Value |
| **Financial Assets at amortised cost** | | | | |
| Loans | **0.17** | **0.17** | 0.13 | 0.13 |
| Cash and Cash Equivalents | **34.37** | **34.37** | 40.24 | 40.24 |
| Bank balances other than Cash and cash equivalents | **19.95** | **19.95** | 20.94 | 20.94 |
| Other Financial Assets | **13.82** | **13.82** | 11.38 | 11.38 |
| **Financial Assets at fair value through profit or loss** | | | | |
| Investments (non current) | **2.60** | **2.60** | 0.00 | 0.00 |
| **Fair Value Hedging Instruments** | | | | |
| Derivative Assets | **0.21** | **0.21** | - | - |
| **Total** | **71.12** | **71.12** | 72.69 | 72.69 |
| **Financial liabilities at amortised cost** | | | | |
| Borrowing | **2,574.90** | **2,574.90** | 3,439.24 | 3,358.24 |
| Trade Payables | **121.46** | **121.46** | 85.69 | 85.69 |
| Other Financial Liabilities | **37.20** | **37.20** | 39.77 | 39.77 |
| **Fair Value Hedging Instrument** | | | | |
| Derivative Liability | - | - | 2.56 | 2.56 |
| **Total** | **2,733.56** | **2,733.56** | 3,564.68 | 3,564.68 |

Note 41 **Fair Value Measurements (Ind AS 113):**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(₹ in Crores)

| Particulars | Fair Value | |
|---|---|---|
| | **As at March 31, 2022** | As at March 31, 2021 (restated) |
| **Financial Assets at fair value through profit or** | | |
| Investments – Level 3 | **2.60** | - |
| **Fair value Hedge Instruments** | | |
| Derivative assets – Level 2 | **0.21** | - |
| **Total** | **2.81** | - |
| **Fair value Hedge Instruments** | | |
| Derivative liability – Level 2 | - | 2.56 |
| **Total** | - | 2.56 |

The management assessed that cash and bank balances, trade receivables, loans, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

**Note 42 Financial Risk Management Objectives (Ind AS 107):**

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The company's activities expose it to market risk, liquidity risk and credit risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments, such as foreign exchange forward contracts that are entered to hedge foreign currency risk exposure, variable interest rate exposure, commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

**The sources of risks which the group is exposed to and their management are given below:**

| Risk | Exposure Arising From | Measurement | Management |
|---|---|---|---|
| **I) Market Risk** | | | |
| **A) Foreign Currency Risk** | Committed commercial transaction<br>Financial asset and Liabilities not denominated in INR | Cash Flow Forecasting<br>Sensitivity Analysis | (a) Forward foreign exchange contracts |
| **B) Interest Rate Risk** | Long Term Borrowings at variable rates | Sensitivity Analysis, Interest rate movements | (a) Portfolio Diversification |
| **II) Credit Risk** | Trade receivables, Investments, Derivative financial instruments, Loans and Bank balances | Ageing analysis, Credit Rating | (a) Credit limit & credit worthiness monitoring,<br>(b) Criteria based approval process |
| **III) Liquidity Risks** | Borrowings and Other Liabilities and Liquid Investments | Rolling cash flow forecasts | (a) Adequate unused credit lines and borrowing facilities |

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

The Company's Management regularly reviews the implementation of the above policies.

**I) Market Risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**A) Foreign Currency Risk:**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials & spare parts, capital expenditure and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk.

(₹ in Crores)

| Outstanding foreign currency exposure (Gross) as at | March 31, 2022 | March 31, 2021 (restated) |
|---|---|---|
| **Trade Payables** | | |
| USD | 0.10 | 0.03 |
| Euro | 0.00 | 0.03 |
| Others | - | 0.03 |

**Foreign currency sensitivity on unhedged exposure:**

100 bps increase or decrease in foreign exchange rates will have the following impact on profit before tax.

| Particulars | As at March 31, 2022 | As at March 31, 2021 (restated) |
|---|---|---|
| USD | **(0.00)** | (0.00) |
| Euro | **(0.00)** | (0.00) |
| Others | - | 0.00 |

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

**B) Interest rate risk:**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term and short term borrowings with floating interest rates. The company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**Interest rate exposure**

(₹ in Crores)

| Particulars | Total borrowings | Floating rate borrowings |
|---|---|---|
| INR | **2,574.90** | **2,574.90** |
| **Total as at March 31, 2022** | **2,574.90** | **2,574.90** |
| INR | 3,439.24 | 3,439.24 |
| Total as at March 31, 2021 (restated) | 3,439.24 | 3,439.24 |

**Interest rate sensitivities for unhedged exposure (impact on profit before tax due to increase in 100 bps):**

| Particulars | As at March 31, 2022 | As at March 31, 2021 (restated) |
|---|---|---|
| INR | **(25.75)** | (34.39) |

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

**Foreign Currency and Interest Rate Risk Management:**

**Forward Exchange Contracts:**

**(A) Derivatives for hedging currency and interest rates, outstanding are as under:**

(₹ in Crores)

| Particulars | Hedged item | Currency | As at March 31, 2022 | As at March 31, 2021 (restated) | Cross Currency |
|---|---|---|---|---|---|
| Forward Contracts | Loans | USD | **0.48** | 11.00 | Rupees |
| | Imports | USD | - | - | Rupees |

**II) Credit Risk Management:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The company has no significant concentration of credit risk with any counterparty.

**Trade receivables**
Trade Receivables in case of UNCL consists of UltraTech Cement Ltd. only for the year 2021-22.

Total Trade receivables as on March 31, 2022 is ₹ nil (March 31, 2021 (restated) is ₹ nil)

The group has total exposure in sales 100% (March 31, 2021 (restated) is 100%) and in receivables nil (March 31, 2021 (restated) is nil).

**Movement of provision for doubtful debts:**

(₹ in Crores)

| Particulars | March 31, 2022 | March 31, 2021 (restated) |
|---|---|---|
| **Opening provision** | - | |
| Add: Provided during the year | - | - |
| Less: Provision written off | - | - |
| **Closing Provision** | - | |

**Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as Group enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions / Counterparty. Investments primarily include investment in units of mutual funds, quoted Bonds, Non-Convertible Debentures issued by Government / Semi Government Agencies / PSU Bonds / High Investment grade corporates etc. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on March 31, 2022 is ₹ 2.60 crores (March 31, 2021 (restated) Nil )

**III) Liquidity risk management:**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company's treasury team is responsible for liquidity, funding as well as settlement management.The Company is not generating enough surplus to fund its future funding requirements however the Company has mitigated this risk basis the support letter obtained from holding company to fund its immediate or long term funding requirement. Further, the holding company is committed to continue existing funding to the Company and it will be demanded for repayment based on liquidity position of the Company without impacting ongoing business of the Company. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments held for managing the risk at the reporting date based on contractual undiscounted payments.

(₹ in Crores)

| As at March 31, 2022 | Less than 1 year | 1 to 5 years | More than 5 Years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities of long-term debts) | **2,574.90** | - | - | **2,574.90** |
| Trade Payables | **121.46** | - | - | **121.46** |
| Others | **37.20** | - | - | **37.20** |

(₹ in Crores)

| As at March 31, 2021 (restated) | Less than 1 year | 1 to 5 years | More than 5 Years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities of long-term debts) | 867.80 | 388.13 | 2,183.32 | 3,439.24 |
| Trade Payables | 85.69 | - | - | 85.69 |
| Interest accrued but not due on borrowings | 14.98 | - | - | 14.98 |
| Others | 22.21 | - | - | 22.21 |
| Derivative Liability | 2.56 | - | - | 2.56 |

**Note 43 Capital Management (Ind AS 1):**

The capital management of the Company is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.
For the purposes of the Group's capital management, capital includes issued equity share capital, share premium and all other equity.
The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

(₹ in Crores)

| Particulars | As at March 31, 2022 | As at March 31, 2021 (restated) |
|---|---|---|
| Total Debt (Bank and other Borrowings) | **2,574.90** | 3,439.00 |
| Equity | **(1,392.38)** | (1,682.20) |
| **Debt to Equity (Net)** | **(1.85)** | (2.04) |

**Note 44 Corporate Social Responsibility:**

The provisions of section 135 Corporate Social Responsibility are not applicable to the Company. Accordingly, no disclosure is made in the financial statements.

**Note 45 Assets / Disposal group held for sale (Ind AS 105):**

**Discontinued operation:**

**(a) Disposal of foreign operations :**

During the year ended March 31, 2021:
(i) The Company, through its subsidiary, Krishna Holdings Pte. Ltd., a company incorporated in Singapore, has completed the divestment of its entire equity shareholding of 92.5% in its cement subsidiary which was classified as asset held for sale at a net consideration of USD 94.70 million and has recorded net gain on divestment of ₹ 437.68 crores.
(ii) The Company has sold its subsidiary Star Super Cement Industries LLC (SSCILLC) to UltraTech Cement Middle East Investments Limited ("UCMEIL"), for a consideration of USD 19.70 Mn on 23rd November 2020.
(iii) In terms of the National Company Law Appellate Tribunal's (NCLAT) order dated 14th November 2018, approving the Resolution Plan submitted by the Company under the Insolvency and Bankruptcy Code, 2016 for acquisition of Binani Cement Limited, subsequently renamed UltraTech Nathdwara Cement Limited, ("UNCL"), a loan of USD 230.4 mn in 3B Binani Glassfibre SARL, ("3B") a company registered in Luxembourg was assigned to UNCL from IDBI Bank Limited which has been classified as "Assets/ Disposal Group Held for Sale". Assignment of the loan was along with securities which included pledge over certain assets and shares of 3B in various forms in favour of UNCL. Since 3B has been in continuous default in servicing the loan, UNCL has enforced its pledge of 3B shares, consequent to which 3B has become a wholly owned subsidiary of UNCL w.e.f. March 12, 2021. The above asset held for sale was recorded at its fair value of ₹ 741.56 crores as on March 31, 2021 based on an independent valuation report after considering an impairment of ₹ 271.18 crores for the year ended March 31, 2021.

Further, during the year ended March 31, 2022, the Company entered into an agreement with Galata Chemicals Holding Gmbh, Germany ("Galata") as per which Galata along with its affiliates has made necessary payments to UNCL for the purposes of refinancing the loans given to 3B and acquisition of entire shareholding of UNCL in 3B and UNCL has, inter alia, transferred its entire shareholding in 3B to Galata as on March 31, 2022. Consequent to the transaction, 3B has ceased to be a wholly owned subsidiary of the company and recognised ₹ 159.92 crores as exceptional gain for the year ended March 31, 2022.

**(b) Analysis of profit/ (loss) for the year from discontinued operation**

(₹ in Crores)

| Profit/ (Loss) for the period from discontinued operation | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| **Profit before tax** | **356.46** | 111.49 |
| Tax expenses | **129.12** | 15.21 |
| Less: Reversal of / Provision) for impairment of disposal group classified as held for sale | **(67.42)** | 31.18 |
| **Profit after tax** | **159.92** | 65.10 |

**(c) Major classes of assets and liabilities classified as held for sale**

(₹ in Crores)

| Particulars | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| **Assets** | | |
| Property, Plant and Equipment (Incl CWIP & Intangibles) | - | 985.97 |
| Financial assets | - | - |
| Other assets | - | |
| **Assets Classified as held for sale** | - | 985.97 |
| **Liabilities** | | |
| Financial liabilities | - | - |
| Provisions | - | |
| Other liabilities | - | - |
| **Liabilities Classified as held for sale** | - | 243.96 |
| **Net assets directly associated with discontinued operation** | - | 742.01 |

**(d)CASH FLOW FROM DISCONTINUING OPERATIONS**

(₹ in Crores)

| Particulars | 31st March 2022 | 31st March 2021 (restated) |
|---|---|---|
| **Opening Cash & Cash Equivalents** | - | 31.98 |
| Cash flows from Operating activities of discontinuing operations | - | 85.86 |
| Cash flows from Investing activities of discontinuing operations | - | 882.99 |
| Cash flows from Financing activities of discontinuing operations | **901.48** | (116.06) |
| Net cash inflows | **901.48** | 852.79 |
| Net Cash Flow Transferred from Discontinued operations to Continuing operations on account of Proceeds from Assets held for sale | **(901.48)** | (884.77) |
| **Closing Cash & Cash Equivalents** | - | - |

**Note 46 Revenue (Ind AS115)**

**(A)** The Company is primarily in the Business of manufacture and sale of cement and cement related products. The product shelf life being short, all sales are made at a point in time and revenue is recognised as per offtake agreement.

**(B) Reconciliation of revenue recognised from Contract liability:**

(₹ in Crores)

| Particulars | Year Ended March 31,2022 | Year Ended March 31,2021 (restated) |
|---|---|---|
| Closing Contract liability-Advances from Customers | **138.70** | 145.62 |

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2022.

**(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:**

(₹ in Crores)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 (restated) |
|---|---|---|
| Revenue as per Contract price | **1,651.03** | 1,252.85 |
| Less: Discounts and incentives | - | - |
| Revenue as per statement of profit and loss | **1,651.03** | 1,252.85 |

**Note 47** **Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Crores)

| **Particulars** | | **As at March 31, 2022** | As at March 31, 2021 (restated) |
|---|---|---|---|
| (a) | (i) The principal amount remaining unpaid to any supplier at the end of accounting year Included in trade payables | **6.99** | 4.07 |
| | (ii) The interest due on above | - | - |
| | (iii) The total of (i) & (ii) | **6.99** | 4.07 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the Act | - | - |
| (c) | The amount of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| (d) | The amounts of interest accrued and remaining unpaid at the end of financial year | - | - |
| (e) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act. | - | - |
| (f) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

The above information has been determined to the extent such parties have been identified and the Company is in the process of further identifying MSME parties as per the ('The Micro Small & Medium Enterprises Development Act 2006') and accordingly no provision of interest has been made during the period, in the books of accounts and the same is relied upon by the auditors.

**Note 48** **Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013.**

₹ in Crores

| **Sr. No** | **Name of the entity in the group** | **Net Assets i.e. total assets minus total liabilities** | | **Share in profit or loss** | | **Share in Other Comprehensive Income (OCI)** | | **Share in Total Comprehensive Income (TCI)** | |
|---|---|---|---|---|---|---|---|---|---|
| | | **As % of consolidated net assets** | **Amount (₹ Crores)** | **As % of consolidated profit / loss** | **Amount (₹ Crores)** | **As % of consolidated OCI** | **Amount (₹ Crores)** | **As % of consolidated TCI** | **Amount (₹ Crores)** |
| 1 | **Parent** | | | | | | | | |
| | UltraTech Nathdwara Cement Ltd | 98% | (1,358.63) | 100% | 286.79 | 100% | 3.03 | 100% | 289.82 |
| 2 | **Subsidiaries** | | | | | | | | |
| | **Indian** | | | | | | | | |
| (I) | Swiss Merchandise Infrastructure Pvt. Ltd. | 0% | 1.94 | 0% | - | 0% | - | 0% | - |
| (II) | Merit Plaza Ltd. | 3% | (35.69) | 0% | - | 0% | - | 0% | - |
| | **Total** | **100%** | **(1,392.38)** | **100%** | **286.79** | **100%** | **3.03** | **100%** | **289.82** |

**Note 49** The following expenses are included in the different heads of expenses in the Consolidated Statement of Profit and Loss:

(₹ in Crores)

| **Particulars** | **Year Ended March 31, 2022** | | | Year Ended March 31, 2021 (restated) | | |
|---|---|---|---|---|---|---|
| | **Raw Materials Consumed** | **Power and Fuel Consumed** | **Total** | Raw Materials Consumed | Power and Fuel Consumed | Total |
| Stores and Spares Consumed | **11.30** | **6.28** | **17.59** | 6.76 | 3.76 | 10.53 |
| Royalty and Cess | **60.27** | - | **60.27** | 46.25 | - | 46.25 |

**Note 50** The comparative consolidated financial statements of the Company for the year ended 31 March 2021 are management certified.

**Note 51** **Exceptional Item -**

During the year ended 31/03/2022, UltraTech Nathdwara Cement Limited ("UNCL") entered into an agreement with Galata Chemicals Holding Gmbh, Germany ("Galata") as per which Galata along with its affiliates has made necessary payments to UNCL for the purposes of refinancing the loans given to 3B and acquisition of entire shareholding of UNCL in 3B and UNCL has, inter alia, transferred its entire shareholding in 3B to Galata as on 31/03/2022. Consequent to the transaction, 3B has ceased to be a wholly-owned subsidiary of the company and recognised ₹ 159.92 crores as exceptional gain for the year ended 31/03/2022.

**Note 52** Estimation of uncertainty relating to the global health pandemic on COVID-19 :

In the face of COVID – 19 pandemic the Company's operations across locations were stopped in line with the Government directives. This had an adverse impact on revenues during Q1FY21, as expected.

Even before the formal announcement of the national lockdown, keeping in mind the well-being of its employees, the Company enabled 'work from home' for its employees and had taken all necessary steps to ensure a seamless transition to the new ways of working for employees, while at the same time ensuring business continuity. The Company was in continuous engagement with all its stakeholders through various digital platforms. Critical Response Teams were set up across the organisation to plan scenarios and respond to the rapidly changing situation.

With the Government allowing select activities to operate, the Company gradually resumed operations at its establishments after obtaining necessary government approvals and ensuring compliance with the statutory guidelines in line with the standard operating procedure (SOP) announced by the Ministry of Home Affairs, Government of India.

With the easing of lockdown, operations gradually stabilised.

The Company recovered the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business. The Company's capital and financial resources remained entirely protected and its liquidity position remain adequately covered. The Company was able to service its debt obligations as per schedule and on due dates. It did not avail the moratorium extended by the banks as per the Reserve Bank of India guidelines.

**Note 53** Previous year figures have been regrouped wherever necessary to correspond with current year classification / disclosure.

Signatures to Note'1' to '53'

As per our report of even date attached

**For Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration No: 105146W/W-100621

Gautam V Shah
**Partner**
ICAI Membership No: 117348

Place : Mumbai
Date : April 26th, 2022

**For and on behalf of the Board of Directors**

D.D. Rathi
**Director**
DIN : 00012575

Alka Bharucha
**Director**
DIN: 00114067

Yogesh Kumar Bhatt
**Chief Financial Officer**

Kamal Rathi
**Company Secretary**

Place : Mumbai
Date : April 26th, 2022

# ULTRATECH CEMENT LANKA (PRIVATE) LIMITED
# FINANCIAL STATEMENT (INR)
# FOR THE YEAR ENDED
# 31 MARCH 2022

KPMG
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**TO - B S R & Co. LLP – GROUP AUDITORS OF ULTRATECH CEMENT LIMITED**

We have audited the financial information prepared for consolidation purposes of UltraTech Cement Lanka (Pvt) Limited ("the Company"), on the accompanying financial reporting package. we conducted our audit in accordance with the KPMG Audit Manual – International.

In accordance with your instructions, we applied such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances based on materiality provided in those instructions.

In our opinion, the financial information prepared for consolidation purposes as at 31 March 2022 and for the year ended 31 March 2022 has been prepared in conformity with UltraTech Cement Limited Group's accounting policies (which are in compliance with Indian Accounting Standard (Ind AS)).

This report is intended solely for use by B S R & Co. LLP in connection with its audit of UltraTech Cement Limited's consolidated financial statements as at 31 March 2022 and for the year ended 31 March 2022 and should not be used for any other purpose.

KPMG

KPMG Sri Lanka
22 April 2022

ULTRATECH CEMENT LANKA (PVT) LTD

## BALANCE SHEET AS AT MARCH 31, 2022

| Particulars | Note No. | | INR As at March 31, 2022 | INR As at March 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-Current Assets** | | | | |
| Property, Plant and Equipments | 2 | 89,007,950 | | 146,246,681 |
| ROU Assets | 3 | 331,290,770 | | 550,811,716 |
| **Total Non-Current Assets** | | | 420,298,720 | 697,058,397 |
| Deferred Tax Assets (Net) | 9 | | 163,511,326 | 71,640,608 |
| **Current Assets** | | | | |
| Inventories | 4 | 226,556,109 | | 112,290,137 |
| Financial Assets | | | | |
| Investment others | 5 | 1,198,048,264 | | 818,591,001 |
| Trade Receivable | 6 | 319,126,284 | | 599,108,946 |
| Cash and cash equivalents | 7 | 20,617,285 | | 24,905,049 |
| Derivative Assets | | - | | 73,458,704 |
| Other Current Assets | 8 | 372,509,179 | | 658,210,458 |
| **Total Current Assets** | | | 2,136,857,121 | 2,286,564,295 |
| **TOTAL ASSETS** | | | 2,720,667,167 | 3,055,263,300 |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| **Shareholders' Funds** | | | | |
| Share Capital | 10 | 131,133,095 | | 183,823,529 |
| Other Equity | | (278,687,194) | | 99,457,809 |
| | | | (147,554,099) | 283,281,338 |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Non-Current Provisions | 11 | 8,798,177 | | 20,964,487 |
| Financial Liabilities | | | | |
| Lease Liability | 12 | 500,423,562 | | 569,782,518 |
| **Total Non-Current Liabilities** | | | 509,221,739 | 590,747,005 |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| Lease Liability | 12 | 103,763,280 | | 93,423,047 |
| Trade Payables | 13 | 2,076,304,251 | | 1,896,277,166 |
| Other Current Liabilities | 14 | 175,893,037 | | 188,253,628 |
| Short-term Provisions | 11 | 3,038,958 | | 3,281,116 |
| **Total Current Liabilities** | | | 2,358,999,526 | 2,181,234,957 |
| **TOTAL EQUITY & LIABILITIES** | | | 2,720,667,167 | 3,055,263,300 |

**Significant Accounting Policies** 1

**The accompanying Notes referred to integral part of the Financial Statements**

In terms of our report attached.

KPMG Chartered Accountants

Partner
Chartered Accountants
Date: 22.04.2022

Director

Director

## ULTRATECH CEMENT LANKA (PVT) LTD

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

| | Notes | | INR April 21 - March 22 | INR April 20 - March 21 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Sale of Products & Services (Gross) | 15 | 9,336,237,526 | | 7,227,226,096 |
| Operating Income | 16 | 1,057,298 | | 2,897,355 |
| **Revenue from Operations (Net)** | | | 9,337,294,824 | 7,230,123,451 |
| Other Income | 17 | | 49,574,935 | 28,115,847 |
| **Total Revenue (I)** | | | 9,386,869,759 | 7,258,239,298 |
| **Expenses** | | | | |
| Cost of Raw Materials Consumed | 18 | | 8,295,725,871 | 6,672,265,461 |
| Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade | 19 | | (18,679,309) | (22,896,282) |
| Employee Benefit Expenses | 20 | | 102,472,335 | 90,803,477 |
| Power and Fuel Consumed | | | 14,608,548 | 14,924,200 |
| Freight & Forwarding Expenses | 21 | | 88,010,579 | 83,900,214 |
| Other Expenses | 22 | | 1,151,550,003 | 297,199,358 |
| Finance Cost | 23 | | 300,970,135 | 61,683,380 |
| Depreciation and Amortisation Expenses | 24 | | 108,522,508 | 140,419,768 |
| **Total Expenses** | | | 10,043,180,670 | 7,338,299,576 |
| **Loss before Tax Expenses** | | | (656,310,911) | (80,060,278) |
| **Income Tax Expenses** | | | | |
| Provision for Current Tax | | | - | - |
| Deferred Tax (Reversal)/Expenses | | | (159,626,412) | (17,340,552) |
| **Loss for the period** | | | (496,684,499) | (62,719,726) |
| **Other Comprehensive Income** | | | | |
| A (i) Items that will not be reclassified to profit or loss | | | 12,403,612 | (2,201,420) |
| (ii) Income Tax Relating to Items that will not be reclassified to profit or loss | | | (2,976,867) | 528,341 |
| **Other Comprehensive Income for the year** | | | 9,426,745 | (1,673,079) |
| **Total Comprehensive Income for the year** | | | (487,257,754) | (64,392,805) |
| **Loss Per Equity Share (Face Value ` 10 each)** | | | | |
| **Basic (in `)** | | | (9.93) | (1.25) |
| **Diluted (in `)** | | | (9.93) | (1.25) |
| **Significant Accounting Policies** | 1 | | | |

**Accompanying Notes are integral part of Financial Statements**

In terms of our report attached.

Partner

Chartered Accountants

Date: 22.04.2022

Director

Director

KPMG Chartered Accountants

# ULTRATECH CEMENT LANKA (PVT) LTD

## STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31,2022

### A . Equity Share Capital

**For the Period ended March 31, 2022** **INR**

| Balance as at April 01, 2021 | Changes in equity share capital during the period | Balance as at March 31,2022 |
|---|---|---|
| 183,823,529 | (52,690,434) | 131,133,095 |

**For the period ended March 31,2021**

| Balance as at April 01, 2020 | Changes in equity share capital during the period | Balance as at March 31,2021 |
|---|---|---|
| 200,000,000 | (16,176,471) | 183,823,529 |

### B. Other Equity

**For the Period ended March 31, 2022** **INR**

| Particulars | Exchange Variation Reserve | Reserves & Surplus | Total Equity |
|---|---|---|---|
| | | Retained Earnings | |
| Balance as at April 01, 2021 | (52,308,875) | 151,766,684 | 99,457,809 |
| Profit/ (loss) for the period | 109,112,751 | (496,684,499) | (387,571,748) |
| Remeasurement gain on defined benefit plan | - | 9,426,745 | 9,426,745 |
| Total Comprehensive Income/(loss) for the period | 109,112,751 | (487,257,754) | (378,145,003) |
| Balance as at March 31,2022 | **56,803,876** | **(335,491,070)** | **(278,687,194)** |

**For the period ended March 31,2021** **INR**

| Particulars | Exchange Variation Reserve | Reserves & Surplus | Total Equity |
|---|---|---|---|
| | | Retained Earnings | |
| Balance as at April 01, 2020 | (42,526,304) | 216,159,489 | 173,633,185 |
| Loss for the period | (9,782,571) | (62,719,726) | (72,502,297) |
| Remeasurement loss on defined benefit plan | - | (1,673,079) | (1,673,079) |
| | (9,782,571) | (64,392,805) | (74,175,376) |
| Balance as at March 31,2021 | (52,308,875) | 151,766,684 | 99,457,809 |
| | | | |

**The Description of the nature and purpose of each reserve within equity is as follows:**

**Retained Earnings**

a) Retained Earnings : The profit after tax after Dividend payment transfers to retained earnings for appropriation purposes.

b) Exchange Variation Reserve : Foreign Exchange Translation Reserve has been created for Exchange variation in Opening Equity Share Capital and Reserves and Surplus

Partner
Chartered Accountants
Date: 22.04.2022

Director

Director

KPMG
Chartered Accountants

## ULTRATECH CEMENT LANKA (PVT) LTD.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

| | INR<br>March 31, 2022 | INR<br>March 31, 2021 |
|---|---|---|
| **A Cash Flows from Operating Activities:** | | |
| **Loss Before tax** | (656,310,911) | (80,060,278) |
| **Adjustments for:** | | |
| Depreciation and Obsolescence | 108,522,508 | 140,419,768 |
| Provision for Retirement Benefits | 6,764,773 | 4,170,737 |
| Interest Income | (49,401,875) | (20,072,844) |
| Impairment on trade receivable | - | 4,038,199 |
| Unrealised Foreign Exchange (Gain)/Loss | 44,217,691 | (18,105,704) |
| Ulclaimed gain from fair value of derivative asset | - | (73,458,704) |
| Unrealised Foreign Exchange Loss on lease liability | 273,710,662 | 33,116,124 |
| Payment for short term lease liabilities | 373,870,503 | 569,109,413 |
| Interest expense on Bank overdraft | - | 1,952,804 |
| Profit on Sale of Fixed Assets | (173,060) | - |
| **Operating Profit before Working Capital Changes** | 101,200,290 | 561,109,515 |
| Adjustments for: | | |
| (Increase)/decrease in Inventories | (114,265,972) | 139,953,633 |
| Decrease in Trade receivables | 279,982,662 | 276,757,555 |
| (Increase)/decrease in Other current asstes | 359,159,984 | (204,754,955) |
| Increase in Trade Payables and Other Liabilities | 167,666,493 | 850,162,171 |
| **Cash Generated from Operations** | 793,743,457 | 1,623,227,919 |
| Retiring gratuity paid | (1,968,614) | (240,728) |
| Payment for short term lease liabilities | (373,870,503) | (569,109,413) |
| **Net Cash Generated from Operating Activities (A)** | 417,904,340 | 1,053,877,778 |
| **B Cash Flows from Investing Activities:** | | |
| Purchase of Fixed Assets | (3,411,601) | (958,902) |
| Increase in Current Investments | (379,457,263) | (818,591,001) |
| Proceeds on disposal of property, plant and equipment | 2,311,217 | - |
| Interest Received | 49,401,875 | 20,072,844 |
| **Net Cash used in Investing Activities (B)** | (331,155,770) | (799,477,059) |
| **C Cash Flows from Financing Activities:** | | |
| Interest paid on bank overdraft | - | (1,952,804) |
| Interest expense on lease liability | 27,259,473 | 26,614,452 |
| Payment for long term lease liabilities | (118,295,807) | (143,483,337) |
| **Net Cash used in Financing Activities (C)** | (91,036,334) | (118,821,689) |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | (4,287,764) | 135,579,030 |
| **Cash and Cash Equivalents at the Beginning of the Year** | 24,905,049 | (110,673,981) |
| **Cash and Cash Equivalents at the End of the Year** | 20,617,285 | 24,905,049 |

Partner
Chartered Accountants
Date: 22.04.2022

Director

Director

KPMG Chartered Accountants

## NOTES TO FINANCIAL STATEMENTS

**Note 1: Company Overview & Significant Accounting Policies:**

**1(A) Company Overview**

UltraTech Cement Lanka (Pvt) Limited ("Company") is a Private Limited Liability Company incorporated on 29 August 1997 and domiciled in Sri Lanka. The Company was incorporated under the Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 7 of 2007. The registered office and the principal place of business are situated at No 81/11/1, New Nuge Road, Peliyagoda, Kelaniya. The Company is engaged in the importing naked cement and marketing the same in 50kg bags and in bulk form.

**1 (B) Significant Accounting Policies**

**(a) Statement of Compliance:**

These accounting policies adapted by the Group have been adopted consistently by the Group entities for Group reporting purposes.

The financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 22 April, 2022.

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**(b) Basis of Preparation and Presentation**

**Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

a. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
b. Assets held for disposal – measured at the lower of its carrying amount and fair value less costs on disposal of assets and its value in use.
c. Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Functional and Presentation Currency**

The Financial statements are prepared in Sri Lankan Rupees which is the functional currency of the Company and converted to Indian Rupees for consolidation purposes.

**Classification of Assets and Liabilities into Current/Non-Current:**

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realise the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

**(b) Property, Plant & Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the assets's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

PPE are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any.

**(c) Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

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**(d) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Land with indefinite life is not depreciated.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. he estimated useful life are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

| No | Nature | Estimated Useful life |
|---|---|---|
| 1 | Buildings | 3-60 Years |
| 2 | Leasehold land | Over the lease agreement |
| 3 | Plant & Equipment | 8-50 Years |
| 4 | Office Equipment | 4-7 Years |
| 5 | Furniture and Fixtures | 7-12 Years |
| 6 | Mobile Phones | 3 Years |
| 7 | Company Vehicles (other than those provided to the employees) | 5-12 Years |
| 8 | Motor Cars given to the employees as per the Company's Scheme | 4-5 Years |
| 9 | Servers and Networks | 3 Years |
| 10 | Stores and Spares in the nature of PPE | 8-30 Years |
| 11 | Assets individually costing less than or equal to ` 10,000 | Fully Depreciated in the year of purchase |

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

The depreciation period for the building, plant and machinery, HT Power line and Electronic Installation asset categories will be as given above or the remaining Lease period of the land,.whichever is lower.

**(e) Intangible Assets and Amortisation:**

- **Internally generated Intangible Assets: (Research and Development expenditure)**

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

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- **Intangible Assets acquired separately:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

- **Class of intangible assets and their estimated useful lives are as under:**

| No | Nature of property, plant & equipment | Useful life of the property, plant & equipment |
|---|---|---|
| 1 | Software | 3 Years |

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(f) Non-current assets (or disposal groups) classified as held for disposal:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly

probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets / Disposal groups held for sale" and "Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

**(g) Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**(h) Inventories:**

Inventories are valued as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**

  Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

- **Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:**

  Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

- **Waste / Scrap:**

  Waste / Scrap inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(i) Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

**(j) Provisions and Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

**(k) Revenue Recognition:**

(i) Revenue from Contracts with Customers

a. Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch / delivery of goods.

- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(ii) Interest income is recognised using the Effective Interest Method.

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**(l) Lease :**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(i) the contract involves the use of identified asset;

(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Company has the right to direct the use of the asset

**As a lessee**

The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method, except those which is payable other than functional currency which is measured at fair value through P&L. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows

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**(m) Employee benefits**

**Gratuity**

The gratuity, a defined benefit plan, payable to the employees is based on the Employees' service and last drawn salary at the time of the leaving of the services of the Company and is in accordance with the Rules of the Company for payment of Gratuity. Liability with regards to gratuity plan is determined using the projected unit credit method, with actuarial valuations being carried out by a qualified independent actuary at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement
- immediate recognition of (gain)/ loss arising during the year due to plan amendment

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Provident Fund**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, which is a defined benefit plan, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the approved provident fund which is set up by the Company. The Company is liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

**Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured using the projected unit credit method by a qualified independent actuary at the end of each annual reporting period, at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. With reference to some employees, liability of

other fixed long-term employee benefits is recognised at the present value of the future cash outflows expected to be made by the Company.
Remeasurement gains / losses are recognised in the Statement of Profit and Loss in the period in which they arise.

**(n) Income Taxes:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 2017 and other applicable tax laws.

Applicable tax rates of the Company during the period of 2020/21 is 24%

Deferred tax is recognised, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Minimum Alternate Tax (MAT) Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset. MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized except:
a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.
Deferred tax assets are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

**(o) Earnings Per Share:**

Basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(p) Foreign Currency transactions:**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss account in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations which are recognised in OCI.

**Translation to the presentation currency**

The results and financial position of an entity whose functional currency is different from presentational currency is translated as follow:

- assets, liabilities and components of equity, other than in respect of current year's income and expenses for each statement of financial position presented shall be translated at closing rate as at the reporting date.
- income and expense for each statement of profit or loss and other comprehensive income shall be translated at exchange rate at the date of the transaction.

**(q) Financial Instruments:**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged to the Statement of Profit and Loss over the tenure of the financial assets or financial liabilities.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

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**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL.

Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company's trade receivables do not contain significant financing component and as per simplified approach, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability for amounts it has to pay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss.

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**(r) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments

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**(s) Financial liabilities and equity instruments:**

- **Classification as debt or equity**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**(t) Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately excluding derivatives designated as cashflow hedge.

**(u) Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(a) Critical judgments in applying accounting policies:**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

**(i) Classification of Lease Ind AS 116:**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(v) **Key assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Useful Lives of Property, Plant & Equipment and Intangible Assets:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. In case of certain mining rights the amortisation is based on the extracted quantity to the total mineral reserve.

(ii) **Recognition and measurement of deferred tax assets and liabilities:**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

(iii) **Income Taxes:**

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company The Company is continuing with higher income tax rate option, based on the available exemptions & deduction enjoyed by the Company. The Company has applied the same income tax rates on the deferred tax assets / liabilities to the extent these are expected to realised or settled in the future when the Company may be subject to lower tax rate based on the future financials projections.

(iv) **Defined benefit plans:**

The cost of the defined benefit gratuity plan, provident fund and other post-employment medical benefits and the present value of the gratuity and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) **Classification of Lease Ind AS 116:**

Ind AS 116 Leases requires a lessee to determine the lease tenn as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease tenn, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## NOTE 2 - PROPERTY, PLANT AND EQUIPMENTS

INR

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Other Adjustments | Additions | Deductions/ Adjustments | As at March 31, 2022 | As at April 01, 2021 | Other Adjustments | For the period | Deductions/ Adjustments | Up to March 31, 2022 | As at March 31, 2022 |
| **(A) Tangible Assets** | | | | | | | | | | | |
| Buildings | 31,044,988 | (13,480,221) | - | - | 17,564,767 | 13,862,601 | (9,305,933) | 2,658,273 | - | 7,214,941 | 10,349,826 |
| Plant and Machinery | 235,756,606 | (109,086,976) | 299,240 | - | 126,968,870 | 113,265,177 | (79,004,747) | 18,102,049 | - | 52,362,479 | 74,606,391 |
| Office Equipment | 4,778,329 | (1,990,226) | 104,126 | - | 2,892,229 | 4,065,522 | (1,842,552) | 304,671 | - | 2,527,641 | 364,588 |
| Furniture and Fixtures | 1,474,538 | (577,338) | 16,630 | - | 913,831 | 1,355,416 | (550,793) | 43,540 | - | 848,163 | 65,668 |
| Lab Equipments | 2,632,690 | (816,307) | 100,512 | - | 1,916,895 | 2,189,525 | (742,771) | 289,901 | - | 1,736,656 | 180,239 |
| Motor Vehicles | 17,538,361 | (1,275,896) | 2,192,982 | (15,277,778) | 3,177,669 | 15,227,495 | (725,610) | 451,693 | (13,139,620) | 1,813,958 | 1,363,711 |
| Motor Cycles | 2,100,218 | (378,481) | - | (424,708) | 1,297,029 | 1,745,546 | (304,834) | 99,187 | (424,708) | 1,115,191 | 181,838 |
| Electric Installation | 9,444,400 | (8,570,786) | - | - | 873,614 | 7,455,264 | (8,081,088) | 284,876 | - | (340,948) | 1,214,562 |
| HT Power Line | 74,656 | (122,981) | - | - | (48,325) | 74,656 | (122,981) | - | - | (48,325) | - |
| Computers | 3,628,439 | (1,648,714) | 698,110 | - | 2,677,835 | 2,985,342 | (1,376,855) | 388,221 | - | 1,996,708 | 681,127 |
| **Sub Total** | 308,473,225 | (137,947,926) | 3,411,601 | (15,702,485) | 158,234,415 | 162,226,544 | (102,058,164) | 22,622,412 | (13,564,327) | 69,226,464 | 89,007,950 |
| (B) Add: Capital Work-in-Progres | - | - | - | - | - | - | - | - | - | - | - |

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Other Adjustments | Additions | Deductions/ Adjustments | As at March 31, 2021 | As at April 01, 2020 | Other Adjustments | For the period | Deductions/ Adjustments | Up to March 31, 2021 | As at March 31, 2021 |
| **(A) Tangible Assets** | | | | | | | | | | | |
| Buildings | 35,183,546 | (4,138,558) | - | - | 31,044,988 | 13,579,894 | (2,580,693) | 2,863,400 | - | 13,862,601 | 17,182,387 |
| Plant and Machinery | 269,221,410 | (33,464,804) | - | - | 235,756,606 | 116,142,885 | (22,373,624) | 19,495,916 | - | 113,265,177 | 122,491,429 |
| Office Equipment | 5,167,867 | (598,644) | 209,106 | - | 4,778,329 | 4,284,530 | (534,219) | 315,211 | - | 4,065,522 | 712,807 |
| Furniture and Fixtures | 1,601,581 | (175,038) | 47,996 | - | 1,474,538 | 1,371,058 | (162,966) | 147,324 | - | 1,355,416 | 119,122 |
| Lab Equipments | 2,874,589 | (241,898) | - | - | 2,632,690 | 1,946,480 | (195,877) | 438,922 | - | 2,189,525 | 443,165 |
| Motor Vehicles | 19,064,678 | (1,526,317) | - | - | 17,538,361 | 14,014,790 | (1,283,029) | 2,495,735 | - | 15,227,495 | 2,310,866 |
| Motor Cycles | 1,993,243 | (148,930) | 255,906 | - | 2,100,218 | 1,602,061 | (117,635) | 261,120 | - | 1,745,546 | 354,672 |
| Electrical Installation | 12,075,714 | (2,631,314) | - | - | 9,444,400 | 8,048,095 | (2,426,924) | 1,834,093 | - | 7,455,264 | 1,989,136 |
| HT Power Line | 112,412 | (37,756) | - | - | 74,656 | 112,412 | (37,756) | - | - | 74,656 | - |
| Computers | 3,621,047 | (438,503) | 445,894 | - | 3,628,439 | 2,996,267 | (383,090) | 372,165 | - | 2,985,342 | 643,097 |
| **Sub Total** | 350,916,085 | (43,401,762) | 958,902 | - | 308,473,225 | 164,098,472 | (30,095,815) | 28,223,886 | - | 162,226,544 | 146,246,681 |
| Add: Capital Work-in-Progress | - | - | - | - | - | - | - | - | - | - | - |
| **Total Tangible Assets** | 350,916,085 | (43,401,762) | 958,902 | - | 308,473,225 | 164,098,472 | (30,095,815) | 28,223,886 | - | 162,226,544 | 146,246,681 |

## NOTE 3 - ROU ASSETS

(a) Following are the carrying value of Right of Use Assets for the period ended March 31, 2022:

| Particulars | Gross Block | | | | | Depreciation and Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Reclassified on account of Ind AS 116 | Other Adjustment | Additions | As at March 31, 2022 | As at April 01, 2021 | Reclassified on account of Ind AS 116 | Other Adjustment | For the year | As at March 31, 2022 | As at March 31, 2022 |
| Leasehold Land | 5,503,632 | - | (4,104,244) | - | 1,399,388 | 2,060,662 | - | (3,270,009) | 540,448 | (668,899) | 2,068,287 |
| Leasehold Building | - | - | - | - | - | - | | | - | - | - |
| Plant and Machinery | - | - | - | - | - | - | | | - | - | - |
| Ships | 1,023,909,510 | - | (293,489,290) | - | 730,420,220 | 476,540,764 | | (160,702,675) | 85,359,648 | 401,197,737 | 329,222,483 |
| Total | 1,029,413,142 | - | (297,593,534) | - | 731,819,608 | 478,601,426 | - | (163,972,684) | 85,900,096 | 400,528,838 | 331,290,770 |

| Particulars | Gross Block | | | | | Depreciation and Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2020 | Reclassified on account of Ind AS 116 | Other Adjustment | Additions | As at March 31, 2021 | As at April 01, 2020 | Reclassified on account of Ind AS 116 | Other Adjustment | For the year | As at March 31, 2021 | As at March 31, 2020 |
| Leasehold Land | 6,763,674 | - | (1,260,042) | - | 5,503,632 | 2,426,257 | - | (947,747) | 582,152 | 2,060,662 | 3,442,970 |
| Leasehold Building | - | - | - | - | - | - | | | - | - | - |
| Plant and Machinery | - | - | - | - | - | - | | | - | - | - |
| Ships | 1,114,013,547 | - | (90,104,037) | - | 1,023,909,510 | 405,076,802 | | (40,149,768) | 111,613,730 | 476,540,764 | 547,368,746 |
| Total | 1,120,777,221 | - | (91,364,079) | - | 1,029,413,142 | 407,503,059 | - | (41,097,515) | 112,195,882 | 478,601,426 | 550,811,716 |

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## NOTE 3- ROU ASSETS

(b) Lease Expenses recognized in Statement of Profit and Loss, not included in the measurement of lease liabilities:

₹ in Crores

| Particulars | Period Ended March 31,2022 | Period ended March 31,2021 |
|---|---|---|
| Variable lease payments | - | - |
| Expenses relating to short-term leases | 37 | 57 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | - | - |

(c) Maturity analysis of lease liabilities- contractual undiscounted cash flows:

₹ in Crores

| Particulars | Period Ended March 31,2022 | Period ended March 31,2021 |
|---|---|---|
| Less than one year | 12 | 12 |
| One to five years | 54 | 58 |
| More than five years | - | 4 |
| **Total undiscounted lease liabilities at March 31, 2022** | 66 | 74 |

| Particulars | Period Ended March 31,2022 | Year ended March 31,2021 |
|---|---|---|
| Discounted Lease liabilities included in the statement of financial position at March 31, 2022 | | |
| Current lease liability | 10 | 9 |
| Non-Current lease liability | 50 | 57 |

(d) Amounts recognised in Statement of Cash Flows:

| Particulars | Period Ended March 31,2022 | Period ended March 31,2021 |
|---|---|---|
| Total cash outflow for leases | 49 | 71 |

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| NOTE 4 | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **INVENTORIES: (Valued at lower of Cost or net realisable value (except Scrap))** | | | |
| Finished Goods | | | |
| At Factory | 76,073,987 | | 87,851,999 |
| In Transit | 73,587,753 | | - |
| | | 149,661,740 | 87,851,999 |
| Stores & Spares | | | |
| At Factory | 13,597,060 | | 21,053,553 |
| | | 13,597,060 | 21,053,553 |
| Packing Materials | | | |
| In Transit | 31,412,038 | | |
| At Factory | 31,885,271 | | 3,384,585 |
| | | 63,297,309 | 3,384,585 |
| | | 226,556,109 | 112,290,137 |

**NOTE 5**

**INVESTMENTS-OTHERS**

| | | |
|---|---|---|
| Investment in Government Securities-Treasury Bill Investment | 1,136,556,861 | 768,345,768 |
| Investment in Government Securities-Repo Investment | 61,491,403 | 50,245,233 |
| | 1,198,048,264 | 818,591,001 |

**NOTE 6**

**TRADE RECEIVABLES:**

| | | | |
|---|---|---|---|
| Considered good, Secured | 229,363,734 | | 245,988,866 |
| Considered good, Unsecured | 89,762,550 | | 353,120,080 |
| Significant increase in Credit Risk/credit impaired | 6,893,345 | | 10,097,503 |
| | | 326,019,629 | 609,206,449 |
| Less: Allowances for credit losses | | (6,893,345) | (10,097,503) |
| | | 319,126,284 | 599,108,946 |

**Note 6.1 Trade Receivables Ageing Schedule**

| As at 31.03.2022 | Receivable but not due | Outstanding from due date of Payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 243,394,683 | 74,404,407 | 595,845 | 576,830 | | 154,519 | 319,126,284 |
| (iii) Undisputed Trade Receivables – credit impaired | | | | 413,891 | | 6,479,454 | 6,893,345 |
| **Total As at 31.03.2022** | **243,394,683** | **74,404,407** | **595,845** | **990,721** | - | **6,633,973** | **326,019,629** |

| As at 31.03.2021 | Receivable but not due | Outstanding from due date of Payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 361,604,153 | 218,939,073 | 18,197,188 | 151,927 | 23,591 | 193,015 | 599,108,946 |
| (iii) Undisputed Trade Receivables – credit impaired | | | | 526,993 | 5,987,981 | 3,582,529 | 10,097,503 |
| **Total As at 31.03.2021** | **361,604,153** | **218,939,073** | **18,197,188** | **678,920** | **6,011,573** | **3,775,544** | **609,206,449** |

**NOTE 7**

**CASH AND CASH EQUIVALENTS:**

| | | | |
|---|---|---|---|
| Balance with banks | 20,566,319 | | 24,770,998 |
| Cash on hand | 50,966 | | 134,051 |
| | | 20,617,285 | 24,905,049 |
| | | 20,617,285 | 24,905,049 |

**NOTE 8**

**OTHER CURRENT ASSETS**

| | As at March 31, 2022 | As at March 31.2021 |
|---|---|---|
| Advances to suppliers | 78,766,388 | 226,638,918 |
| Balances with Government and other Authorities | 285,727,567 | 418,764,658 |
| Prepaid Expenses | 6,955,494 | 9,271,325 |
| Advances to Employees | 109,417 | 102,206 |
| Others | 950,312 | 3,433,351 |
| | 372,509,179 | 658,210,458 |

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NOTE 9
**DEFERRED TAX LIABILITIES (Net)**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Deferred Tax Assets:** | | |
| Retirement benefit obligation | 2,840,912 | 5,818,945 |
| Carried forward tax losses | 112,552,225 | 66,210,533 |
| ROU Assets | 65,991,446 | 27,800,837 |
| Impairment provision on trade receivables | 1,654,403 | 2,423,402 |
| **Deferred Tax Liabilities:** | 183,038,986 | 102,253,716 |
| Payment allowed under tax not expensed in books | (19,527,660) | (30,613,108) |
| | (19,527,660) | (30,613,108) |
| **Net Deferred Tax Assets/(Liability)** | 163,511,326 | 71,640,608 |

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **NOTE 10** | | |
| **SHARE CAPITAL** | | |
| **Authorised** | | |
| 100,000,000 Equity shares of ` 10 each (Previous year 100,000,000) | 1,000,000,000 | 1,000,000,000 |
| **Issued, Subscribed and Paid-up** | | |
| 50,000,000 Equity shares of ` 10 each fully paid-up. (Previous Year 50,000,000) | 131,133,095 | 183,823,529 |

**NOTE 11**
**PROVISIONS**

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| For Employee Benefits | 8,798,177 | 20,964,487 | 3,038,958 | 3,281,116 |
| | 8,798,177 | 20,964,487 | 3,038,958 | 3,281,116 |

**NOTE 12**

| | As at March 31, 2022 | | As at March 31,2021 | |
|---|---|---|---|---|
| **LEASE LIABILITY** | Non-Current | Current | Non-Current | Current |
| Lease Liability | 500,423,562 | 103,763,280 | 569,782,518 | 93,423,047 |
| | 500,423,562 | 103,763,280 | 569,782,518 | 93,423,047 |

**NOTE 13**
**TRADE PAYABLES**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Due to Suppliers | 284,938,457 | 445,693,427 |
| Due to Related Parties | 1,791,365,794 | 1,450,583,739 |
| | 2,076,304,251 | 1,896,277,166 |

Note 13.1
**Trade Payables Ageing Schedule**

| Particulars | Unbilled dues | Outstanding but not due | Outstanding from due date of Payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Others | | 1,155,457,404 | 920,846,847 | | | | 2,076,304,251 |
| (ii) MSME | | | | | | | - |
| **Total As on 31.03.2022** | - | 1,155,457,404 | 920,846,847 | - | - | - | 2,076,304,251 |

| Particulars | Unbilled dues | Outstanding but not due | Outstanding from due date of Payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Others | - | 1,896,277,166 | - | - | - | | 1,896,277,166 |
| (ii) MSME | | | | | | | |
| **Total As on 31.03.2021** | - | 1,896,277,166 | - | - | - | - | 1,896,277,166 |

**NOTE 14**
**OTHER CURRENT LIABILITIES**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Provident Fund | 800,343 | 1,168,258 |
| Other Taxes Payable | 39,150 | 73,971 |
| Liabilities For Other Expenses | 39,585,362 | 23,871,408 |
| Deposit from Dealers | 12,508,597 | 18,413,965 |
| Salaries, Wages & Bonus Payable | 59,408 | 45,001 |
| Own Your Car Scheme | 178,135 | 1,133,927 |
| Obligation from customer contracts | 63,973,339 | 103,995,681 |
| Advance from customers | 58,748,703 | 39,551,417 |
| | 175,893,037 | 188,253,628 |

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| | | April 21 - March 22 | April 20 - March 21 |
|---|---|---|---|
| **NOTE 15** | | | |
| **Sale of Products & Services (Gross)** | | | |
| Sale of Products | | 9,336,237,526 | 7,227,226,096 |
| | | 9,336,237,526 | 7,227,226,096 |
| **NOTE 16** | | | |
| **OTHER OPERATING REVENUE** | | | |
| Scrap Sales | | 29,511 | 32,969 |
| Miscellaneous Income / Receipts, Others | | 1,027,787 | 2,864,386 |
| | | 1,057,298 | 2,897,355 |
| **NOTE 17** | | | |
| **OTHER INCOME** | | | |
| **Interest Income on** | | | |
| Government & Other Securities | 44,673,720 | | 19,276,550 |
| Bank and Other Accounts | 4,728,155 | | 796,294 |
| | | 49,401,875 | 20,072,844 |
| Exchange Gain | | - | 8,043,003 |
| Profit on Sale of Fixed Assets | | 173,060 | - |
| | | 49,574,935 | 28,115,847 |
| **NOTE 18** | | | |
| **COST OF RAW MATERIALS CONSUMED:** | | | |
| Purchase and Incidental Expenses | | 8,295,725,871 | 6,672,265,461 |
| | | 8,295,725,871 | 6,672,265,461 |
| | | 8,295,725,871 | 6,672,265,461 |

| | | INR | INR |
|---|---|---|---|
| | | April 21 - March 22 | April 20 - March 21 |
| **NOTE 19** | | | |
| **CHANGE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE** | | | |
| **Closing Stock** | | | |
| Finished Goods | 76,073,987 | | 87,851,999 |
| Add / (Less) : Exchange rate fluctuation on account of average rate transferred to currency translation reserve | 29,943,567 | | 6,225,732 |
| | | 106,017,554 | 94,077,731 |
| **Opening stock** | | | |
| Finished Goods | 87,851,999 | | 72,320,353 |
| Add / (Less) : Exchange rate fluctuation on account of average rate transferred to currency translation reserve | (513,754) | | (1,138,903) |
| | | 87,338,245 | 71,181,449 |
| Add: Decrease / (Increase) in Stocks | | (18,679,309) | (22,896,282) |
| **NOTE 20** | | | |
| **EMPLOYEE BENEFITS EXPENSES** | | | |
| Salaries, Wages and Bonus | | 81,538,016 | 75,316,631 |
| Contribution to Provident and Other Funds | | 9,066,709 | 8,353,871 |
| Contribution to Gratuity | | 6,764,773 | 4,170,737 |
| Staff Welfare Expenses | | 5,102,838 | 2,962,238 |
| | | 102,472,335 | 90,803,477 |
| **NOTE 21** | | | |
| **Freight & Forwarding Expenses** | | | |
| On Finished Products | | 88,010,579 | 83,900,214 |
| | | 88,010,579 | 83,900,214 |
| **NOTE 22** | | | |
| **OTHER EXPENSES** | | | |
| Consumption of Stores, Spare Parts & Components | | 31,741,776 | 30,565,581 |
| Consumption of Packing Materials | | 329,386,466 | 200,168,727 |
| Repairs to Plant and Machinery | | 1,404,063 | 1,835,510 |
| Insurance | | 709,230 | 1,027,920 |
| Rent (including Lease Rent) | | 2,635,270 | 3,104,724 |
| Rates and Taxes | | 691,135 | 790,233 |
| Director Fees | | - | 35,433 |
| Sales Promotion expenses | | 3,508,772 | 13,097,648 |
| Exchange Loss | | 748,062,387 | - |
| Miscellaneous Expenses | | 33,403,777 | 46,573,581 |
| | | 1,151,550,003 | 297,199,358 |
| **NOTE 23** | | | |
| **FINANCE COST** | | | |
| Finance Charges on bank overdraft | | - | 1,952,804 |
| Exchange (Gain)/Loss on Lease Liability | | 273,710,662 | 33,116,124 |
| Interest on lease liability | | 27,259,473 | 26,614,452 |
| | | 300,970,135 | 61,683,380 |
| **NOTE 24** | | | |
| **DEPRECIATION AND AMORTISATION EXPENSES** | | | |
| Depreciation | | 22,622,412 | 28,223,886 |
| Depreciation on ROU | | 85,900,096 | 112,195,882 |
| | | 108,522,508 | 140,419,768 |

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**Note 25 - Approval of Financial Statements:**

The statutory financial statements prepared in Sri Lankan Rupees were authorized for issue in accordance with a resolution of the directors on 22nd April, 2022. These financial statements have been prepared and authorized on 22nd April 2022 for consolidation purposes.

**Note 26 - Contingent Liabilities (to the extent not provided for) (Ind AS 37):**

**(A) Court of appeal case no CA/Writ/28/19**

This case has been filed by the Company against the Director General of Customs and the inquiring officer appointed in terms of the Customs Ordinance for the customs case No PCAD/HQO/091/2016 initiated at the Sri Lanka customs, on the alleged basis that the Company has not declared the unloading charges (stevedoring charges) paid to the Sri Lanka Ports Authority in relation to imported cement.

This matter was scheduled for argument on 08th June 2022.

Since there is no probable future claims and assessments in relation to the above case, the Board of Directors are of the view that no provision is required against the above litigation.

There were no other material contingent liabilities as at the reporting date which require adjustments or disclosure in the accounts, except for the matters stated above.

**(B) Assessment on Dividend Tax**

The Department of Inland Revenue has raised an assessment on income tax for the year of assessment 2015/16, 2016/17 and 2017/18 disputing the dividend tax rate of 7.5% applied to the dividend paid to the shareholders domiciled in India claimed under Sri Lanka India double tax treaty. As per the assessment, dividend tax at the rate of 10% is assessed.

Directors are of the view that the Company has followed due process and acted in accordance with the prevailing laws in its tax submissions for and therefore, the above assessments have no rationale or basis in law. Accordingly, no provision has been made in the financial statements.

**Note 27 - Employee Benefits (Ind AS 19):**

**(A) Defined Benefit Plans:**

**(a) Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the Rules of the Company for payment of gratuity.

**Inherent Risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

in INR

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| (i) | **Change in defined benefit obligation** | | |
| | Balance at the beginning of the year | 24,245,603 | 20,149,684 |
| | Adjustment of:<br>Current Service Cost | 2,630,409 | 2,088,338 |
| | Interest Cost | 1,711,371 | 2,082,398 |
| | Past service cost relating to plan amendments | 2,422,993 | - |
| | Actuarial (gains) losses recognised in Other Comprehensive Income: | | |
| | - Change in Financial Assumptions | (13,093,373) | 4,094,381 |
| | - Experience Changes | 689,761 | (1,892,961) |
| | Benefits Paid / Payable /Other | (6,769,629) | (2,276,237) |
| | **Balance at the end of the year** | 11,837,135 | 24,245,603 |

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | **Gratuity** | Gratuity |
| (ii) | **Net Asset / (Liability) recognized in the Balance Sheet** | | |
| | Present value of Defined Benefit Obligation | **(11,837,135)** | (24,245,603) |
| | **Net Asset / (Liability) in the Balance Sheet** | **(11,837,135)** | (24,245,603) |
| (iii) | **Expenses recognized in the Statement of Profit and Loss** | | |
| | Current Service Cost | **2,630,409** | 2,088,338 |
| | Interest Cost | **1,711,371** | 2,082,398 |
| | Past service cost relating to plan amendments | **2,422,993** | - |
| | **Amount charged to the Statement of Profit and Loss** | **6,764,773** | 4,170,736 |
| (iv) | **Re-measurements recognised in Other Comprehensive Income (OCI):** | | |
| | Changes in Financial Assumptions | **(13,093,373)** | 4,094,381 |
| | Experience Adjustments | **689,761** | (1,892,961) |
| | Loss / (Gain) recognised in Other Comprehensive Income (OCI): | **(12,403,612)** | 2,201,420 |
| (v) | **Maturity profile of defined benefit obligation:** | | |
| | Within the next 12 months | **1,291,368** | 918,676 |
| | Between 1 and 5 years | **9,073,307** | 13,420,944 |
| | Between 5 and 10 years | **16,399,340** | 11,318,242 |
| | 10 Years and above | **112,690,530** | 80,482,021 |
| (vi) | **Sensitivity analysis for significant assumptions:*** | | |
| | **Increase/(Decrease) in present value of defined benefits obligation at the end of the year** | | |
| | 1% increase in discount rate | **(672,874)** | (1,287,243) |
| | 1% decrease in discount rate | **749,951** | 1,457,524 |
| | 1% increase in salary escalation rate | **765,362** | 1,367,968 |
| | 1% decrease in salary escalation rate | **(696,921)** | (1,236,103) |
| | 1% increase in employee turnover rate | **(175,265)** | (225,724 |
| | 1% decrease in employee turnover rate | **243,101** | 222,346 |
| (vii) | **Actuarial Assumptions:** | | |
| | Discount Rate (p.a.) | **15.0%** | 7.1% |
| | Turnover Rate | Age : 20 25 30 35 40 45 50 55 59<br>Turnover: 10.0% 10.0% 10.0% 7.5% 5.0% 2.5% 1.0% 1.0% 1.0% | |
| | Mortality tables | **GA 1983 Mortality Table**<br>Selected Age 20 25 30 35 40 45 50 55<br>Rate for Male 0.0377% 0.0464% 0.0607% 0.0860% 0.1238% 0.2183% 0.3909% 0.6131%<br>Rate for Female 0.0189% 0.0253% 0.0342% 0.0476% 0.0665% 0.101% 0.1647% 0.2541% | |
| | Salary Escalation Rate (p.a.) | **10%** | 10% |
| | Retirement age:<br>Management -<br>Non-Management- | **60 Yrs.**<br>**60 Yrs.** | 55 Yrs.<br>55 Yrs. |
| (viii) | Weighted Average duration of Defined benefit obligation | **7.0 Yrs** | 6.2 Yrs |

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

@ The plan does not invest directly in any property occupied by the Company nor in any financial securities issued by the Company.

**(ix) Discount Rate:**

The discount rate is based on the prevailing market rates of Sri Lankan government securities for the estimated term of obligations.

**(x) Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors.

(xi) The Company's expected contribution during next year is ₹ 0.29 Crores. (March 31, 2021 ₹ 0.44 Crores).

**(b) Provident Fund:**

During the year company has contributed to Employee Provident Fund and Employee Trust Fund.

Amount recognized as an expense under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss ₹ 0.91 Crores (March 31, 2021 ₹ 0.83 Crores).

**Note 28 - Segment Reporting (Ind AS 108):**

The Company has presented segment information in the consolidated financial statements. Accordingly, as per Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

**Note 29 - Related party disclosures (Ind AS 24):**

**(A) List of Related Parties:**

| Name of the Related Party | Principal Place of Business | % Shareholding and Voting Power | |
|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 |
| **(i) Holding Company:** UltraTech Cement Limited | India | 80% | 80% |
| **(ii) Subsidiary of UTCL:** | | | |
| Star Cement Co. LLC, Dubai * | United Arab Emirates | 0% | 0% |

**(a) The following transactions were carried out with the related parties in the ordinary course of business:**

in INR

| Nature of Transaction/Related Parties | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **Purchase of Goods:** | | |
| UltraTech Cement Limited | 1,444,171,891 | 2,924,530,724 |
| Star Cement Co. LLC | 1,647,170,837 | 59,668,155 |
| **Total** | 3,091,342,728 | 2,984,198,879 |
| **Services received from:** | | |
| UltraTech Cement Limited – for the accounting period | 709,068,125 | 611,995,904 |
| **Advance Paid:** | | |
| UltraTech Cement Limited – for the future period | - | 204,312,408 |
| **Total** | 709,068,125 | 816,308,312 |

**(b) Outstanding balances:**

in INR

| Nature of Transaction/Related Parties | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade Payables:** | | |
| UltraTech Cement Limited | 935,621,006 | 1,391,214,104 |
| Star Cement Co. LLC | 855,744,788 | 59,369,635 |
| **Total** | 1,791,365,794 | 1,450,583,739 |

## Notes to Standalone Financial Statements (Contd.)

**(c) Compensation of KMP of the Company:**

in INR

| Nature of transaction | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Short-term employee benefits | **9,902,939** | 7,833,383 |
| Post-employment benefits | **165,203** | 419,073 |
| **Total compensation paid to KMP** | **10,068,142** | 8,252,456 |

**Terms and Conditions of transactions with Related Parties:**

The sales to and purchases from related parties including fixed Assets are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### Note 30 - Income Taxes (Ind AS 12):

**Reconciliation of Effective Tax Rate:**

In %

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Applicable tax rate | **24** | 24 |
| Effect of Tax-Exempt Income | 0 | 0 |
| Effect of Non-Deductible expenses | 0 | 0 |
| Effect of Allowances for tax purpose | 0 | 0 |
| Effect of Tax paid at a lower rate | 0 | 0 |
| Effect of changes in tax rate (deferred) | 0 | 0 |
| Effect of Previous year adjustments | 0 | 0 |
| Others | 0 | 0 |
| **Effective Tax Rate** | 0 | 0 |
| Effect of Reversal of Accumulated Provision for Tax and Recognition of MAT credit | 0 | 0 |
| **Net Effective Tax Rate** | 0 | 0 |

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### Note 31 - Earnings per Share (EPS) (Ind AS 33):

in INR

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **(A) Basic EPS:** | | |
| (i) Net loss attributable to Equity Shareholders | **(496,684,499)** | (62,719,726) |
| (ii) Weighted average number of Equity Shares outstanding (Nos.) | **50,000,000** | 50,000,000 |
| **Basic EPS (₹) (i)/(ii)** | **(9.93)** | **(1.25)** |

### Note 32 - Auditors' remuneration (excluding service tax/GST) and expenses:

in INR

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **(a) Statutory Auditors:** | | |
| Audit fees (including Quarterly Limited Reviews) | **484,284** | 498,031 |

**Note 33 –**

The following expenses are included in the different heads of expenses in the Statement of Profit and Loss:

in INR

| Particulars | Year Ended March 31, 2022 | | | Year Ended March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Raw Materials Consumed | Power and Fuel Consumed | Total | Raw Materials Consumed | Power and Fuel Consumed | Total |
| Stores and Spares Consumed | 361,128,242 | 14,608,548 | 375,736,790 | 230,734,309 | 14,924,200 | 245,658,509 |

**Note 34 (A) – Classification of Financial Assets and Liabilities (Ind AS 107):**

in INR

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets at amortised cost** | | | | |
| Trade Receivables | 319,126,284 | 319,126,284 | 599,108,946 | 599,108,946 |
| Cash and Bank Balances | 20,617,285 | 20,617,285 | 24,905,049 | 24,905,049 |
| Investments | 1,198,048,264 | 1,198,048,264 | 818,591,001 | 818,591,001 |
| **Fair Value Hedging Instruments** | | | | |
| Derivative Assets | - | - | 73,458,704 | 73,458,704 |
| **Total** | | | 1,516,106,347 | 1,516,106,347 |
| **Financial liabilities at amortised cost** | | | | |
| Trade Payables | 2,076,304,251 | 2,076,304,251 | 1,896,277,166 | 1,896,277,166 |
| Lease Liability | 604,186,842 | 604,186,842 | 663,205,565 | 663,205,565 |
| **Total** | 2,680,491,093 | 2,680,491,093 | 2,559,482,731 | 2,559,482,731 |

**Note 34 (B) – Fair Value measurements (Ind AS 113):**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that cash and bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

(a) The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.

(b) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor.

(c) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

(d) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.

(e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

**Note 35 – Financial Risk Management Objectives (Ind AS 107):**

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts, principal only swaps, cross currency swaps that are entered to hedge foreign currency risk exposure, interest rate swaps, coupon only swaps to hedge variable interest rate exposure and commodity fixed price swaps to hedge commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

**The sources of risks which the Company is exposed to and their management is given below:**

| Risk | Exposure Arising From | Measurement | Management |
|---|---|---|---|
| **I) Market Risk** | | | |
| **A) Foreign Currency Risk** | Committed commercial transaction<br>Financial asset and Liabilities not denominated in INR | Cash Flow Forecasting<br>Sensitivity Analysis | (a) Forward foreign exchange contracts<br>(b) Foreign currency options<br>(c) Principal only/Currency swaps |
| **II) Credit Risk** | Trade receivables, Investments and Bank balances | Ageing analysis, Credit Rating | (a) Credit limit & credit worthiness monitoring,<br>(b) Criteria based approval process |
| **III) Liquidity Risks** | Borrowings and Other Liabilities and Liquid Investments | Rolling cash flow forecasts<br>Broker Quotes | (a) Adequate unused credit lines and borrowing facilities<br>(b) Portfolio Diversification |

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in fixed deposits and Treasury bills.
Compliances of these policies and principles are reviewed by the management on periodical basis.

**(I) Market Risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**(A) Foreign Currency Risk:**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of fuels, raw materials and spare parts, capital expenditure, exports of cement and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps, options and forwards to hedge exposure to foreign currency risk.

in INR

| Outstanding foreign currency exposure (Gross) as at | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Trade Payables** | | |
| USD | **1,668,413,732** | 1,330,546,169 |
| Euro | **122,952,062** | - |
| Others | - | - |

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## Notes to Standalone Financial Statements (Contd.)

**Foreign currency sensitivity on unhedged exposure:**

100 bps increase in foreign exchange rates will have the following impact on profit before tax.

in INR

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| USD | **7,327,927** | 14,505,837 |
| EURO | **1,229,521** | - |
| Others | - | - |

Note: If the rate is decreased by 100 bps profit will decrease by an equal amount.

**(II) Credit Risk Management:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks/financial institutions. The Company has no significant concentration of credit risk with any counterparty.

**Trade receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

Total Trade receivable as on March 31, 2022 is ₹ 31.91 Crores (March 31, 2021 ₹ 59.91 Crores)

The Company does not have higher concentration of credit risks to a single customer. A single largest customer has total exposure in sales 0.5 % (March 31, 2021: 2.0%) and in receivables 10.7 % (March 31, 2021: 8.2%)

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

As per policy receivables are classified into different buckets based on the overdue period ranging from less than 1 year, 1 - 2 years, 2 - 3 years, more than two years.

**Movement of provision for doubtful debts:**

in INR

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Opening provision** | **10,097,503** | 7,082,963 |
| Add: Provided during the year | **(431,812)** | 3,841,654 |
| Effect of foreign currency conversion | **(2,772,346)** | (827,114) |
| Less: Utilised during the year | - | - |
| Closing Provision | **6,893,345** | 10,097,503 |

**Investments, Derivative Instruments, Cash and Cash Equivalent and Deposits with Banks/Financial Institutions**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions. Investments primarily include investment in quoted Bonds issued by Government.

Total Non-current and current investments excluding Subsidiaries, Joint Ventures and Associates as on March 31, 2022 is ₹ 119.80 Crores (March 31, 2021 ₹ 81.86 Crores)

## Notes to Standalone Financial Statements (Contd.)

**(III) Liquidity risk management:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments held for managing the risk at the reporting date based on contractual undiscounted payments.

in INR

| As at March 31, 2022 | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Trade Payables | 2,076,304,251 | - | - | 2,076,304,251 |

| As at March 31, 2021 | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Trade Payables | 1,896,277,166 | - | - | 1,896,277,166 |

**Note 36 - Distribution made and proposed (Ind AS 1):**

in INR

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **Proposed dividends on Equity shares:** | | |
| Final dividend for the year ended on March 31, 2022: ₹ 0.00 per share (March 31, 2021: ₹ 0.00 per share) | - | - |
| **Proposed dividends on Preference shares:** | - | |
| Final dividend for the year | - | - |
| **Total Dividend proposed** | - | - |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

**Note 37 - Financial Ratios**

| Sr. No. | Ratio | Numerator - Description | Denominator - Description | FY22 | FY21 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities excluding Current Borrowings | 0.91 | 1.05 | 13.33 | |
| 2 | Return on Equity Ratio (in %) | Profit for the year | Average Net worth | (731.89%) | (18.75%) | (3,803.41) | |
| 3 | Inventory Turnover Ratio (in times) | Sale of Products and Services | Average Inventory | 55.11 | 39.65 | (38.99) | |
| 4 | Trade Receivables turnover Ratio (in times) | Sale of Products and Services | Average Trade Receivable | 20.34 | 9.77 | (108.19) | |
| 5 | Trade Payables turnover Ratio (in times) | Cost of Sales | Average Trade Payable | 4.18 | 4.55 | 8.13 | |
| 6 | Net Capital turnover ratio (in times) | Average working Capital | Sale of Products and Services | (0.01) | 0.02 | 150 | |



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## UltraTech Cement Lanka (Private) Limited

## Notes to Standalone Financial Statements (Contd.)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 7 | Net profit ratio (in times) | Profit for the year | Sale of Products and Services | (0.05) | (0.01) | (400) | |
| 8 | Return on Capital employed (in times) | Profit for the year + Tax +Finance Costs | Average of (Networth + Current and Non current borrowings) | (9.67) | (0.24) | (3,929.17) | |
| 9 | Return on Investment (in %) | Treasury Income | Weighted treasury investment | 0.04 | 0.05 | 20 | |

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### Note 38 - Revenue (Ind AS 115)

(A) The Company is primarily in the Business of Import and sale of cement. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

**(B) Revenue recognised from Contract liability (Advances from Customers):**

in INR

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Closing Contract liability | 63,973,339 | 143,547,098 |

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2021.

**(C) Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:**

in INR

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Revenue as per Contract price | 9,570,327,415 | 7,500,744,576 |
| Less: Discounts and incentives | (234,089,889) | (273,518,480) |
| Revenue as per statement of profit and loss | 9,336,237,526 | 7,227,226,096 |

### Note 39 – Potential effect from Covid-19 outbreak and Economic crisis in Sri Lanka

Potential effect from Covid-19 outbreak and Economic crisis in Sri Lanka

On 11 March 2020 the World Health Organisation (WHO) declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe with over 200 countries. Businesses have been negatively impacted due to the overall negative economic conditions caused by the pandemic followed by the 2nd and 3rd wave of the outbreak subsequently in 2021.

In light of the COVID-19 outbreak, the Company has been taking various precautionary measures to protect employees, customers and the eco system in which they interact, while at the same time ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company suspended operations on 20 March 2020 and continued it operations in a limited manner till 11 May 2020 during the island-wide curfew period. However, since the Company is registered under BOI, it was able to continue its ordinary operations with safety and security measures despite of several quarantine curfews imposed during the year ended 31 March 2022. Despite the impact from COVID – 19, demand for Company's cement increased as a result of increase in the CESS levy on imported cement bags which restricted the imports of cement bags and market had a limited supply of imported cement bags where the Company's principal business activity is to import bulk cements. Further, reduction in general lending rates from the latter part of year 2020 resulted in an increase in retail demand.

Sri Lanka has been facing foreign exchange crisis due to the adverse economic impacts of the Covid-19 pandemic and it has grown from acute to severely acute during the financial year ended 31 March 2022. Accordingly, the Government of Sri Lanka is taking various measures to control the outflow of foreign exchange reserves of the country including restrictions on several imports and outward remittances. Despite the Government's measures to control foreign exchange outflows, continual deterioration of foreign reserves is putting pressure on exchange rate to depreciate in the market. On 7 March 2022, the Central Bank of Sri Lanka (CBSL), with immediate effect, set an exchange rate limit of LKR.230/- per US dollar compared to a limit of LKR 200-203 that was controlled by CBSL since October 2021. The Sri Lankan Rupee (LKR) has depreciated by LKR. 96 ageinst USD in a duration of three weeks, bringing the exchange rate to the highest ever, LKR. 299/- per USD as at 31 March 2022. LKR has further depreciated against USD subsequently to the reporting date, bringing the exchange rate to LKR. 339/- per USD as at 22 April 2022. A severe shortage of foreign currency has left the Government of Sri Lanka unable to pay for essential imports, including fuel, foods, ges, and medicine. Short supply in fuel has led to incapacitating power cuts lasting up to 13 hours. At the same time, Sri Lanka's annual inflation scaled to 18.7 percent in March of 2022 from 3.9 percent in April 2021. Further, the President of Sri Lanka declared a nationwide state of emergency on 1 April 2022 following public protests over the country's worst economic crisis and Sri Lanka's cabinet ministers have resigned from their positions on 2 April 2022. Accordingly, this situation has put severe pressure on the Company's liquidity position, the cost of imported materials, other external foreign exchange remittances and operations. Nevertheless, the Company is continuously making strategic decisions on alternate choices & financing for the smooth flow of operations and working capital, with the support from the parent company Ultratech Cement Limited.

During the third quarter of the financial year, the Government of Sri Lanka removed the Maximum Retail Price (MRP) imposed on cement bags enabling the cement suppliers to determine the prices which was one of the main contributors towards the losses incurred by the Company. Accordingly, the Company has increased the retail price of 50kg cement bag from INR 347/- (LKR 950) to INR 401/- (LKR 1,098) in October 2021, to INR 466 (LKR.1,275) in November 2021, to INR 503/- (LKR. 1,375) in January 2022, to INR 548/- (LKR.1,500) and INR 676 (LKR.1,850) in March 2022. As a result, the Company has been able to recover the adverse impact from increase in import costs and other costs on its profitability. However, the Company has reported an exchange loss of. INR. 723,096,466/- during the month of March 2022 resulting in a net loss of INR. 496,684,499/- for the year ended 31 March 2022, as a result of the depreciation of LKR by LKR.96 against USD during the month of March 2022. The Board of Directors is of the view that the Company can recover from this exchange loss after the increase in retail prices of cement bags by INR 183 (LKR.500) with effect from 2 April 2022.

Further, there is still significant uncertainty over how the outbreak and economic crisis will impact the Company's business in the future periods and customer demand for its products in retail and industrial markets. The Management has therefore modelled number of different scenarios considering a period of 12 months from the date of authorisation of these financial statements. The assumptions modelled are based on the estimated potential impact of COVID-19 restrictions and regulations and expected levels of consumer demand, along with management's proposed responses over the course of the period.

Further the management has the ability to respond to severe downside scenario by taking the following mitigating actions to reduce costs, optimise the Company's cash flow and preserve liquidity:

- reducing non-essential capital expenditure and deferring or cancelling discretionary spend;
- support from the Parent entity and other related entities to settle import bills;
- freezing non-essential recruitment and promotions; and
- reducing marketing spend.

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Based on the Company's liquidity position as at the reporting date, and the confirmation provided by the Parent Company dated 12 April 2022 on settlement of related party payable balance of INR 935,621,006/- due to UltraTech Cement Limited as at 31 March 2022, the Board of Directors has assessed that there is no uncertainty regarding the settlements of external liabilities during the next 12 months from the date of authorising these financial statements. Accordingly, they are of the view that the going concern basis of accounting remains appropriate.

**Note 40 - Material Uncertainty Relating to Going Concern**

The Company has incurred a net loss of INR. 496,684,499/- for the year ended 31 March 2022 (2021: INR. 62,719,726/-) and as at that date accumulated loss was INR. 278,687,194/- resulting in a net liability position of INR. 147,554,099/- as at 31 March 2022.Further, the Company's total current liabilities exceeded its total current assets by INR. 222,142,405 /- as at the reporting date. The Company is also facing a serious loss of capital situation under Sec 220 of the Companies Act 07 of 2007.

Although these factors indicate the existence of uncertainty which may cast significant doubt about the Company's ability to continue as going concerns, the Board of Directors is of the view that the Company is a going concern due to the ongoing business restoration strategies that will improve the operations and the projected profitability for the next financial year.

The Company has reported an exchange loss of. INR. 723,096,466/- during the month of March 2022 resulting in a net loss of INR. 496,684,499/- for the year ended 31 March 2022, as a result of the depreciation of Sri Lankan Rupee by LKR.96 against USD during the month of March 2022. The Board of Directors is of the view that the Company can recover from the accumulated losses of INR. 278,687,194/- after the increase in retail prices of cement bags by LKR.500 /- with effect from 2 April 2022.

Further, the Directors of UltraTech Cement Limited ("the Parent") has confirmed by the letter dated 12 April 2022 that they undertake to assure claiming of related party payable of INR 935,621,006/- due to UltraTech Cement Limited will be subject to the assessment of the Company's liquidity position for at least 12 months from the date of signing these financial statements for the year ended 31 March 2022 and payments will only be required to the extent that they do not impact the Company's ability to meet its financial obligations as and when they fall due and payable.

Based on the aforementioned mitigation factors, the Board of Directors has assessed that there is no uncertainty regarding the settlements of external liabilities as and when they fall due and payable for a period of at least 12 months from the date of signing these financial statements and they are of the view that the going concern basis of accounting remains appropriate.

**Note 41 – Events after reporting date**

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the financial statements except for the following,

The Surcharge Tax Act No 14 of 2022 (Act) was certified by the Speaker and published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka on 08 April 2022. Accordingly, Surcharge Tax is payable by any company subject to the taxable income threshold specified in the Act. The chargeability threshold set for a company is Taxable income exceeding LKR.2 Bn for Year of Assessment (Y/A) commencing

## UltraTech Cement Lanka (Private) Limited

## Notes to Standalone Financial Statements (Contd.)

from 1 April 2020. As the Company does not meet the said threshold given the Taxable losses reported in the Y/A 2020/21, there will be no adjustments will be required to be made by the Company in the financial statements for the year ending 31 March 2023.

**Note 42**

Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosure.

Signatures to Note '25' to '42'
In terms of our report attached.

Director
Colombo, April 22, 2022

KPMG * Chartered Accountants *

## UltraTech Cement Middle East Investments Limited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MAR 31, 2022**

Amount in INR Crores

| Particulars | Note No. | | As at MAR 31, 2022 | As at MAR 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, Plant and Equipment | 1 | | 1,325.73 | 1,342.77 |
| Capital work-in-progress | 1 | | 1.53 | 4.99 |
| Goodwill | 1 | | 942.09 | 908.77 |
| Other Intangible assets | 1 | | 32.77 | 35.27 |
| Right to Use Asset- Lease | 2 | | 141.41 | 161.21 |
| Financial Assets | | | | |
| Investments | 3 | 0.28 | | 0.27 |
| Other Financial Assets | 4 | 13.56 | | 12.98 |
| | | | 13.84 | |
| Other Non-Current assets | 5 | | - | 0.34 |
| **Total Non Current Assets** | | | 2,457.37 | 2,466.60 |
| **Current assets** | | | | |
| Inventories | 6 | | 218.97 | 177.31 |
| Financial Assets | | | | |
| Trade receivables | 7 | 511.92 | | 370.81 |
| Cash and cash equivalents | 8 | 7.25 | | 15.49 |
| Bank balances other than cash and cash equivalents | 9 | 34.10 | | 51.17 |
| Loans | 10 | 0.10 | | 0.06 |
| Other Financial Assets | 11 | 144.79 | | 139.18 |
| | | | 698.16 | |
| Other current assets | 12 | | 9.11 | 11.89 |
| Asset held for disposal | | | 1.22 | 1.18 |
| **Total Current Assets** | | | 927.46 | 767.09 |
| **TOTAL ASSETS** | | | 3,384.83 | 3,233.69 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share Capital | 13 | 709.21 | | 684.12 |
| Other Equity | 13 | 701.88 | | 582.95 |
| | | | 1,411.09 | 1,267.07 |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 14 | | 1,061.09 | 1,316.00 |
| Long term Lease liability | 15 | | 136.06 | 156.27 |
| Provisions | 16 | | 25.76 | 24.71 |
| Other non-current liabilities | 17 | | 0.47 | 0.60 |
| | | | 1,223.38 | 1,497.58 |
| **Current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 18 | 303.59 | | 220.17 |
| Trade payables | 19 | 400.02 | | 200.33 |
| Short term Lease liability | 20 | 14.68 | | 13.23 |
| Other financial liabilities | 21 | 15.10 | 733.39 | 13.71 |
| Other current liabilities | 22 | | 5.78 | 9.53 |
| Provisions | 23 | | 11.19 | 12.07 |
| | | | 750.36 | 469.04 |
| **TOTAL EQUITY AND LIABILITIES** | | | 3,384.83 | 3,233.69 |

**The accompanying Notes form an integral part of the Financial Statements.**

**In terms of our report attached.**
**For KPMG Lower Gulf Limited**

**For and on behalf of the Board**

Partner

KPMG
Stamped for the Purpose of identification only

Garg
**Director**

**Director**
Dubai, April 25th, 2022

## UltraTech Cement Middle East Investments Limited

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED MAR 31, 2022**

**Amount in INR Crores**

| Particulars | Note No. | Period ended MAR 31, 2022 | Period ended MAR 31, 2021 |
|---|---|---|---|
| Sale of Products and Services (Net) | 24 | 1,459.82 | 1,140.68 |
| Other Operating Revenues | 24 | 11.79 | 2.37 |
| Revenue from Operations | | 1,471.61 | 1,143.05 |
| Other Income | 25 | 6.84 | 6.48 |
| **Total Income (I)** | | 1,478.45 | 1,149.53 |
| **Expenses** | | | |
| Cost of Raw Materials Consumed | 26 | 169.12 | 142.89 |
| Purchases of Stock-in-Trade | 27 | 226.49 | 93.54 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 28 | 2.35 | 16.98 |
| Employee Benefits Expense | 29 | 103.49 | 96.04 |
| Finance Costs | 30 | 22.19 | 34.53 |
| Depreciation and Amortisation Expense | 31 | 97.12 | 96.23 |
| Power and Fuel | | 522.85 | 369.45 |
| Freight and Forwarding Expense | 32 | 94.25 | 53.89 |
| Other Expenses | 33 | 148.88 | 155.36 |
| **Total Expenses (II)** | | 1,386.74 | 1,058.91 |
| **Profit for the period (III)** | | 91.71 | 90.62 |
| Profit attributable to Owners of the Parent | | 91.71 | 90.62 |
| **Other Comprehensive Profit / (Loss)** | | | |
| A (i) Items that will not be reclassified to profit & Loss-Actuarial Gain on Employee Benefits | | 0.69 | (3.66) |
| Items that will be reclassified to Profit & Loss-Cash flow hedge & FCTR | | 26.53 | (17.10) |
| **Other Comprehensive Profit / (Loss) for the Period (IV)** | | 27.22 | (20.76) |
| Other Comprehensive Profit/(Loss) Income attributable to Owners of the Parent | | 27.22 | |
| **Total Comprehensive Income for the Period (V=III+IV)** | | 118.93 | 69.86 |
| Other Comprehensive Income attributable to Owners of the Parent | | 118.93 | |
| **Earnings Per Equity Share (Face Value AED 10 each) – Continuing Operations** | | | |
| Basic (in INR) | | 26.68 | 30.33 |
| Diluted (in INR) | | 26.68 | 30.33 |
| Weighted Average Equity Shares (in Nos.) | | 34,369,140 | 29,875,594 |
| Weighted AverageEquity Shares incl Diluted Shares (in Nos.) | | 34,369,140 | 29,875,594 |

**The accompanying Notes form an integral part of the Financial Statements.**

**In terms of our report attached.**
**For KPMG Lower Gulf Limited**

**For and on behalf of the Board**

-----------------------
**Partner**

**Director**

**Director**
Dubai, April 25th, 2022

KPMG
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## UltraTech Cement Middle East Investments Limited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED MAR 31, 2022**

**Amount in INR Crores**

### A. EQUITY SHARE CAPITAL

| | |
|---|---|
| **As at APR 01, 2020** | **517.66** |
| Changes in equity share capital | 166.46 |
| **As at Mar 31, 2021** | **684.12** |
| Changes in equity share capital | 25.09 |
| **As at MAR 31, 2022** | **709.21** |

### B. OTHER EQUITY

| For the Period ended MAR 31, 2022 | Attributable to Owners of the company | | | | | | Total Attributable to Owners of the company |
|---|---|---|---|---|---|---|---|
| | Reserves & Surplus | | | Other Comprehensive Income | | | |
| | Securities Premium Reserve | General Reserve | Retained Earnings | Exchange differences on translating the financial statements of foreign operations | Effective portion of cash flow hedges | Remeasurement of defined benefit plan | |
| **Balance as at APR 01, 2021** | **113.81** | **2.05** | **459.40** | **12.63** | **(8.74)** | **3.80** | **582.95** |
| Profit for the period (1) | - | - | 91.71 | | - | - | **91.71** |
| Other Comprehensive (Loss) (2) | | | | 23.01 | 3.52 | - | **26.53** |
| **Total Comprehensive Gain (1+2)** | **-** | **-** | **91.71** | **23.01** | **3.52** | **0.69** | **118.93** |
| **Balance as at MAR 31, 2022** | **113.81** | **2.05** | **551.11** | **35.64** | **(5.22)** | **4.49** | **701.88** |

| For the Year ended MAR 31, 2021 | Attributable to Owners of the company | | | | | | Total Attributable to Owners of the company |
|---|---|---|---|---|---|---|---|
| | Reserves & Surplus | | | Other Comprehensive Income | | | |
| | Securities Premium Reserve | General Reserve | Retained Earnings | Exchange differences on translating the financial statements of foreign operations | Effective potion of cash flow hedges | Remeasurement of defined benefit plan | |
| Balance as at APR 01, 2020 | 5.29 | 2.05 | 368.78 | 27.58 | (6.59) | 7.46 | 404.57 |
| Profit for the Year (1) | - | - | 90.62 | | | | 90.62 |
| Remeasurement gain on defined benefit plan (2) | | | | | | (3.66) | (3.66) |
| Other Comprehensive Loss (3) | | | | (14.95) | (2.15) | - | (17.10) |
| Total Comprehensive gain (1+2+3) | - | - | 90.62 | (14.95) | (2.15) | (3.66) | 69.86 |
| Issue of equity | 108.52 | | | - | | | 108.52 |
| Balance as at MAR 31, 2021 | 113.81 | 2.05 | 459.40 | 12.63 | (8.74) | 3.80 | 582.95 |

**The accompanying Notes form an integral part of the Financial Statements.**

**In terms of our report attached.**
**For KPMG Lower Gulf Limited**

**For and on behalf of the Board**

**Partner**

**Director**

**Director**
Dubai, April 25th, 2022

KPMG
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**UltraTech Cement Middle East Investments Limited**

**Consolidated Cash Flow Statement as on Mar 31, 2022**

Amount in INR Crores

| | MAR 31, 2022 | MAR 31, 2021 |
|---|---|---|
| **A. Cash Flow from Operating Activities:** | | |
| **Profit before tax** | | |
| From Continuing operations | 91.71 | 90.62 |
| **Adjustments for:** | | |
| Depreciation & Amortisation | 97.12 | 96.23 |
| Provision for Retirement benefits | 3.40 | 3.33 |
| Profit on sale of Fixed Assets | (0.08) | (0.05) |
| Interest and Finance Charges | 13.81 | 25.30 |
| Borrowing Cost (Lease Liability) | 8.38 | 9.24 |
| **Operating Profit Before Working Capital Changes** | 214.33 | 224.67 |
| Movement in working capital | | |
| (Increase)/Decrease in Inventories | (35.16) | 22.52 |
| (Increase)/Decrease in Trade Receivables | (127.51) | 121.03 |
| Decrease/(Increase) in Loans and Advances | 2.68 | (125.55) |
| (Increase) in Trade Payables and other Liabilities | 117.72 | (222.23) |
| **Cash Generated From Operations** | 172.06 | 20.44 |
| Payment for Employee Benefits | (4.12) | (0.51) |
| **Net Cash Generated from Operating Activities (A)** | 167.94 | 19.93 |
| **B. Cash Flow from Investing Activities:** | | |
| Purchase of Fixed Assets | (11.46) | (4.81) |
| Sales of Fixed Assets | 0.25 | 0.05 |
| Payment from Investement of subsidiary | - | (0.06) |
| Cash received along with Acquisition of Assets | - | 3.64 |
| **Net Cash Generated from Investing Activities (B)** | (11.21) | (1.18) |
| **C. Cash Flow from Financing Activities:** | | |
| Proceeds from Issue of Share Capital (Including Premium) | - | 292.44 |
| Proceeds from Issue of Preference Share capital | - | 1,023.55 |
| Repayment of Long Term Borrowings | (227.35) | (1,315.99) |
| Proceeds from Short Term Borrowings (Net) | 75.34 | (53.14) |
| Payment of Principal towards Lease Liability | (13.73) | (12.09) |
| Interest on Lease Liability | (8.38) | (9.24) |
| Interest and Finance Charges paid | (14.07) | (28.60) |
| **Net Cash (Used in) Financing Activities (C)** | (188.19) | (103.07) |
| **Net (Decrease)/Increase in cash and cash equivalents (A+B+C)** | (31.46) | (84.32) |
| **Opening Cash and Cash Equivalents** | 66.66 | 159.78 |
| Effect of exchange rate on consolidation of Foreign Subsidiary | 6.15 | (8.80) |
| **Cash and Bank balance as per Note 8 & Note 9** | 41.35 | 66.66 |

**Notes :**

1. Cash Flow Statement has been prepared under Indirect method.
2. Purchase of fixed assets includes movements of capital work-in-progress & Capital Advances.
3. Cash and cash equivalents represent cash and bank balances.

| 4. Changes in liabilities arising from financing activities | Non Current Borrowing | Current Borrowing |
|---|---|---|
| **As at Mar 31,2021** | 1,316.00 | 220.17 |
| Cash flows (Including Preference shares) | (227.38) | 75.34 |
| Non Cash changes : | | |
| Others (Transfer to current maturities & Exchange variation) | (27.53) | 8.08 |
| **As at MAR 31, 2022** | **1,061.09** | **303.59** |

The Accompanying Notes form an integral part of the Consolidated Financial Statements

**In terms of our report attached.**
**For KPMG Lower Gulf Limited**

**For and on behalf of the Board**

**Partner**

KPMG
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**Director**

**Director**
Dubai, April 25th, 2022

## UltraTech Cement Middle East Investments Limited

### Notes to the Condensed Consolidated financial statement

**NOTE: 1- PROPERTY, PLANT AND EQUIPMENT**

Amount in INR Crores

| Particulars | Gross Block | | | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at APR 01, 2021 | Additions | On account of Acquisition | Deductions/ Adjustments | Translation Reserve | As at MAR 31, 2022 | As at APR 01, 2021 | For the period | Deductions/ Adjustments | Translation Reserve | As at MAR 31, 2022 | As at MAR 31, 2022 |
| **(A) Tangible Assets** | | | | | | | | | | | | |
| Freehold Land | 4.61 | - | - | - | 0.17 | 4.78 | - | - | - | - | - | **4.78** |
| Buildings | 211.34 | 3.44 | - | - | 7.81 | 222.59 | 35.73 | 9.39 | - | 1.47 | 46.59 | **176.00** |
| Plant and Machinery | 1,532.43 | 10.11 | - | - | 56.38 | 1,598.92 | 374.41 | 69.38 | - | 14.95 | 458.74 | **1,140.18** |
| Furniture and Fixtures | 10.76 | 0.27 | - | (0.02) | 0.39 | 11.40 | 7.11 | 1.06 | (0.02) | 0.27 | 8.42 | **2.98** |
| Vehicles | 5.28 | 1.24 | - | (0.95) | 0.20 | 5.77 | 4.40 | 0.22 | (0.79) | 0.15 | 3.98 | **1.79** |
| **Total (A)** | **1,764.42** | **15.06** | **-** | **(0.97)** | **64.95** | **1,843.46** | **421.65** | **80.05** | **(0.81)** | **16.84** | **517.73** | **1,325.73** |
| **(B) Intangible Assets** | | | | | | | | | | | | |
| Other Intangible Assets | 57.25 | - | - | - | 2.10 | 59.35 | 21.98 | 3.73 | - | 0.86 | 26.57 | **32.78** |
| **Total (B)** | **57.25** | **-** | **-** | **-** | **2.10** | **59.35** | **21.98** | **3.73** | **-** | **0.86** | **26.57** | **32.78** |
| **Total Assets (A+B)** | **1,821.67** | **15.06** | **-** | **(0.97)** | **67.05** | **1,902.81** | **443.63** | **83.78** | **(0.81)** | **17.70** | **544.30** | **1,358.51** |
| **Capital Work-in-Progress** | **4.99** | | | | | | | | | | | **1.53** |
| | | | | | | | | | | | | **1,360.04** |

**Notes :**

| | |
|---|---|
| Depreciation for the period | **83.78** |
| Depreciation as per Profit and Loss Account | **83.78** |

Intangiable assets include assets costing INR 49.20 Cr (Previous year-49.20 Cr) comprising non-refundable connection fees to electricity supplier with finite life not owned by the company. Amortised over a period of 15 years.

Amount in INR Crores

| Particulars | Gross Block | | | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at APR 01, 2020 | Additions | On account of Acquisition | Deductions/ Adjustments | Translation Reserve | As at MAR 31, 2021 | As at APR 01, 2020 | For the Year | Deductions/ Adjustments | Translation Reserve | As at MAR 31, 2021 | As at MAR 31, 2021 |
| (A) Tangible Assets | | | | | | | | | | | | |
| Freehold Land | 4.77 | - | - | - | (0.16) | 4.61 | - | - | - | - | - | 4.61 |
| Buildings | 156.84 | 0.21 | 60.34 | - | (6.05) | 211.34 | 28.63 | 8.19 | - | (1.09) | 35.73 | 175.61 |
| Plant and Machinery | 1,488.28 | 4.63 | 90.89 | - | (51.37) | 1,532.43 | 321.34 | 64.89 | - | (11.82) | 374.41 | 1,158.02 |
| Furniture and Fixtures | 10.55 | 0.35 | 0.22 | (0.01) | (0.35) | 10.76 | 6.20 | 1.14 | (0.01) | (0.22) | 7.11 | 3.65 |
| Vehicles | 5.89 | - | 0.01 | (0.43) | (0.19) | 5.28 | 4.34 | 0.43 | (0.21) | (0.16) | 4.40 | 0.88 |
| Total Tangible Assets | 1,666.33 | 5.19 | 151.46 | (0.44) | (58.12) | 1,764.42 | 360.51 | 74.65 | (0.22) | (13.29) | 421.65 | 1,342.77 |
| (B) Intangible Assets | | | | | | | | | | | | |
| Intangible Asset | 59.25 | - | - | - | (2.00) | 57.25 | 18.96 | 3.71 | - | (0.69) | 21.98 | 35.27 |
| Total Assets (A+B) | 1,725.58 | 5.19 | 151.46 | (0.44) | (60.12) | 1,821.67 | 379.47 | 78.36 | (0.22) | (13.98) | 443.63 | 1,378.04 |
| Capital Work-in-Progress | 4.36 | | | | | | | | | | | 4.99 |
| | | | | | | | | | | | | 1,383.03 |

Notes :

| | |
|---|---|
| Depreciation for the Year | 78.36 |
| Depreciation as per Profit and Loss Account | 78.36 |

**Movement in Goodwill:**

| **Particulars** | **As at MAR 31, 2022** | **As at MAR 31, 2021** |
|---|---|---|
| Opening Balance | 908.77 | 940.50 |
| Add: Exchange difference recognised in FCTR | 33.32 | (31.73) |
| Closing Balance as per Balance Sheet | **942.09** | **908.77** |

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**NOTE: 2- RIGHT TO USE ASSET- LEASE**

(a) Following are the carrying value of Right of Use Assets for the year ended MAR 31, 2022

Amount in INR Crores

| **Particulars** | **Gross Block** | | | | **Depreciation and Amortisation** | | | | | **Net Block** |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at APR 01, 2021 | On account of acquisition | Translation reserve | **As at MAR 31, 2022** | As at APR 01, 2021 | On account of acquisition | For the period | Translation reserve | As at MAR 31, 2022 | **As at MAR 31, 2022** |
| Leasehold Land | 62.44 | - | 2.29 | **64.73** | 14.52 | - | 2.77 | 0.59 | **17.88** | **46.85** |
| Plant and Machinery | 172.02 | (11.72) | 5.88 | **166.18** | 110.54 | - | 6.30 | 4.16 | **121.00** | **45.18** |
| Ships | 63.16 | - | 2.31 | **65.47** | 11.34 | - | 4.27 | 0.48 | **16.09** | **49.38** |
| **Total** | **297.62** | **(11.72)** | **10.48** | **296.38** | **136.40** | **-** | **13.34** | **5.23** | **154.97** | **141.41** |

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at APR 01, 2020 | On account of acquisition | Translation reserve | As at Mar 31, 2021 | As at APR 01, 2020 | On account of acquisition | For the year | Translation reserve | As at Mar 31, 2021 | As at Mar 31, 2021 |
| Leasehold Land | 62.76 | 1.82 | (2.14) | 62.44 | 12.37 | - | 2.60 | (0.45) | 14.52 | 47.92 |
| Plant and Machinery | 178.02 | - | (6.00) | 172.02 | 103.17 | - | 11.02 | (3.65) | 110.54 | 61.48 |
| Ships | 65.36 | - | (2.20) | 63.16 | 7.40 | - | 4.25 | (0.30) | 11.35 | 51.81 |
| Total | 306.14 | 1.82 | (10.34) | 297.62 | 122.94 | - | 17.87 | (4.40) | 136.41 | 161.21 |

(b) Expenses recognized in Statement of Profit and Loss, not included in the measurement of lease liabilities:

| **Particulars** | **MAR 31, 2022** | **MAR 31, 2021** |
|---|---|---|
| Expenses relating to short-term leases | **(1.42)** | **0.11** |

(c) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

| **Particulars** | **MAR 31, 2022** | **MAR 31, 2021** |
|---|---|---|
| Less than one year | 22.11 | 21.33 |
| One to five years | 90.37 | 87.17 |
| More than five years | 145.30 | 140.16 |
| **Total undiscounted lease liabilities** | **257.78** | **248.66** |
| Discounted Lease liabilities included in the statement of financial position | | |
| Current lease liability | (14.68) | (13.23) |
| Non-Current lease liability | (136.06) | (156.27) |
| **Total Discounted Lease liabilities** | **(150.74)** | **(169.50)** |

(d) Amounts recognised in Statement of Cash Flows:

| **Particulars** | **MAR 31, 2022** | **MAR 31, 2021** |
|---|---|---|
| On account of short term leases | (1.44) | 0.11 |
| Lease repaid | 13.73 | 12.09 |
| Interest repaid | 8.38 | 9.24 |
| Total cash outflow for leases | **20.67** | **21.44** |

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1(A) Ageing schedule of capital-work-in progress (CWIP) : Amount in INR Crores

| | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As on March 31,2022** | | | | | |
| Projects in progress | | | | | |
| Analyser | 0.23 | | | | 0.23 |
| Office, IT equipement | - | | | | - |
| Weigh bridge rRoom Extension | 0.08 | | | | 0.08 |
| SCNR system- secondary mitigation for Nox reduction | | | | 1.22 | 1.22 |
| **Total** | 0.31 | - | - | 1.22 | 1.53 |
| As on March 31,2021: | | | | | |
| Projects in progress | | | | | |
| Pet coke storage shed | 0.57 | 2.52 | | | 3.09 |
| Office, IT equipement | 0.05 | | | | 0.05 |
| Office, IT equipement | 0.01 | | | | 0.01 |
| Office, IT equipement | - | | | | - |
| PLC & Automation System | 0.66 | | | | 0.66 |
| SCNR system- secondary mitigation for Nox reduction | | | 1.18 | | 1.18 |
| **Total** | **1.29** | **2.52** | **1.18** | **-** | **4.99** |

1(B)

Completion schedule for capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

Amount In INR Crores

| | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Project 1 | | | | |
| Project 2 | | | | |
| | | | | |
| Suspended projects: | | | | |
| SCNR system- secondary mitigation for Nox reduction | | | | 1.18 |
| Project 2 | | | | |

1(C) **Ageing schedule of Intangible assets under development:** Amount in INR Crores

| | Amount in Intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As on March 31,2022** | | | | | |
| Projects in progress | | | | | |
| Projects temporarily suspended | | | | | |
| **Total** | | | | | |
| **As on March 31,2021:** | | | | | |
| Projects in progress | | | | | |
| Projects temporarily suspended | | | | | |
| **Total** | | | | | |

1(D) Completion schedule for capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

Amount in INR Crores

| | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Project 1 | | | | |
| Project 2 | | | | |
| | | | | |
| Suspended projects: | | | | |
| Project 1 | | | | |
| Project 2 | | | | |

## UltraTech Cement Middle East Investments Limited

**Notes to the Condensed Consolidated financial statement**

Amount in INR Crores

| Particulars | | As at 31/03/2022 | | As at 31/03/2021 |
|---|---|---|---|---|
| **NOTE :3** | | | | |
| **NON-CURRENT INVESTMENTS** | **Nos.** | **Amount** | Nos. | Amount |
| **Unquoted:** | | | | |
| Investments measured at amortised cost | | | | |
| **Equity Instruments:** | | | | |
| **Indonesian Rupiah 8,923 each fully** | | | | |
| PT UltraTech Mining Indonesia | **51,951** | **0.36** | 51,951 | 0.35 |
| **Indonesian Rupiah 9,163 each fully paid:** | | | | |
| PT UltraTech Investment Indonesia | **100,000** | **0.76** | 100,000 | 0.73 |
| | | **1.12** | | 1.08 |
| Less: Provision for Diminution in value of Investments | | **(0.84)** | | (0.81) |
| | | **0.28** | | 0.27 |
| **NOTE :4** | | | | |
| **OTHER FINANCIAL ASSETS** | | | | |
| **Unsecured, Considered good:** | | | | |
| Security Deposit | | **13.56** | | 12.98 |
| | | **13.56** | | 12.98 |
| **NOTE :5** | | | | |
| **OTHER NON - CURRENT ASSETS** | | | | |
| Capital Advances | | - | | 0.22 |
| Prepayments | | - | | 0.12 |
| | | - | | 0.34 |
| **NOTE :6** | | | | |
| **INVENTORIES: (Valued at lower of Cost and Net Realisable Value, unless otherwise stated)** | | | | |
| Raw Material at factory | | **45.62** | | 42.22 |
| Work-in-progress | | **10.25** | | 10.68 |
| Finished Goods at factory | | **11.40** | | 12.51 |
| Stores & Spares at Factory | | **99.39** | | 87.16 |
| Fuel at Factory | | **47.07** | | 21.92 |
| Packing Materials at Factory | | **5.23** | | 2.81 |
| Scrap (valued at net realisable value) | | **0.01** | | 0.01 |
| | | **218.97** | | 177.31 |
| **NOTE :7** | | | | |
| **TRADE RECEIVABLES** | | | | |
| Considered good, Secured | | **190.29** | | 174.57 |
| Considered good, Unsecured | | **238.83** | | 190.34 |
| Trade Receivables from Related Party | | **82.80** | | 5.90 |
| Significant increase in Credit Risk | | **62.20** | | 64.11 |
| | | **574.12** | | 434.92 |
| Less: Allowances for credit losses | | **(62.20)** | | (64.11) |
| | | **511.92** | | 370.81 |

**Trade Receivables Ageing Schedule**

| Particulars | Receivable but not due | Outstanding for the following periods from the due date of payment | | | |
|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months- 1 year | 1-2 years | Total |
| (i) Undisputed Trade receivables – considered good | **350.88** | **156.17** | **4.76** | **0.10** | **511.91** |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | **16.37** | **16.37** |
| **Total as on March 31, 2022** | **350.88** | **156.17** | **50.59** | **16.47** | **574.11** |

**Trade Receivables Ageing Schedule**

| Particulars | Receivable but not due | Outstanding for the following periods from the due date of payment | | | |
|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months- 1 year | 1-2 years | Total |
| (i) Undisputed Trade receivables – considered good | 258.90 | 47.75 | 0.02 | 64.14 | **370.81** |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | 64.11 | **64.11** |
| **Total as on March 31, 2022** | **258.90** | **47.75** | **0.02** | **128.25** | **434.92** |

**UltraTech Cement Middle East Investments Limited**

**Notes to the Condensed Consolidated financial statement**

Amount in INR Crores

| Particulars | | As at 31/03/2022 | | As at 31/03/2021 |
|---|---|---|---|---|
| **NOTE :8** | | | | |
| **CASH AND CASH EQUIVALENTS** | | | | |
| Balance with banks (Current Account) | | 7.23 | | 15.38 |
| Cash on hand | | 0.02 | | 0.11 |
| | | 7.25 | | 15.49 |
| **NOTE :9** | | | | |
| **BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** | | | | |
| Fixed Deposits with Banks (Maturity more than 3 months and upto 12 months) | | 34.10 | | 51.17 |
| | | 34.10 | | 51.17 |
| **NOTE :10** | | | | |
| **LOANS** | | | | |
| **Unsecured, Considered good:** | | | | |
| Loan to employees | | 0.10 | | 0.06 |
| | | 0.10 | | 0.06 |
| **NOTE :11** | | | | |
| **OTHER FINANCIAL ASSETS** | | | | |
| Deposit with body corporates | | 143.13 | | 138.07 |
| Security Deposit | | 1.66 | | 1.11 |
| | | 144.79 | | 139.18 |
| **NOTE :12** | | | | |
| **OTHER CURRENT ASSETS:** | | | | |
| Advances to Related Parties | | - | | - |
| Advances to Employees | | 0.92 | | 0.57 |
| Advances to suppliers | | 2.55 | | 6.54 |
| Prepaid Expenses | | 5.64 | | 4.78 |
| Other Receivables | | - | | - |
| | | 9.11 | | 11.89 |
| **NOTE :13** | **No. of Shares** | **Amount** | No. of Shares | Amount |
| **A. EQUITY SHARE CAPITAL** | | | | |
| **Authorised** | | | | |
| Equity shares of AED 10 each | 34,369,140 | 709.21 | 34,369,140 | 684.12 |
| **Issued, Subscribed and Fully Paid-up** | | | | |
| Equity shares of AED 10 each | 34,369,140 | 709.21 | 34,369,140 | 684.12 |
| **B. OTHER EQUITY** | | | | |
| Securities Premium Reserve | | 113.81 | | 113.81 |
| General Reserve | | 2.05 | | 2.05 |
| Retained Earnings | | 551.11 | | 459.40 |
| Effective Portion of Cash Flow Hedges | | (5.22) | | (8.74) |
| Exchange differences on translating the financial statements of a foreign operation | | 35.64 | | 12.63 |
| Remeasurement of defined benefit plan | | 4.49 | | 3.80 |
| **Total Other Equity** | | 701.88 | | 582.95 |

**The Description of the nature and purpose of each reserve within equity is as follows:**

a) Securities Premium Reserve: Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures,write-off equity related expenses like underwriting costs, etc.

b) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

c) Foreign Exchange Translation Reserve has been created for Exchange variation in Opening Equity Share Capital and Reserves and Surplus of Ultratech Cement Bahrain Co. WLL.

d) Effective Portion of Cashflow Hedges: The company has designated its hedging instruments obtained after April 01, 2015 as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective the amount is recognised to the Statement of Profit and Loss.

Amount in INR Crores

| Particulars | As at 31/03/2022 | As at 31/03/2021 |
|---|---|---|

**NOTE :14**
**NON CURRENT BORROWINGS**

| | Non-current | | Current Maturities of Long-Term debts * | |
|---|---|---|---|---|
| | **As at 31/03/2022** | As at 31/03/2021 | **As at 31/03/2022** | As at 31/03/2021 |
| **LONG-TERM BORROWINGS** | | | | |
| **Unsecured:** | | | | |
| 0.5% Nonconvertible Redeemable Preference Shares UltraTech Cement Limited | **1,061.09** | 1,023.55 | - | - |
| Term Loans from Banks: | | | | |
| - In Foreign Currency - Note (a) | - | 292.45 | **303.17** | 219.33 |
| **Total** | **1,061.09** | 1,316.00 | **303.17** | 219.33 |

**(a) Term Loans from Banks in Foreign Currency**

| **Unsecured:** | **Maturity** | | |
|---|---|---|---|
| Export Development Canada USD 40 Mn Jun'22 (USD 70 Mn Mar'21) | On 30th Jun'22 | **303.17** | 511.78 |
| Less: Current Portion of Foreign Currency Loans shown under Short Term borrowings | | **(303.17)** | (219.33) |
| **Total** | | - | 292.45 |

**NOTE :15**
**LONG TERM LEASE LIABILITY**

| | | |
|---|---|---|
| Lease liability | **136.06** | 156.27 |
| | **136.06** | 156.27 |

**NOTE :16**
**PROVISIONS NON CURRENT**

| | | |
|---|---|---|
| For Employee Benefits | **25.76** | 24.71 |
| | **25.76** | 24.71 |

**NOTE :17**
**OTHER NON CURRENT LIABILITIES**

| | | |
|---|---|---|
| Others (Employee Share based payment) | **0.47** | 0.60 |
| | **0.47** | 0.60 |

**NOTE :18**
**CURRENT BORROWINGS**
**Unsecured:**

| | | |
|---|---|---|
| Current Maturities Of Long-Term Debts (Refer Note :14) | **303.17** | 219.33 |
| From Banks | **0.42** | 0.84 |
| | **303.59** | 220.17 |

**NOTE :19**
**TRADE PAYABLES**

| | | |
|---|---|---|
| Trade Payables | **344.08** | 157.48 |
| Due to Others - Relates to supplier financing arrangement under which vendor has discounted bill from Bank | **55.94** | 42.85 |
| | **400.02** | 200.33 |

**Trade Payables Ageing Schedule**

| Particulars | Unbilled due | Outstanding but not due | Outstanding for the following periods from the due date of payment | | |
|---|---|---|---|---|---|
| | | | Less than 1 year | More than 1 Year | Total |
| (ii) Others | **79.57** | **37.34** | **282.99** | **0.12** | **400.02** |
| **Total as on March 31, 2022** | **79.57** | **37.34** | **282.99** | **0.12** | **400.02** |

**Trade Payables Ageing Schedule**

| Particulars | Unbilled due | Outstanding but not due | Outstanding for the following periods from the due date of payment | | |
|---|---|---|---|---|---|
| | | | Less than 1 year | More than 1 Year | Total |
| (ii) Others | 45.44 | 71.06 | 81.28 | 2.54 | 200.33 |
| **Total as on March 31, 2021** | 45.44 | 71.06 | 81.28 | 2.54 | 200.33 |

**NOTE :20**
**LEASE LIABILITY SHORT TERM**

| | | |
|---|---|---|
| Lease Liability | **14.68** | 13.23 |
| | **14.68** | 13.23 |

**NOTE :21**
**OTHER FINANCIAL LIABILITIES**

| | | |
|---|---|---|
| Interest Accrued but not due on Borrowings | **0.03** | 0.05 |
| Derivative Liability | **0.34** | 3.78 |
| Liability for Capital Goods | **0.11** | 0.41 |
| Security Deposit | **2.46** | 1.14 |
| Salary, wages, Bonus & Other employee Payables | **7.57** | 3.94 |
| Due to Related Parties | **4.59** | 4.39 |
| | **15.10** | 13.71 |

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**UltraTech Cement Middle East Investments Limited**

**Notes to the Condensed Consolidated financial statement**

| Particulars | As at 31/03/2022 | As at 31/03/2021 |
|---|---|---|
| | | Amount in INR Crores |
| **NOTE :22** | | |
| **OTHER CURRENT LIABILITIES** | | |
| Advance from Customers | 0.94 | 0.98 |
| Others (including other Deposits, Provision for Expenses etc.) | 4.84 | 8.55 |
| | 5.78 | 9.53 |
| **NOTE :23** | | |
| **PROVISIONS** | | |
| For Employee Benefits | 11.19 | 12.07 |
| | 11.19 | 12.07 |
| | **Period Ended 31/03/2022** | Period Ended 31/03/2021 |
| **NOTE :24** | | |
| **REVENUE FROM OPERATIONS** | | |
| **SALE OF PRODUCTS AND SERVICES (GROSS)** | | |
| Sale of Products | 1,459.82 | 1,140.68 |
| **OTHER OPERATING REVENUES** | | |
| Scrap Sales | 1.68 | 0.72 |
| Miscellaneous Income / Receipts | 10.11 | 1.65 |
| | 11.79 | 2.37 |
| | 1,471.61 | 1,143.05 |
| **NOTE :25** | | |
| **OTHER INCOME** | | |
| **Interest Income on** | | |
| Bank and Other Accounts | 0.06 | 1.08 |
| Profit on Sale of Fixed Assets (net) | 0.08 | 0.05 |
| Provision no longer required written back | 0.29 | 5.21 |
| Others | 6.41 | 0.14 |
| | 6.84 | 6.48 |
| **NOTE :26** | | |
| **COST OF RAW MATERIALS CONSUMED** | | |
| Opening Stock | 42.22 | 35.74 |
| Add: Exchange rate fluctuation on acccount of average rate transferred to currecny translation reserve | 0.80 | (0.64) |
| Add : Opening stock adjustment (For current year Star Super Cement Industries LLC acquisition and previous year relates to discontinued operations of Bangladesh units) | - | 13.21 |
| Purchase and Incidental Expenses | 170.94 | 137.45 |
| | 213.96 | 185.76 |
| Less: Exchange rate fluctuation on acccount of average rate transferred to currecny translation reserve | (0.78) | 0.65 |
| Less: Closing Stock | 45.62 | 42.22 |
| | 169.12 | 142.89 |
| **NOTE :27** | | |
| **PURCHASES OF STOCK-IN-TRADE** | | |
| Others (Clinker) | 226.49 | 93.54 |
| | 226.49 | 93.54 |
| **NOTE :28** | | |
| **CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** | | |
| **Closing Inventories** | | |
| Work-in-progress | 10.25 | 10.68 |
| Finished Goods | 11.40 | 12.51 |
| Add / (Less): Exchange rate fluctuation on acccount of average rate transferred to currency translation reserve | (0.37) | 0.36 |
| | 21.28 | 23.55 |
| **Opening Inventories** | | |
| Work-in-progress | 10.68 | 24.73 |
| Finished Goods | 12.51 | 13.73 |
| Add : Opening stock adjustment (For current year Star Super Cement Industries LLC acquisition and previous year relates to discontinued operations of Bangladesh units) | - | 2.79 |
| Add / (Less): Exchange rate fluctuation on acccount of average rate transferred to currency translation reserve | 0.44 | (0.72) |
| | 23.63 | 40.53 |
| | 2.35 | 16.98 |

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**UltraTech Cement Middle East Investments Limited**

**Notes to the Condensed Consolidated financial statement**

| Particulars | Period Ended 31/03/2022 | Period Ended 31/03/2021 |
|---|---|---|
| | | Amount in INR Crores |
| **NOTE :29** | | |
| **EMPLOYEE BENEFITS EXPENSE** | | |
| Salaries, Wages and Bonus | **96.61** | 89.41 |
| Contribution to Gratuity Fund | **3.40** | 3.33 |
| Expenses on Employees Stock Options Scheme | **0.60** | 0.27 |
| Staff Welfare Expenses | **2.88** | 3.03 |
| | **103.49** | 96.04 |
| **NOTE :30** | | |
| **FINANCE COSTS** | | |
| Interest Expense: | | |
| On Borrowings | **6.88** | 21.09 |
| Others (Including LC discounting) | **1.51** | 1.14 |
| | **8.39** | 22.23 |
| Other Borrowing Cost (Upfront fee amortisation) | **5.42** | 3.06 |
| Other Borrowing Cost (Lease Liability) | **8.38** | 9.24 |
| | **22.19** | 34.53 |
| **NOTE :31** | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation | **80.05** | 74.65 |
| Amortisation | **3.73** | 3.71 |
| Depreciation on ROU asset | **13.34** | 17.87 |
| | **97.12** | 96.23 |
| **NOTE :32** | | |
| **FREIGHT AND FORWARDING EXPENSE** | | |
| On Finished Products | **94.25** | 53.89 |
| | **94.25** | 53.89 |
| **NOTE :33** | | |
| **OTHER EXPENSES** | | |
| Consumption of Stores, Spare Parts and Components | **28.30** | 28.36 |
| Consumption of Packing Materials | **14.64** | 11.47 |
| Repairs to Plant and Machinery, Building and Others | **24.60** | 22.87 |
| Insurance | **4.97** | 5.15 |
| Rent (including Lease Rent) | **(1.42)** | 0.11 |
| Rates and Taxes | **25.13** | 25.21 |
| Advertisement | **0.52** | 0.19 |
| Sales Promotion and Other Selling Expenses | **0.23** | 0.35 |
| Exchange Loss (net) | **-** | 0.06 |
| Miscellaneous Expenses | **51.91** | 61.59 |
| | **148.88** | 155.36 |

**Note 1(A) Company Overview and Significant Accounting Policies:**

**Company Overview**

UltraTech Cement Middle East Investments Limited (the Holding Company) was formed in Jebel Ali Free Zone pursuant to Jebel Ali Free Zone Authority Offshore Companies Regulations 2003 with limited liability on 20-October-2009 under Registration No 132239. The Holding Company and its subsidiaries are together referred as "the Company".

The Company is engaged in the manufacturing and selling of Cement and Cement related products. The company's holding company is UltraTech Cement Limited, India.

**Significant Accounting Policies**

**(a) Statement of Compliance & Basis of Preparation and Presentation:**

These consolidated financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Group Accounting Policies which are in compliance with the Indian Accounting Standards ("Ind AS").

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on April 25th, 2022.

**(b) Basis of Preparation**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative Financial Instruments measured at fair value
(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
(iii) Assets held for disposal – measured at the the lower of its carrying amount and fair value less costs on disposal of assets and its value in use.
(iv) Employee's Defined Benefit Plan as per actuarial valuation.
(v) Assets and liabilities acquired under Business Combination measured at fair value; and
(vi) Employee share based payment measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Functional and Presentation Currency**

The Financial statements are presented in INR (Rounded off to crores), however UAE dirhams is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

| **Exchange rates adopted** | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Closing Rate | 1 AED = 20.63 INR | 1 AED = 19.91 INR |
| Average Rate | 01/04/2020-31/03/2021 | 01/04/2020-31/03/2021 |
| | 1 AED = 20.28 INR | 1 AED = 20.21 INR |

**Classification of Assets and Liabilities into Current/Non-Current**

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:
(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is expected to realise the asset within twelve months after the reporting period; or
(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

**(c) Property, Plant and Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

PPE are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any.

**(d) Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

**(e) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold Land with indefinite life is not depreciated.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company.

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In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.
Such classes of assets and their estimated useful lives are as under:

| No | Nature | Estimated Useful life |
|---|---|---|
| 1. | Buildings | 3-60 Years |
| 2. | Plant & Equipment | 8-50 Years |
| 3. | Office Equipment | 4-7 Years |
| 4. | Furniture and Fixtures | 7-12 Years |
| 5. | Company Vehicles (other than those provided to the employees) | 5-12 Years |
| 6. | Motor Cars given to the employees as per the Company's Scheme | 4-5 Years |
| 7. | Servers and Networks | 3 Years |
| 8. | Stores and Spares in the nature of PPE | 8-30 Years |
| 9. | Assets individually costing less than or equal to AED 500 (₹10,000) | Fully Depreciated in the year of purchase |

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

**(f) Intangible Assets and Amortisation:**

- **Intangible Assets acquired separately:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

- **Class of intangible assets and their estimated useful lives / basis of amortisation are as under**:

| No | Nature | Estimated Useful life /basis of amortisation |
|---|---|---|
| 1. | Asset not owned by the Company | As per period specified in the agreement |
| 2. | Software | 3 Years |

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

**(g) Non-current assets (or disposal groups) classified as held for sale:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets / Disposal groups held for sale" and

"Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

**(h) Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

**(i) Inventories:**

Inventories are valued as follows:

- **Raw materials, fuel, stores & spares and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

- **Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of Stock-in Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost of inventories is computed on weighted average basis.

- **Waste / Scrap:**

Waste / Scrap inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(j) Employee Share based payments:**

For Stock Appreciation Rights ("SARs") which are cash-settled share-based payments, the fair value of liability is recognised for the services acquired over the period that the employees unconditionally become entitled to the payment. At the end of each reporting period until the liability is settled, and at the date of settlement, the liability is re-measured based on fair value of the SAR's and any changes in fair value of the liability are recognised in the Statement of Profit and Loss.

**(k) Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

**(l) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

**(m) Revenue Recognition:**

- Revenue from Contracts with Customers-Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, and outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch / delivery of goods.

- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

- Interest income is recognised using the Effective Interest Method.

**(n) Lease :**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether
(i) the contract involves the use of identified asset;
(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
(iii) the Company has the right to direct the use of the asset.

**As a lessee**
**The Company recognizes a right-of-use asset ("ROU")** and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

**The lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

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The lease liability is subsequently measured at amortised cost using the effective interest method, except those which are payable other than functional currency which is measured at fair value through Profit or Loss. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

**(o) Employee benefits:**

**Gratuity**

The gratuity, a defined benefit plan, payable to the employees is based on the Employees' service and last drawn salary at the time of the leaving of the services of the Company and is in accordance with the Rules of the Company for payment of Gratuity. Liability with regards to gratuity plan is determined using the projected unit credit method, with actuarial valuations being carried out by a qualified independent actuary at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Other employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**(p) Income Taxes:**

In UAE and Bahrain there is no corporate taxation. Income Tax expenses comprise current tax and deferred tax charge or credit.

**(q) Earnings Per Share:**

Basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(r) Foreign Currency transactions:**

Transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations which are recognised in OCI.

**(s) Foreign operations:**

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated into AED, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AED at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to Statement of Profit and Loss as part of the gain or loss on disposal. If the

Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to Statement of Profit and Loss.

**(t) Financial Instruments:**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged to the Statement of Profit and Loss over the tenure of the financial assets or financial liabilities.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL.
Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on de-recognition is recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company's trade receivables do not contain significant financing component and as per simplified approach, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

**De-recognition of financial assets and financial liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises an associated liability for amounts it has to pay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss.

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**Financial Guarantee Contract Liabilities**

Financial Guarantee Contract Liabilities are disclosed in financial statements in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

**(u) Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**(v) Financial liabilities and equity instruments:**

- **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**(w) Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately excluding derivatives designated as cash flow hedge.

**(x) Hedge accounting:**

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit or Loss in the periods when the hedged item affects the Statement of Profit or Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

**(y) Segment Reporting: Identification of Segments:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**(z) Goodwill:**

Goodwill arising out of Consolidation of financial statements of subsidiaries are tested for impairment at each reporting date.

**(aa) Business Combination:**

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible Assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as bargain purchase.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognises any additional assets or liabilities that are so identified, any gain thereafter is recognised in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the Business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

**(ab) Discontinued Operations:**

A discontinued operation is a component of the Group's business, the operations and cashflows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- Is a part of single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

**Note 1(B) Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(a) Critical judgments in applying accounting policies:**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

**(i) Classification of Lease Ind AS 116:**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(b) Key assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful Lives of Property, Plant & Equipment and Intangible Assets:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**(ii) Impairment of Assets:**

The Company reviews its carrying value of assets annually where there is an indication of impairment by estimating the future economic benefits from using such assets if the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**(iii) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(iv) Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(v) Share-based payments:**

The Company measures the cost of cash-settled transactions with employees using Binomial tree model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 43.

**34) Principles of Consolidation:**

These Consolidated Financial Statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), and "Disclosure of interests in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

**(i) Subsidiaries**

Subsidiaries are entities controlled by the company. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

**(ii) Non-controlling interest (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the company's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**(iii) Loss of control**

When the company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

**(iv) Transactions eliminated on consolidation**

The financial statements of the Company and its Subsidiaries used in the consolidation procedure are drawn upto the same reporting dates i.e. March 31, 2022.

The Consolidated financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra- company balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Company follows uniform accounting policies for like transactions and other events in similar circumstances.

The Consolidated Financial Statements are comprised of the financial statements of the members of the Group as under:

| Name of the Company | Principal Place of Business | % Shareholding and Voting Power | |
|---|---|---|---|
| | | **As at 31 Mar 22** | As at 31 Mar 21 |
| **(A) Subsidiary Companies:** | | | |
| i) Arabian Cement Industry L.L.C.@ | U.A.E | 100% | 100% |
| ii) Star Cement Co. L.L.C., RAK @ | U.A.E | 100% | 100% |
| iii) Star Cement Co. L.L.C., Dubai @ | U.A.E | 100% | 100% |
| iv) Al Nakhla Crusher Co. L.L.C. @ | U.A.E | 100% | 100% |
| v) UltraTech Cement Bahrain Co. WLL ( Formerly known as Arabian Gulf Cement Co. WLL)# | Bahrain | 100% | 100% |
| vi) Star Super Cement Industries LLC (formerly known as Binani Cement Factory LLC) (SSCILLC)@^ | U.A.E | 100% | 100% |
| vii) Binani Cement (Tanzania) Limited* | Tanzania | 100% | 100% |
| viii) BC Tradelink Limited., Tanzania* | Tanzania | 100% | 100% |
| ix) Binani Cement (Uganda) Limited* | Uganda | 100% | 100% |

@ 51% held by nominee as required by local law for beneficial interest of the company
# 1 shares held by nominee for the beneficial interest of the company (to comply with minimum no. of shareholders)
^Subsidiary of UCMEIL w.e.f. November 23, 2020
* Wholly owned subsidiary of SSCILLC. Investment and net assets related to these subsidiaries are completely written off from Group financial information on the date of acquisition. Group is in process to complete the necessary legal formalities for the liquidation of these subsidiaries. Notes on Accounts of the financial statements of the Company and its Subsidiaries are set out in their respective financial statements.

**35) Goodwill on Consolidation:** Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

**36) Contingent Liabilities (to the extent not provided for) (Ind AS 37):**

| | | INR Crores. | |
|---|---|---|---|
| a) | **Claims not acknowledged as debts** | **Mar-22** | Mar-21 |
| i) | Others | 2.24 | 2.64 |

**37) Capital and other commitments:**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) INR 0.97 Crores (previous year INR 6.67 Crores).

**38) Employee Benefits (Ind AS 19):**

**(A) Defined Benefit Plans:**

**(a) Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the Rules of the Company for payment of gratuity.

**Inherent Risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

**in INR Crores**

| SL | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | Gratuity (Others) | Gratuity (Others) |
| | **Change in defined benefit obligation** | | |
| (i) | Balance at the beginning of the year | **27.41** | 22.53 |
| | Related to discontinued operations/Trf on Acquisition | - | 3.13 |
| | Adjustment of: | - | - |
| | Current Service Cost | **2.69** | 2.22 |
| | Past Service cost | - | - |
| | Interest Cost | **0.86** | 1.11 |
| | Actuarial (gains) losses recognised in Other Comprehensive Income: | - | - |
| | - Change in Financial Assumptions | **(0.99)** | 4.90 |
| | - Change in Demographic Assumptions | - | - |
| | - Experience Changes | **0.39** | (1.24) |
| | -Exchange rate variances | **1.00** | (0.84) |
| | Benefits Paid | **(3.44)** | (4.40) |
| | **Balance at the end of the year** | **27.92** | 27.41 |
| (ii) | **Net Asset / (Liability) recognised in the Balance Sheet** | | |
| | Present value of Defined Benefit Obligation | **(27.92)** | (27.41) |
| | **Net Asset / (Liability) in the Balance Sheet** | **(27.92)** | (27.41) |
| (iii) | **Expenses recognised in the Consolidated Statement of Profit and Loss** | | |
| | Current Service Cost | **2.69** | 2.22 |
| | Past Service cost | - | - |
| | Interest Cost | **0.86** | 1.11 |
| | Related to discontinued operations | - | - |
| | **Total Expense** | **3.55** | 3.33 |
| (iv) | **Re-measurements recognised in Other Comprehensive Income (OCI):** | | |
| | Changes in Financial Assumptions | **(0.99)** | 4.90 |
| | Change in Demographic Assumptions | - | - |
| | Experience Adjustments | **0.39** | (1.24) |
| | Related to discontinued operations | - | - |
| | **Amount recognised in Other Comprehensive Income (OCI):** | **(0.60)** | 3.66 |
| (v) | **Maturity profile of defined benefit obligation:** | | |
| | Within the next 12 months | **2.59** | 2.70 |

| SL | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | **Gratuity (Others)** | Gratuity (Others) |
| | Between 1 and 5 years | **5.53** | 4.86 |
| | Between 5 and 10 years | **9.05** | 8.17 |
| | 10 Years and above | **21.76** | 23.83 |
| | **Sensitivity analysis for significant assumptions:*** | | |
| | **Increase/(Decrease) on present value of defined benefits obligation at the end of the year** | | |
| | 1% increase in discount rate | **(2.48)** | (2.52) |
| | 1% decrease in discount rate | **2.89** | 2.95 |
| | 1% increase in salary escalation rate | **2.86** | 2.91 |
| | 1% decrease in salary escalation rate | **(2.51)** | (2.53) |
| | 1% increase in employee turnover rate | **0.13** | (0.06) |
| | 1% decrease in employee turnover rate | **(0.16)** | 0.19 |
| **(vi)** | **The major categories of plan assets as a percentage of total plan** | | |
| | Insurer Managed Funds | | |
| | **Total** | | |
| **(vii)** | **Actuarial Assumptions:** | | |
| | Discount Rate (p.a.) | **2.72%-5.38%** | 2.76%-5.63% |
| | Turnover Rate | **2.00%-3.15%** | 2.00%-3.15% |
| | Mortality tables | UK Mortality Table AM92 [UK] | UK Mortality Table AM92 [UK] |
| | Salary Escalation Rate (p.a.) | **2.50%-3.00%** | **3.00%-5.00%** |
| | **Retirement age :** | | |
| | Management - | **60** | **60** |
| | Non-Management- | **58** | **58** |
| **(viii)** | **Weighted Average duration of Defined benefit obligation** | **7.88-12.86** | **7.73-14.27** |

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

**(ix) Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors.

**(A)** Amount recognised as an expense in respect of Compensated Absences is **INR 1.20 Crores**. (Previous Year INR 0.92 Crores.)
**(B)** Amount recognised as expense for other long term employee benefits is **INR 3.54 Crores.** (Previous Year INR 3.33 Crores)

**39) Segment Reporting (Ind AS 108):**

The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable segments applicable to the company. The Company's revenue from continuing operations from external

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customers by location of operations and information about its non-current assets by location of assets are detailed below.

**Amount in INR Crores**

| Particulars | Revenue from External Customers | | Non-Current Assets | |
|---|---|---|---|---|
| | **Year Ended** | Year Ended | **As at** | As at |
| | **31-March-22** | 31-Mar-21 | **31-March-22** | 31-Mar-21 |
| UAE (Country of Domicile) | **949.74** | 817.56 | **2,212.67** | 2,220.68 |
| Others | **510.88** | 323.12 | **244.71** | 245.93 |
| **Total** | **1,459.82** | 1,140.68 | **2,457.38** | 2,466.61 |

**40) Related party disclosures (Ind AS 24):**

**Names of Related Parties with whom transactions were carried out during the period:**

| Name of Related Party | Relationship |
|---|---|
| Ultra Tech Cement Limited | Holding Company |
| PT UltraTech Mining Indonesia | Fellow Subsidiary |
| Star Super Cement Industries LLC | Fellow Subsidiary |
| UltraTech Cement Lanka (Pvt.) Ltd. | Holding Company`s Subsidiary |
| Mr. Pramod Rajgaria | Key Management Personnel (KMP) |
| Mr. Nilesh Garg | Key Management Personnel (KMP) |

**a) The following transactions were carried out with the related parties in the ordinary course of business:**

**Amount in INR Crores**

| Nature of Transactions/ Relationship | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **Sale of Goods:** | | |
| Star Super Cement Industries LLC (1st Apr 20-30th Nov 20) | - | 93.77 |
| UltraTech Cement Lanka (Pvt.) Ltd. | **156.80** | 5.99 |
| **Purchase of Goods:** | | |
| Star Super Cement Industries LLC (1st Apr 20-30th Nov 20) | - | 13.62 |
| **Recharge of Expenses:** | | |
| Ultra Tech Cement Limited | - | - |
| **Finance Charges payable** | | |
| Parent Company (UltraTech Cement Ltd) | **1.18** | 1.12 |
| **Rendering of Services:** | | |
| Star Super Cement Industries LLC (1st Apr 20-30th Nov 20) | **0.68** | 0.68 |
| **Receiving of Services:** | | |
| KMP | **4.07** | 3.50 |

**b) Outstanding balances:**

| Nature of Transactions/ Relationship | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Trade Receivable:** | | |
| Holding Company`s Subsidiary (Star Super Cement Industries LLC) | - | - |
| UltraTech Cement Lanka (Pvt.) Ltd. | **82.80** | 5.90 |
| **Long Term Borrowings** | | |
| Non-Convertible Redeemable preference shares: | | |
| Parent company : UltraTech Cement Limited | **1,061.09** | 1,023.55 |

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| Nature of Transactions/ Relationship | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **Other Financial Liabilities:** | | |
| Parent Company (UltraTech Cement Ltd) | **1.18** | 1.13 |
| Fellow Subsidiary (PT UltraTech Cement Indonesia) | **3.41** | 3.26 |

**c) Compensation of key management personnel of the Company:**

**Amount in INR Crores**

| | Year Ended | |
|---|---|---|
| **Nature of Transactions/ Relationship** | **March 31, 2022** | March 31, 2021 |
| Short-term employee benefits | **0.67** | 0.83 |
| Other Long term benefits | **-** | 0.13 |
| **Total** | **0.67** | 0.96 |

**Terms and Conditions of transactions with Related Parties:**

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the ~~year~~ end of the period are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**41) Earnings per Share (EPS) (Ind AS 33):**

**Amount in INR Crores**

| Particulars | Year Ended | |
|---|---|---|
| | **March 31, 2022** | March 31, 2021 |
| **(A) Basic EPS:** | | |
| (i) Net Profit attributable to Equity Shareholders from Continuing Operations | **91.72** | 90.62 |
| (ii) Net Profit attributable to Equity Shareholders from Discontinued Operations | **-** | - |
| **Net Profit attributable to Equity Shareholders (i+ii)** | **91.72** | 90.62 |
| (iii) Weighted average number of Equity Shares outstanding (Nos.) | **34,369,140** | 29,875,594 |
| **Basic EPS-Continuing operations(in AED) (i)/(iii)** | **26.69** | 30.33 |
| **Basic EPS-Discontinued operations(in AED) (ii)/(iii)** | **-** | - |
| **Basic EPS-Continuing & Discontinued operations(in AED) (i+ii)/(iii)** | **26.69** | 30.33 |
| **(B) Diluted EPS:** | | |
| (i) Weighted average number of Equity Shares Outstanding(Nos.) | **34,369,140** | 29,875,594 |
| (ii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (Nos.) | **34,369,140** | 29,875,594 |
| **Diluted EPS-Continuing operations(in AED) (A)(i)/(iii)** | **26.69** | 30.33 |
| **Diluted EPS-Discontinued operations(in AED) (A)(i)/(iii)** | **-** | - |
| **Diluted EPS-Continuing & Discontinued operations(in AED) (A)(i)/ (iii)** | **26.69** | 30.33 |

**42) Auditors' remuneration including remuneration for Subsidiaries' Auditors (excluding VAT) and expenses:**

**Amount in INR Crores**

| **Particulars** | **Year Ended** | |
|---|---|---|
| | **March 31, 2022** | March 31, 2021 |
| **(a) Statutory Auditors:** | | |
| Audit fees (including quarterly Limited Review) | **1.13** | 1.05 |
| Fees for other services | **0.07** | 0.09 |
| Tax audit fees | **0.07** | 0.07 |

**43) Employee Share based payment**

The Company has granted __ options (including Restricted Stock units) to its eligible employees in various ESOS Schemes, details are as under:

**(A)** Employee Stock Option Scheme (ESOS 2018) including Stock options, Restricted Stock Units (RSU) and Stock Appreciation Rights Scheme–2018 (SAR 2018) including Stock options and RSU

| **Particulars** | **Tranche I (SAR, 2018)** | | **Tranche II (SAR, 2018)** | | |
|---|---|---|---|---|---|
| | **RSU** | **Stock Options** | **RSU-FY22 Plan** | **RSU-FY21 Plan** | **Stock Options** |
| Nos. of Options | 1,084 | 3,924 | 159 | 320 | 1,398 |
| Vesting Plan | 100% on 18.12.2021 | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 22.07.2024 | Graded Vesting - 50% every year after completion of 1 year from date of grant | Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period | 3 Years from the date of Vesting | 3 Years from the date of Vesting | 3 Years from the date of Vesting | 3 Years from the date of Vesting | 3 Years from the date of Vesting |
| Grant Date | 18.12.2018 | 18.12.2018 | 22.07.2021 | 22.07.2021 | 22.07.2021 |
| Exercise Price (in INR per share) | 10 | 4,009.30 | 10 | 10 | 7,424.70 |
| Fair Value on the date of Grant of Option (in INR per share) | 3,946.28 | 1,538.93 | 6,836.65 | 7,160.13 | 1,386.90 |
| Method of Settlement | Cash | Cash | Cash | Cash | Cash |

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**(B) Movement of Options Granted including RSU along with weighted average exercise price (WAEP):**

The Company has granted 1,877 SAR to its employees during the previous year with a weighted average exercise price of INR 5,532.51 per share and weighted average fair value of INR 2,832.79 per share. The weighted average remaining contractual life for SAR is 2.87 years.

**(C) Fair Valuation:**

The fair value of options has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model/ Binomial Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

**(a) For ESOS – SAR 2018:**

| | | |
|---|---|---|
| 1 | Risk Free Rate | 5.31% (Tranche II) |
| 2 | Option Life | (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU under FY21 plan – Vesting period (2 Years) + Average of exercise for other RSU-Vesting period (3 years)+ Average of exercise period |
| 3 | Expected Volatility* | Tranche-II: 0.25, |
| 4 | Dividend Yield | Tranche -II: 0.19% |

The Key assumptions in the Binomial Tree Model for calculating fair value as on the date of grant:

**(b) For ESOS – SAR 2018:**

| | | |
|---|---|---|
| 1 | Risk Free Rate | 7.47% (Tranche I) |
| 2 | Option Life | (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU-Vesting period (3 years) + Average of exercise period |
| 3 | Expected Volatility* | Tranche-I: 0.24, |
| 4 | Dividend Yield | Tranche -I: 0.46% |

*Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSU's up to the date of grant.

**(D) Details of Liabilities arising from Company's cash settled share based payment transactions:**

**Amount in INR Crores**

| **Particulars** | **March 31, 2022** | March 31, 2021 |
|---|---|---|
| Other non-current liabilities | **0.47** | 0.60 |
| Other current liabilities | **0.54** | 0.20 |
| Total carrying amount of liabilities | **1.01** | 0.80 |

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**44) A) Classification of Financial Assets and Liabilities (Ind AS – 107):**

**Amount in INR Crores**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets at Amortised cost** | | | | |
| Investments (non-current) | 0.28 | 0.28 | 0.27 | 0.27 |
| Trade receivables | 511.92 | 511.92 | 370.81 | 370.81 |
| Loans | 13.56 | 13.56 | 12.98 | 12.98 |
| Cash and bank balances | 41.35 | 41.35 | 66.66 | 66.66 |
| Other Financial Asset | 144.79 | 144.79 | 138.07 | 138.07 |
| **Total** | **711.90** | **711.90** | **588.79** | **588.79** |
| **Financial liabilities at amortised cost** | | | | |
| Foreign Currency Borrowings | 1,061.09 | 1,061.09 | 1,316.00 | 1,316.00 |
| Cash Credits/Working Capital Borrowing | 303.59 | 303.59 | 0.84 | 0.84 |
| Trade payables | 400.02 | 400.02 | 200.33 | 200.33 |
| Other financial liabilities | 14.76 | 14.76 | 393.68 | 393.68 |
| **Fair Value Hedging Instruments:** | | | | |
| Derivative Liability | 0.34 | 0.34 | 3.78 | 3.78 |
| **Total** | **1,779.80** | **1,779.80** | **1,914.63** | **1,914.63** |

**B) Fair Value Measurements (Ind AS 113):**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

The company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

**in INR Crores**

| Particulars | Fair Value | |
|---|---|---|
| | **As at March 31, 2022** | As at March 31, 2021 |
| **Fair value Hedge Instruments** | | |
| Derivative liability – Level 2 | **0.34** | 3.78 |

The management assessed that the carrying amounts of cash and bank balances, trade receivables, loans, trade payables, cash credits, commercial papers and other financial assets and liabilities approximate their fair values largely due to the short-term maturities of these instruments.
The following methods and assumptions were used to estimate the fair values:

(a) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor.

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(b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

**Financial Risk Management Objectives (Ind AS 107):**

The company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments such as foreign exchange forward contracts, foreign currency option contracts, principal only swaps, cross currency swaps that are entered to hedge foreign currency risk exposure, interest rate swaps to hedge variable interest rate exposure and commodity fixed price swaps to hedge commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

**The several sources of risks which the company is exposed to and their management are given below:**

| Risk | Exposure Arising From | Measurement | Management |
|---|---|---|---|
| **Foreign Currency Risk** | Committed commercial transaction<br>Financial asset and Liabilities not denominated in AED &USD | Cash Flow Forecasting<br>Sensitivity Analysis | (a)Forward foreign exchange contracts<br>(b)Foreign currency options<br>(c)Principal only/Currency swaps |
| **Interest Rate Risk** | Long Term Borrowings at variable rates | Sensitivity Analysis, Interest rate movements | (a)Interest Rate swaps |
| **Credit Risk** | Trade receivables, Investments, Derivative financial instruments, Loans and Bank balances | Ageing analysis, Credit Rating | (a)Credit limit & credit worthiness monitoring,<br>(b)Criteria based approval process |
| **Liquidity Risks** | Borrowings, Other Liabilities and liquid investments | Rolling cash flow forecasts<br>Broker Quotes | (a)Adequate unused credit lines and borrowing facilities |
| **Commodity Price Risk** | Movement in prices of commodities mainly Imported Thermal Coal and pet coke | Sensitivity Analysis, Commodity price tracking | (a)Commodity Fixed Prices<br>(b)Swaps/Options |

**I) Market Risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

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**A) Foreign Currency Risk:**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of fuels, raw materials & spare parts, capital expenditure, exports of cement and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk.

**Amount in INR Crores**

| Outstanding foreign currency exposure as at : | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Borrowings** | **Nil** | Nil |

**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the company's short term borrowing (excluding commercial paper) with floating interest rates. For all long-term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**Interest rate exposure:**

**Amount in INR Crores**

| Particulars | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Non-Interest bearing borrowings |
|---|---|---|---|---|
| AED | 303.59 | 303.59 | - | - |
| USD | 1,061.09 | - | 1,061.09 | - |
| BHD | - | - | - | - |
| **Total as at March 31, 2022** | **1,364.68** | **303.59** | **1,061.09** | **-** |
| AED | - | - | - | - |
| USD | 1,535.34 | - | 1,535.34 | - |
| BHD | 0.84 | 0.84 | - | - |
| **Total as at March 31, 2021** | **1,536.18** | **0.84** | **1,535.34** | **-** |

Note: Interest rate risk hedged for FCY borrowings has been shown under Fixed Rate borrowings.

**Interest rate sensitivities for unhedged exposure (impact of increase in 100 bps):**

**Amount in INR Crores**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| AED | - | - |
| BHD | **(0.01)** | (0.01) |

Note: If the rate is decreased by 100 bps profit will increase by an equal amount

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Interest rate sensitivity has been calculated assuming the borrowings outstanding at reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowing have been done on the notional value of the foreign currency (excluding the revaluation).

**Forward Exchange and Interest Rates Swaps Contracts:**

**(A) Derivatives for hedging interest rates, outstanding are as under:**

**Amount in INR Crores**

| Particulars | Purpose | Currency | **As at March 31, 2022** | As at March 31, 2021 | Cross Currency |
|---|---|---|---|---|---|
| Other Derivatives: | | | | | |
| Interest Rate Swap (IRS) | ECB* | USD | **303.17** | 511.78 | AED |

*External Commercial Borrowings

Interest rates outstanding receive fixed and pay floating contracts:

**Amount in INR Crores**

| **Particulars** | **As at** | **Average contracted fixed interest rates** | **Nominal Amount** | **Fair Value Assets (Liabilities)** |
|---|---|---|---|---|
| **Less than 1 year** | **March 31,2022** | 1.0397% | **303.17** | **(0.34)** |
| Less than 1 year | March 31,2021 | 1.0397% | 219.33 | (1.62) |
| 1 to 2 years | March 31, 2021 | 1.0397% | 292.45 | (2.16) |

**Recognition of gains / (losses) under forward exchange & interest rates swaps contracts designated under cash flows hedges:**

**Amount in INR Crores**

| **Particulars** | **As at March 31,2022** | | As at March 31,2021 | |
|---|---|---|---|---|
| | **Effective Hedge (OCI)** | **Ineffective Hedge (Profit and Loss)** | Effective Hedge (OCI) | Ineffective Hedge (Profit and Loss) |
| (Loss)/Gain | **3.52** | | (2.15) | |

**II) Credit Risk Management:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks/Financial Institutions, mutual fund investments, and investments in debt securities, foreign exchange transactions and financial guarantees. The company has no significant concentration of credit risk with any counterparty.

**Trade receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee / letter of credit or security deposits.

Total Trade receivables as on March 31, 2022 is **INR 511.92 Crores** (March 31, 2021 INR 370.81 Crores). The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in sales **7.94 %** (Previous Year 8.84%) and in receivables **3.54%** (Previous Year 6.84%).

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

As per policy the provision for impairment loss is calculated on different buckets based on weighted average loss rates. Loss rates are based on actual credit loss experienced over the past 3 years.

**Amount in INR Crores**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Opening provision** | **64.11** | 1.68 |
| Add: on Account of Star Super Acquisition | - | 50.16 |
| Add: Provided during the year | **1.25** | 12.96 |
| Less: Utilised during the year | **(5.51)** | - |
| Less : FCTR | **(2.35** | (0.69) |
| **Closing Provision** | **62.20** | 64.11 |

**Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit**

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.
Credit Risk on Derivative Instruments is generally low as Group enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Total Non-current and current investments as on March 31, 2022 is **INR 0.28 Crores.** (March 31, 2021 INR 0.27 Crores.)

**Financial Guarantees:**

The Company has net exposure of INR **7.31** Crores, (Previous Year INR 7.31 Crores).

**Liquidity risk management:**
Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows.
The table below provides details regarding the remaining contractual maturities of financial liabilities and investments held for managing the risk at the reporting date based on contractual undiscounted payments.

**Amount in INR Crores**

| As at March 31, 2022 | Less than 1 year | 1 to 5 Years | More than 5years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities of long-term debts) | 303.59 | 1,061.09 | - | **1,364.68** |
| Trade payables | 400.02 | - | - | **400.02** |
| Interest accrued but not due on borrowings | 0.03 | - | - | **0.03** |
| Other financial liabilities | 19.38 | 136.06 | - | **155.44** |
| Derivative Liability | 0.34 | - | - | **0.34** |

**Amount in INR Crores**

| As at March 31, 2021 | Less than 1 year | 1 to 5 Years | More than 5years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities of long-term debts) | 220.18 | 1,316.00 | - | 1,536.18 |
| Trade payables | 200.33 | - | - | 200.33 |
| Interest accrued but not due on borrowings | 0.05 | - | - | 0.05 |
| Other financial liabilities | 18.03 | 87.16 | 140.15 | 245.34 |

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| As at March 31, 2021 | Less than 1 year | 1 to 5 Years | More than 5years | Total |
|---|---|---|---|---|
| Derivative Liability | 3.78 | - | - | 3.78 |

**45) Capital Management (Ind AS 1):**

Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits for other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital

- For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holdersmonitors capital using debt-equity ratio, which is total debt less related fixed deposits divided by total equity.

**Amount in INR Crores**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total Debt | **1,364.68** | 1,536.18 |
| Equity | **1,411.08** | 1,267.07 |
| Liquid Investments and Bank Deposits | **34.10** | 51.17 |
| **Debt to Equity (Net)** | **0.94** | 1.17 |

**46) Assets/Disposal Group held for Sale (Ind AS 105):**

The company has identified one of the assets "Waste Heat Recovery System" (WHRS) which is not useful anymore as it is not productive and not giving the desired result. The realizable value after considering the impairment, scrap and dismantling cost is reclassified as assets for disposal. The company is in the process of discussion with vendors and contractor and expects the same to be disposed off within the due course.

As regards to the subsidiaries classified as Asset held for disposal refer note 32

**47)** The Company is primarily in the Business of manufacture and sale of cement and cement related products. The product shelf life being short all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which are typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. The Company does not give significant credit period resulting in no significant financing component. The Company, however, has a policy for replacement of the damaged goods.

**(A) Reconciliation of revenue recognised from Contract liability:**

**Amount in INR Crores**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Closing Contract liability-Advance from Customers | **0.94** | **0.98** |

**(B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:**

**Amount in INR Crores**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Revenue as per Contract price | **1,484.40** | 1,158.24 |
| Less: Discounts and incentives | **(24.58)** | (17.56) |
| Revenue as per statement of profit and loss | **1,459.82** | 1,140.68 |

**48)** Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosure.

**49)** The current outbreak of the novel coronavirus ("COVID-19") has caused severe disruptions in the Indian and global economy.

The global impact of the outbreak continues, with many countries instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential

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businesses. Such actions adversely impacted many industries, including ours, resulting in a period of business disruption for our manufacturing operations and supply chains, as well as severe declines in demand for construction more generally.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the future severity and transmission rate of the virus, the extent and effectiveness of containment actions, including new-found vaccines, and the timing and scale of their implementation, and the impact of these and other factors on our employees, customers, suppliers and partners.

The Company expects to recover the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material changes in future economic conditions.

**Signatures to Note '1' to '49'** **For and on behalf of the Board**

**In terms of our reports attached.**

**Dubai, April 25th ,2022**

**Director** **Director**

**PT UltraTech Investments Indonesia and Subsidiary - Consolidated Financial Statements**

## BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Crores

| Particulars | Note | As at Mar 31, 2022 | | As at Mar 31, 2021 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| **Current Assets** | | | | | |
| Cash and cash equivalents | 2 | - | | 0.10 | |
| Loans | 3 | 3.14 | | 2.87 | |
| Other financial assets | 4 | 0.42 | 3.56 | 0.21 | 3.18 |
| **Total** | | | 3.56 | | 3.18 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity Share Capital | 5 | 10.52 | | 9.68 | |
| Other Equity | 6 | (7.05) | 3.47 | (6.47) | 3.21 |
| **Minority Interest** | | | (0.07) | | (0.07) |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Other Current Liabilities | 7 | 0.16 | | - | |
| Current Tax Liabilities | 8 | - | 0.16 | 0.04 | 0.04 |
| **Total** | | | 3.56 | | 3.18 |

**Accounting Policies** 1

**Accompanying Notes are integral part of Consolidated Financial Statements**

Date: April 20, 2022
Mumbai

**Authorised Signatory**
**M B Agarwal**

**PT UltraTech Investments Indonesia and Subsidiary - Consolidated Financial Statements**

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MAR 31, 2022

Rs. in Crores

| | Note | Apr 21 - Mar 22 | Apr 20 - Mar 21 |
|---|---|---|---|
| **Revenue** | | | |
| Other Income | 9 | 0.26 | - |
| **Total Income (I)** | | 0.26 | - |
| | | | |
| **Expenses** | | | |
| Other Expenses | 10 | 0.28 | - |
| **Total Expenses (II)** | | 0.28 | - |
| | | | |
| **Profit / (Loss) before Interest, Depreciation and Tax (PBIDT) (I)-(II)** | | (0.02) | - |
| Depreciation and Amortization expenses | | - | - |
| **Profit / (Loss) before Tax** | | (0.02) | - |
| Tax Expenses | | - | - |
| **Profit / (Loss) After Tax** | | (0.02) | - |
| | | | |
| **Minority Interest** | | - | - |
| | | | |
| **Profit / (Loss) after Minority interest** | | (0.02) | - |

Date: April 20, 2022
Mumbai

**Authorised Signatory**
**M B Agarwal**

**Note 1**

**Significant Accounting Policies:**

**(a) Basis of Accounting:**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with Financial Reporting Controls Manual of UltraTech Cement Limited.

**(b) Use of estimates:**

The preparation of financial statements in conformity with Financial Reporting Controls Manual of UltraTech Cement Limited requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reported period and the disclosures relating to contingent liabilities as of the date of the financial statements. Any revision to accounting estimates is recognized prospectively in the current and future periods. Difference between actual results and estimates are recognized in the period in which the results are known or materialise.

**(c) Property, Plant and Equipments**

Fixed assets, whether tangible or intangible, are stated at cost less accumulated depreciation / impairment loss (if any), net of Modvat / Cenvat (wherever claimed). The cost of fixed assets includes taxes, duties, freight and other incidental expenses (including borrowing cost, if capitalisation criteria are met ) incurred in relation to their acquisition and bringing the assets for their intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Fixed Assets held for disposal are stated at lower of net book value and net realizable value.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of equipment. The estimated useful lives are as follows :

| | **Years** |
|---|---|
| Buildings | 30 |
| Vehicles | 5 |
| Computer and Office equipment | 3-4 |
| Furniture and Fixtures | 7 |

**(d) Treatment of expenditure during construction period:**

Expenditure / Income, during construction period is included under Capital-Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of their construction.

**(e) Foreign Currency Transactions:**

The assets and liabilities, both monetary and non-monetary, of the foreign entity should be translated at closing rate. Income and expense items of the foreign entity should be translated at exchange rates at the dates of the transactions (a rate that approximates the actual exchange rates, for example, an average rate for the period may also be used). All resulting exchange differences should be classified as equity until the disposal of the net investment.

**(f) Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment loss recognised for the asset no longer exists or has been decreased.

**(g) Revenue Recognition:**

Interest income is recognized on accrual basis.

**(h) Provisions:**

Provisions are recognised when there is a present obligation as a result of past events 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

**(i) Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

**PT UltraTech Investments Indonesia and Subsidiary - Consolidated Financial Statements**

## Notes

Rs.in Crores

| | | As at Mar 31, 2022 | | As at Mar 31, 2021 |
|---|---|---|---|---|
| **NOTE 2** | | | | |
| **CASH AND CASH EQUIVALENTS** | | | | |
| Balance with banks | | - | | 0.10 |
| | | - | | 0.10 |
| **NOTE 3** | | | | |
| **LOANS** | | | | |
| **Loans to Related parties** | | | | |
| Intercoporate Deposits - Star Cement | | 3.14 | | 2.87 |
| Other advances | | - | | - |
| | | 3.14 | | 2.87 |
| **NOTE 4** | | | | |
| **OTHER FINANCIAL ASSETS** | | | | |
| **Current** | | | | |
| Intrest Acrrued on ICD | | 0.42 | | 0.21 |
| | | 0.42 | | 0.21 |
| **NOTE 5** | | | | |
| **Equity Share Capital** | | | | |
| Paid up capital | 9.68 | | 8.90 | |
| Paid in capital | 0.84 | 10.52 | 0.78 | 9.68 |

**NOTE 6**

**RESERVES AND SURPLUS**

| Particulars | Retained Earnings Mar 31, 2022 | Retained Earnings Mar 31, 2021 |
|---|---|---|
| **Opening Balance as at 01.04.2021** | **(6.47)** | **(6.47)** |
| **Currency Translation reserve** | (0.56) | |
| Addition during the period | (0.02) | |
| **Closing Balance as at 31.03.2022** | **(7.05)** | **(6.47)** |

| | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **NOTE 7** | | |
| **Other Current Liabilities** | | |
| Others (provison for expenses) | 0.16 | - |
| | 0.16 | - |

**PT UltraTech Investments Indonesia and Subsidiary - Consolidated Financial Statements**

## Notes

Rs. in Crores

| | Apr 21 - Mar 22 | Apr 20 - Mar 21 |
|---|---|---|
| **NOTE 8** | | |
| **Current Tax Liabilities** | | |
| Provision for tax | - | 0.04 |
| | - | 0.04 |
| **NOTE 9** | | |
| **OTHER INCOME** | | |
| **Interest Income on** | | |
| Bank and Other Accounts | 0.18 | - |
| Other income | 0.06 | - |
| Exchange Gain (net) | 0.02 | - |
| | 0.26 | - |
| **NOTE 10** | | |
| **OTHER EXPENSES** | | |
| Consulting Charges | 0.28 | - |
| Exchange Gain (net) | - | - |
| Miscellaneous Expenses | - | - |
| | 0.28 | - |

### 11. Related Party Transaction

₹ in crores

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| **(a) Interest Income in ICD:** | | |
| Star Cement LLC, RAK | - | - |
| **(b) Inter Corporate Deposit:** | | |
| Star Cement LLC, RAK | 3.14 | 2.87 |
| **(C) Interest on ICD receivable:** | | |
| Star Cement LLC, RAK | 0.42 | 0.21 |

Mumbai, April 20, 2022

Authorised Signatory
M B Agarwal

**PT UltraTech Mining Indonesia**

## BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Crores

| Particulars | Note | As at Mar 31, 2022 | | As at Mar 31, 2021 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Financial assets - Others | 2 | | - | | 0.50 |
| **Current Assets** | | | | | |
| Cash and cash equivalents | 3 | - | | 0.04 | |
| Financial assets - Others | 4 | - | - | 0.04 | 0.08 |
| **Total** | | | - | | 0.58 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity Share Capital | 5 | 5.78 | | 5.32 | |
| Other Equity | 6 | (6.07) | -0.29 | (5.05) | 0.27 |
| **Share Application Money Pending Allotment** | 7 | | 0.29 | | 0.31 |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Other liabilities | 8 | | - | | - |
| **Total** | | | - | | 0.58 |

**Accounting Policies** 1

**Accompanying Notes are integral part of Financial Statements**

Date : April 20, 2022
Mumbai

**Authorised Signatory**
**M B Agarwal**

**PT UltraTech Mining Indonesia**

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

Rs. in Crores

| | Note | Apr 21 - Mar 22 | Apr 20- Mar 21 |
|---|---|---|---|
| **Revenue** | | | |
| Other Income | 9 | - | - |
| **Total Income (I)** | | - | - |
| **Expenses** | | | |
| Other Expenses | 10 | 0.58 | - |
| **Total Expenses (II)** | | 0.58 | - |
| **Profit before Interest, Depreciation and Tax (PBIDT) (I)-(II)** | | (0.58) | - |
| **Profit before Tax** | | | |
| Tax Expenses | | | |
| **Profit After Tax** | | (0.58) | - |
| **Earnings Per Equity Share** | | | |
| **Basic (in ₹)** | | (4.47) | - |

Date : April 20, 2022
Mumbai

**Authorised Signatory**
**M B Agarwal**

**Note 1**

**Significant Accounting Policies:**

**(a) Basis of Accounting:**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with Financial Reporting Controls Manual of UltraTech Cement Limited.

**(b) Use of estimates:**

The preparation of financial statements in conformity with Financial Reporting Controls Manual of UltraTech Cement Limited requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reported period and the disclosures relating to contingent liabilities as of the date of the financial statements. Any revision to accounting estimates is recognized prospectively in the current and future periods. Difference between actual results and estimates are recognized in the period in which the results are known or materialise.

**(c) Property, Plant & Equipment**

Fixed assets, whether tangible or intangible, are stated at cost less accumulated depreciation/impairment loss (if any), net of Modvat/Cenvat (wherever claimed). The cost of fixed assets includes taxes, duties, freight and other incidental expenses (including borrowing cost, if capitalisation criteria are met) incurred in relation to their acquisition and bringing the assets for their intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Fixed Assets held for disposal are stated at lower of net book value and net realizable value.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of equipment. The estimated useful lives are as follows :

| | **Years** |
|---|---|
| Buildings | 30 |
| Vehicles | 5 |
| Computer and Office equipment | 3-4 |
| Furniture and Fixtures | 7 |

**(d) Treatment of expenditure during construction period:**

Expenditure/Income, during construction period is included under Capital-Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of their construction.

**(e) Foreign Currency Transactions:**

The assets and liabilities, both monetary and non-monetary, of the foreign entity should be translated at closing rate. Income and expense items of the foreign entity should be translated at exchange rates at the dates of the transactions (a rate that approximates the actual exchange rates, for example, an average rate for the period may also be used). All resulting exchange differences should be classified as equity until the disposal of the net investment.

**(f) Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment loss recognised for the asset no longer exists or has been decreased.

**(g) Revenue Recognition:**

Interest income is recognized on accrual basis.

**(h) Provisions:**

Provisions are recognized when there is a present obligation as a result of past events 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

**(i) Mines Restoration Expenditure:**

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

**(j) Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

**(k) Operating lease:**

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Profit and Loss Account.

## PT UltraTech Mining Indonesia

## Notes

Rs. in Crores

| | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **NOTE 2** | | |
| **FINANCIAL ASSESTS - OTHERS** | | |
| Fixed Deposits with Banks* | | |
| Maturity more than 12 months | - | 0.55 |
| | - | 0.55 |
| * Lodged as Security with Government departments. | | |
| **NOTE 3** | | |
| **CASH AND CASH EQUIVELANTS** | | |
| Balance with banks | - | 0.04 |
| | - | 0.04 |
| **NOTE 4** | | |
| **FINANCIAL ASSETS - OTHERS** | | |
| **Current** | | |
| Dues from Share holders | | |
| - PT Bukit Sewu | - | 0.05 |
| | - | 0.05 |
| **NOTE 5** | | |
| **EQUITY SHARE CAPITAL** | | |
| **Authorised** | | |
| 3,750,000 Equity shares of IDR 8,923/- each | 17.67 | 17.67 |
| **Issued, Subscribed and Paid-up** | | |
| Issued and subscribed and paid up 1,298,775 Equity shares of IDR 8,923/- each | 5.78 | 5.78 |

**NOTE 6**
**OTHER EQUITY**

| Particulars | Retained Earnings FY22 | Retained Earnings FY21 |
|---|---|---|
| **Opening Balance** | **(5.05)** | **(5.05)** |
| **Currencly Trnaslation reseve** | **(0.44)** | **-** |
| Profit for the year | (0.58) | 0.00 |
| **Closing Balance** | **(6.07)** | **(5.05)** |

## PT UltraTech Mining Indonesia

## Notes

**Rs. in Crores**

| | As at Mar 31, 2022 | As at Mar 31, 2021 |
|---|---|---|
| **NOTE 7** | | |
| **SHARE APPLICTION MONEY** | | |
| PT Bukit Sewu | **0.29** | **0.34** |
| | **0.29** | **0.34** |
| **NOTE 8** | | |
| **Other Current liabilities** | | |
| Others | - | - |
| | - | - |

| | Apr 21 - Mar 22 | Apr 20 - Mar 21 |
|---|---|---|
| **NOTE 9** | | |
| **OTHER INCOME** | | |
| **Interest Income on** | | |
| Bank and Other Accounts | | - |
| Exchange Gain (net) | | - |
| | - | - |
| **NOTE 10** | | |
| **OTHER EXPENSES** | | |
| Consulting charges | **0.04** | - |
| Seriosness Gurantee Deposit written off | **0.54** | - |
| Miscellaneous Expenses | - | - |
| | **0.58** | - |

**PT UltraTech Mining Indonesia**

## Notes to financial statements for the year ended 31st March 2022

### 11. Earning per Share (EPS):

₹ in Crores

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| (A) Basic EPS: | | |
| (i) Net Profit attributable to Equity Shareholders | (0.58) | Nil |
| (ii) Weighted average number of Equity Shares outstanding (Nos.) | 1,298,775 | 1,298,775 |
| Basic EPS (i)/(ii) (In Rupee per share) | **(4.47)** | Nil |

Mumbai, April 20, 2022

**Authorized Signatory**

**M B Agarwal**