Shiva Cement Limited

CIN L26942OR1985PLC001557

BALANCE SHEET

As at 31.03.2022

		Particulars	Note No.	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
I		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	4	9,875.96	11,794.32
		(b) Capital work-in-progress	5	46,001.05	2,927.18
		(c) Right of Use	6	138.45	140.41
		(d) Intangible assets	7	1,202.47	886.38
		(e) Intangible assets under development	8	357.79	187.96
		(f) Financial assets			
		(i) Other financial assets	9	3,467.32	10.80
		(g) Income tax assets (net)	10	36.91	23.58
		(h) Deferred tax assets (net)	10A	4,813.63	3,916.16
		(i) Other non-current assets	11	13,412.40	7,318.58
		Total Non-current assets		79,305.98	27,205.37
	2	Current assets			
		(a) Inventories	12	1,133.55	1,189.71
		(b) Financial assets			
		(i) Trade receivables	13	2.50	188.47
		(ii) Cash and cash equivalents	14	434.33	72.43
		(iii) Bank balance other than (ii) above	15	896.96	724.47
		(iv) Other financial assets	9	85.38	35.46
		(c) Other current assets	11	7,977.03	774.24
		Total Current assets		10,529.75	2,984.78
		Total Assets		89,835.73	30,190.15
II		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	16	3,900.00	3,900.00
		(b) Other equity	17	(8,172.13)	(5,626.96)
		Total equity		(4,272.13)	(1,726.96)
		Liabilities			
	2	Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	18	66,001.03	24,175.08
		(ii) Lease liabilities	19	4.61	4.61
		(b) Provisions	20	1,015.76	594.24
		Total Non-current liabilities		67,021.40	24,773.93
	3	Current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	18	14,175.09	474.96
		(ii) Lease liabilities	19	0.50	0.50
		(iii) Trade payables			
		I. total outstanding dues of micro enterprises and small enterprises	21	-	1.75
		II. total outstanding dues of creditors other than micro enterprises and small enterprise	21	509.69	759.17
		(iv) Other financial liabilities	22	12,057.24	5,763.50
		(b) Other current liabilities	23	321.04	107.41
		(c) Provisions	20	22.90	35.89
		Total current liabilities		27,086.46	7,143.18
		Total Liabilities		94,107.86	31,917.11
		Total Equity and Liabilities		89,835.73	30,190.15

See accompanying notes to the Financial Statements

As per our report of even date
For Shah Gupta & Co.
Chartered Accountants
FRN No : 109574W

Vipul K. Choksi
Partner
M.No : 37606
UDIN : 22037606AHNDKM1502
Place : Mumbai
Date : 21.04.2022

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

R.P.Gupta
Director
DIN No : 01325989

Manoj Kumar Rustagi
Whole Time Director
DIN No : 07742914

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

Shiva Cement Limited
CIN: L26942OR1985PLC001557

STATEMENT OF PROFIT AND LOSS
For the year ended 31.03.2022

	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
			₹ in Lakhs	₹ in Lakhs
	INCOME			
I	Revenue from operations	24	**346.55**	2,845.20
II	Other income	25	**380.49**	409.99
III	**Total Income (I+II)**		**727.04**	3,255.19
IV	**EXPENSES**			
	Cost of materials consumed	26A	**100.87**	834.87
	Changes in inventories of finished goods and work in progress	26B	**166.77**	15.33
	Power & fuel	26C	**319.83**	1,596.00
	Employee benefits expense	27	**276.75**	395.50
	Finance costs	28	**879.26**	1,495.61
	Depreciation and amortisation expense	29	**705.55**	781.89
	Loss on Asset Sale/Write off	30	**1,340.72**	139.73
	Other expenses	30	**588.30**	947.96
	Total expenses		**4,378.05**	6,206.89
	Less : Self Consumption of manufactured goods		**199.26**	3.48
	Total expenses (Net of Captive Consumption) (IV)		**4,178.79**	6,203.41
V	**Loss before tax (III - IV)**		**(3,451.75)**	(2,948.22)
VI	**Tax expense:**			
	(a) Current tax		-	-
	(b) Deferred tax	31	**(899.84)**	(751.40)
VII	**Loss for the year (V-VI)**		**(2,551.91)**	(2,196.82)
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	(i) Remeasurement of defined benefit plan		**9.11**	11.16
	(ii) Income tax relating to item that will not be reclassified to profit or loss		**(2.37)**	(2.90)
	Total		**6.74**	8.26
IX	**Total Comprehensive Income for the Year (VII+VIII)**		**(2,545.17)**	(2,188.56)
X	**Earnings per equity share of face value of ₹ 2/- each**			
	(a) Basic (in ₹)		**(1.31)**	(1.13)
	(b) Diluted (in ₹)		**(1.31)**	(1.13)

See accompanying notes to the Financial Statements

As per our report of even date
For Shah Gupta & Co.
Chartered Accountants
FRN No : 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Vipul K Choksi
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Date : 21.04.2022

For and on behalf of the Board of Directors

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DIN No : 01325989

Manoj Kumar Rustagi
Whole Time Director
DIN No : 07742914

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

Shiva Cement Limited
CIN: L26942OR1985PLC001557

STATEMENT OF CASH FLOWS
For the year ended 31.03.2022

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. Cash flows from operating activities:				
Net Loss before tax		(3,451.76)		(2,948.21)
Adjustments for:				
Depreciation and amortisation expenses	705.55		781.89	
Finance Cost	879.26		1,495.61	
Impairment loss for doubtful debt	5.03		4.85	
Interest income	(41.44)		(51.77)	
Loss/(Profit) on sale/discard of property, plant and equipments	1,340.72		139.74	
Write off/write back of balances	(23.49)		57.88	
Rental income from investment properties	(0.75)		(1.00)	
Other Income earned on financial assets that are not designated as fair value through Profit and Loss	(338.29)		(356.85)	
		2,526.59		2,070.35
Operating loss before changes in operating assets & liabilities		(925.17)		(877.86)
Adjustments for:				
(Increase)/decrease in Current and Non-Current assets	(3,761.76)		(5,120.63)	
(Increase)/decrease in Trade receivables	180.94		5,356.25	
(Increase)/decrease in Inventories	56.17		2.75	
Increase/(decrease) in Trade pyable and Other Liabilities	118.06		198.59	
		(3,406.58)		436.96
Cash used from operations		(4,331.75)		(440.90)
Income Tax paid (net)		(13.33)		(4.99)
Net cash used from operating activities (A)		(4,345.08)		(445.89)
B. Cash flow from investing activities:				
Purchase of property,plant and equipment (including capital work-in-progress and capital advance)	(43,644.67)		(7,922.47)	
Interest received	64.00		51.77	
Rental income	0.75		1.00	
Other Income	338.29		356.85	
Net cash used in investing activities (B)		(43,241.63)		(7,512.85)
C. Cash flow from financing activities:				
Proceeds from Preference Shares (OCCRPS)	-		10,000.00	
Proceeds from/(payment) for Shares Issue	-		(160.50)	
Proceeds from current borrowings	13,700.12		-	
Repayment of current borrowings	-		(12,061.20)	
Proceeds from of non-current borrowings	42,008.69		12,555.08	
Repayment of non-current borrowings			(1,352.98)	
Payment for Lease liabilities	-		(0.50)	
Interest paid on borrowings	(7,587.70)		(335.97)	
Net cash flow from financing activities (C)		48,121.11		8,643.93
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		534.39		685.18
Cash and cash equivalents at the beginning of the year		796.90		111.72
Cash and cash equivalents at the end of the year		1,331.29		796.90
Cash and cash equivalents at the end of the year		1,331.29		796.90
Cash and cash equivalents comprise of:				
(a) Cash on hand		-		-
(b) Balances with banks				
(i) In current accounts (Refer note-14)		434.33		72.43
(ii) In earmarked accounts (Refer Note-15)		896.96		724.47

Notes:

1. The statement of Cash Flow has been prepared under the" Indirect method"as set out in Indian accounting standard (IND AS 7) - Statement of Cash Flows

SHAH GUPTA & CO.
MUMBAI
FRN : 109574W
CHARTERED ACCOUNTANTS

Shiva Cement Limited
CIN: L26942OR1985PLC001557

Reconciliation forming part of cash flow statement				
Particulars	01.04.2021	Cash flows (net)	Others	31.03.2022
Borrowings other than finance lease obligation including current maturities of long-term borrowing included in other financial liabilities	24,175.08	42,008.69	(182.74)	66,001.03
Borrowings other than finance lease obligation including current maturities of long-term	474.96	13,700.13		14,175.09
Finance lease obligation (including current maturities)	5.11			5.11
Particulars	**01.04.2020**	**Cash flows (net)**	**Others**	**31.03.2021**
Borrowing (Non-Current) including current maturities of long term borrowing included in other financial liabilities	1620	22,555.08		24,175.08
Borrowings Current	12,536.16	(12,061.20)		474.96
Finance lease obligation (including current maturities)	5.11			5.11
See accompanying notes to Financial Statements				

Others comprises of Upfront fees amortisation.

As per our report of even date

For Shah Gupta & Co.
Chartered Accountants
FRN No : 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Vipul K. Choksi
Partner
M.No : 37606
UDIN : 22037606AHNDKM1502

Place : Mumbai
Date : 21.04.2022

For and on behalf of the Board of Directors

R.P.Gupta
Director
DIN No : 01325989

Manojkumar Rustagi
Whole Time Director
DIN No : 07742914

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
For the year ended 31.03.2022

A. Equity Share Capital

₹ in lakhs

Particular	Total
Balance at April 1, 2020	3,900.00
Changes in equity share capital during the year	-
Balance at March 31, 2021	3,900.00
Changes in equity share capital during the year	-
Balance at March 31, 2022	**3,900.00**

B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus			Total
	Securities Premium	Capital Reserve	Retained earnings	
Balance at April 1, 2020	5,206.13	812.31	(9,296.34)	(3,277.90)
Recognition of loss for the year	-	-	(2,196.82)	(2,196.82)
Other Comprehensive Income for the year, net of income tax	-	-	8.26	8.26
Share Issue Expenses			(160.50)	(160.50)
Total	-	-	**(2,349.06)**	**(2,349.06)**
Closing balance at March 31, 2021	**5,206.13**	**812.31**	**(11,645.40)**	**(5,626.96)**
Recognition of loss for the year			(2,551.91)	(2,551.91)
Other Comprehensive Income for the year, net of income tax	-	-	6.74	6.74
Total	-	-	**(2,545.17)**	**(2,545.17)**
Closing balance at March 31, 2022	**5,206.13**	**812.31**	**(14,190.57)**	**(8,172.13)**

See accompanying notes to the Financial Statements

As per our report of even date
For Shah Gupta & Co.
Chartered Accountants
FRN No : 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

Shiva Cement Limited

Notes to Restated Financial Information

1. General Information

Shiva Cement Limited ("the Company") is engaged in the business of manufacture and sale of cement , clinker and trading of allied products. The company is operating its integrated cement plant having cement production capacity of 2,52,000 MT and clinker production capacity of 1,15,500 MT.

Shiva Cement Limited is a public limited company and is listed on Bombay Stock Exchange having its registered office at Biringatoli, Teleghana, Kutra Sundargarh-770018, Odisha.

2. Significant Accounting Policies

A. Statement of compliance

Standalone Financial Statements of the company which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended with effect from 1st April, 2017 , the provisions of the Companies Act, 2013 ("the Act") to the extent notified, guidelines issued by the Securities and Exchange Board of India (SEBI) ,other accounting principles generally accepted in India and the Companies (Accounting Standards) Amendment Rules, 2016.

B. Basis of preparation & presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting year, as explained in the accounting policies below which are consistently followed except where a new accounting standard or amendment to the existing accounting standards requires a change in the policy hitherto applied. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, "as amended", as applicable to the Standalone Financial Statements have been followed.

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

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in INR.

SHAH GUPTA & CO.
MUMBAI
FRN : 109574W
CHARTERED ACCOUNTANTS

Current and non-current classification

The company presents the assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria :

- It is expected to be realised or is intended for sale or consumption in the company's normal operating cycle .
- It is held primarily for the purpose of being traded.
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria :

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current only.

C. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Cost of major inspection/overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work in progress. Upon completion, such properties are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognised.

Spares parts, servicing equipment and standby equipment which can be used only in connection with a particular Plant & Equipment of the Company and their use is expected to be irregular, are capitalised at cost. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

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".

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Depreciation and Amortization:

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the useful life of the assets has been assessed as under based on technical advice by a technical expert engaged by the management, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. in order to reflect the actual usage.

Estimated useful lives of the assets are as follows:

Sr. No.	Class of assets	Useful life of assets (in Years)
1	Plant and Machinery	2 to 25
2	Factory Building	30
3	Non-Factory Building	60
4	Computer & Networking's	3 to 6
5	Furniture	10
6	Vehicles	8

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Depreciation on additions to property plant & equipment is provided on a pro-rata basis from the date of installation and in the case of a new project from the date of commencement of commercial production. Depreciation on deductions / disposals is provided on pro-rata basis upto the date of deduction/disposal.

Spares, servicing equipment and standby equipment, which are capitalised, are depreciated over the useful life of the related property plant & equipment. The written down value of such spares is charged to statement of profit and loss, on issue for consumption.

Lease improvement cost are amortized over the period of the lease

Capital assets whose ownership does not vest with the Company are amortised based on the estimated useful life as follows:

Sr. No.	Class of assets	Useful life of assets (in Years)
1	Approach Roads	5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

D. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for

SHAH GUPTA & CO.
MUMBAI
FRN : 109574W
CHARTERED ACCOUNTANTS

on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain/loss on de-recognition are recognised in statement of profit and loss

Stripping Cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Such costs are presented within mining assets. After initial recognition , stripping assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of limestone is used to depreciate or amortise stripping cost.

Useful life of Intangible assets :

Sr. No.	Class of assets	Useful life of assets (in Years)
1	Software	3 to 5
2	Mines development expense	Period Mining lease.

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.

E. Impairment of Property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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). Where 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. Where 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 to sell 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 recognized immediately in the

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

F. Borrowing Costs

Borrowing costs directly attributable to the acquisition , construction or production of qualifying assets, are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use or sale.. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale . All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.
Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost

G. Leases Accounting

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract is or contains a lease, at inception of a 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: the contract involves the use of an identified asset the Company has substantially all of the economic benefits from use of the asset through the period of the lease and the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.
Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance). When a contract includes both lease and non lease components, the Company applies Ind AS 115 to allocate the consideration under the contract to each component.

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. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net
  realisable value

- **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.

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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. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above.

J. 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.When a provision is measured using the cash flows estimated to settle the present obligation,its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

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 liable 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract .The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

K. Revenue Recognition

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

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates, outgoing sales taxes and are recognised when all significant risks and rewards of ownership of the goods sold are transferred.

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- On March 28, 2018, Ministry of Corporate Affairs has notified Ind AS 115, "Revenue from Contracts with Customers", effective date of adoption of the Standard is financial period beginning on or after 1stApril,2018. The core principle of the Standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, besides reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

  The Standard permits entities to apply one of the following transitional methods:

  i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

  ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

  Company has adopted cumulative catch - up approach and there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results

  Contract Balances

  - **Contract assets**
    A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables

  - **Contract liabilities**
    A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract including Advance received from Customer.

  - **Refund liabilities**
    A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer including volume rebates and discounts. The Group updates its estimates of refund liabilities at the end of each reporting period.

- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

L. Employee benefits

(i) Retirement benefit costs and termination benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Defined contribution plan :

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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Defined benefit plans:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out 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 interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized 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 Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.
The retirement benefit obligation recognized in the statement of financial position 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.
The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for each completed year of service as per the Payment of Gratuity Act, 1972
A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(ii) Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized 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 recognized in respect of other long-term employee benefits are measured 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. The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

M. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

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Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961),deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are off set when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

N. Earnings Per Share

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

The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would

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decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

O. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

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 Statement of Profit and Loss (FVTPL)) 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 and loss are recognised immediately in Statement of Profit and Loss.

(i) Financial assets

(a) Recognition and initial measurement

i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets 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.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The 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.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

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(c) De-recognition of financial assets

The Company derecognizes 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 a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, 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 other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(d) Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition

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and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a 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.

b) 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 the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c) Financial liabilities

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

(i) Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

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- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

(ii) Other financial liabilities:

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

d) Reclassification of financial assets/ liabilities:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in Consolidated OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

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e) De-recognition of financial/ liabilities :

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

P. Statement of cash flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value.

Q. Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3. Key sources of estimation uncertainty and Recent Accounting Pronouncements:

A Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgments that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

i) Useful lives of property, plant and equipment

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 unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Mines restoration obligation

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

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

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Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

iv) Fair value measurements

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

v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vi) Defined benefits plans

The cost of defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. 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) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risk specific to the liability.

viii) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

B . Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

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(b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 | Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

Note 4. Property, plant and equipment

₹ in lakhs

Description of Assets	Freehold Land	Leasehold Land-Mines	Buildings	Plant & Equipments	Pollution Control Equipments	Electrical equipments	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Tangibles Total
I. Cost/Deemed cost											
Balance as at April 01, 2020	**426.01**	-	**2,004.04**	**11,870.02**	**106.74**	**583.40**	**25.46**	**6.97**	**63.72**	**32.58**	**15,118.95**
Additions		32.17	52.75	160.19	-	9.21	22.29	5.71	3.35	-	285.67
Deductions			167.94	-	-	-	-	-	-	0.62	168.56
Balance as at April 01, 2021	**426.01**	**32.17**	**1,888.86**	**12,030.21**	**106.74**	**592.61**	**47.75**	**12.68**	**67.07**	**31.96**	**15,236.06**
Asset Regrouping	-	-	(52.75)	700.50	(106.73)	(592.61)	18.69	3.85	52.44	-9.86	13.52
Regrouped Asset as at April 1,2021	**426.01**	**32.17**	**1,836.10**	**12,730.71**	-	-	**66.44**	**16.53**	**119.51**	**22.10**	**15,249.58**
Additions	83.95	-	-	3.63	-	-	-	-	-	-	87.58
Deductions		-	361.09	1,446.47	-	-	-	-	-	-	1,807.56
Balance as at March 31, 2022	**509.96**	**32.17**	**1,475.01**	**11,287.87**	-	-	**66.44**	**16.53**	**119.51**	**22.10**	**13,529.60**
II. Accumulated depreciation and impairment											
Balance as at March 31, 2020	-	-	**345.34**	**2,158.28**	**15.86**	**123.83**	**20.22**	**3.09**	**37.25**	**18.95**	**2,722.83**
Depreciation expense	-	0.55	92.97	609.49	4.22	30.40	3.61	1.63	3.08	1.78	747.73
Eliminated on disposal of assets	-	-	28.28	-	-	-	-	-	-	0.54	28.82
Balance as at March 31, 2021	-	**0.55**	**410.03**	**2,767.77**	**20.08**	**154.23**	**23.83**	**4.72**	**40.33**	**20.19**	**3,441.74**
Asset Regrouping	-	-	(2.89)	176.34	(20.07)	(154.24)	8.95	0.59	2.90	(3.67)	7.92
Regrouped Asset balance as at April 1, 2021	-	**0.55**	**407.14**	**2,944.11**	-	-	**32.78**	**5.31**	**43.23**	**16.52**	**3,449.66**
Depreciation expense	-	1.58	99.91	495.59	-	-	18.72	2.86	41.35	1.12	661.13
Eliminated on disposal of assets	-	-	80.43	376.72	-	-	-	-	-	-	457.15
Balance as at March 31, 2022	-	**2.13**	**426.62**	**3,062.98**	-	-	**51.50**	**8.17**	**84.58**	**17.64**	**3,653.64**
Carrying Value											
As at March 31,2022	**509.96**	**30.04**	**1,048.39**	**8,224.89**	-	-	**14.94**	**8.36**	**34.93**	**4.46**	**9,875.96**
As At March 31, 2021	426.01	31.62	1,478.83	9,262.44	86.66	438.38	23.92	7.96	26.74	11.77	11,794.32
Useful life of the assets (years)	NA	99	5-30	2-25	5-25	10-25	3-6	5	10	8	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

4.1. Property, plant and equipment include assets with net block of ₹ 5.16 Lakhs (as at 31.03.2021 ₹ 44.36 Lakhs) not owned by the Company.

4.2. Deduction of Property,plant and equipment include dismantalling of certain civil and mechanical structure of existing immovable assets at Kutra Plant book value of ₹ 1340.72 lakhs (as at 31.03.2021 ₹ 139.74 lakhs)

4.3. The land at Teleghana on which factories have been built were taken on 90 years lease from Industrial Development Corporation of Odissa.

4.4. The Company has reviewed the useful lives and the residual value of Property, plant and equipment and intangible assets in accordance with requirement of IND AS and there is no revision on existing useful life of the assets.

4.5. Project PPE including CWIP pledged against borrowing from Banks, the details relating to this has been decribed in note no. 18(iv).

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Note 5. Capital work in progress ₹ in lakhs

	As at 31.03.2022	As at 31.03.2021 Amount in ₹
Capital Work in Progress	46,001.05	2,927.18
	46,001.05	2,927.18

CWIP Aging Schedule

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3	Total
Project in progress	45,613.22	387.83			46,001.05
Project temporarily suspended	-	-	-	-	-
Total	45,613.22	387.83	-		46,001.05

As at 31st March, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3	Total
Project in progress	2,761.70	165.48	-		2,927.18
Project temporarily suspended	-	-	-	-	-
Total	2,761.70	165.48	-		2,927.18

For CWIP whose completion is overdue or has exceeded its cost compared to its original plan

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3	Total
Project- wise	-	-	-	-	-
Total	-	-	-	-	-

Note 6. Right of Use assets ₹ in lakhs

Description of Assets	Land
I. Cost/Deemed cost	
Balance as at April 01, 2020	144.33
Additions	
Deductions	
Balance as at April 01, 2021	144.33
Additions recognised pursuant to change in discounting rate	-
Deductions	
Balance as at March 31, 2022	144.33
II. Accumulated depreciation and impairment	
Balance as at March 31, 2020	1.96
Depreciation expense	1.96
Eliminated on disposal of assets	
Balance as at March 31, 2021	3.92
Depreciation expense	1.96
Eliminated on disposal of assets	
Balance as at March 31, 2022	5.88
Carrying Value	
As at March 31,2022	138.45
As At March 31, 2021	140.41

Note 7. Intangible assets ₹ in lakhs

Intangibles	Computer Software	Mining Development	Mining Rights	Intangible Total
I. Cost/Deemed cost				
Balance as at March 31, 2020	52.51	1,018.20	23.36	1,094.07
Additions	-	-	-	-
Deductions	-	-	-	-
Balance as at March 31, 2021	52.51	1,018.20	23.36	1,094.07
Asset Regrouping	(13.52)	-	-	(13.52)
Regrouped Asset balance as at April 1, 2021	39.00	1,018.20	23.36	1,080.56
Additions	-	-	364.14	364.14
Deductions	-	-	-	-
Balance as at March 31, 2022	39.00	1,018.20	387.50	1,444.70
II. Accumulated depreciation and impairment				
Balance as at March 31, 2020	42.15	133.21	0.13	175.49
Amortisation expense	2.57	29.62	0.03	32.21
Eliminated on disposal of assets	-	-	-	-
Balance as at March 31, 2021	44.72	162.82	0.15	207.70
Asset Regrouping	(7.92)	-	-	(7.92)
Regrouped Asset balance as at April 1, 2021	36.80	162.82	0.15	199.78
Amortisation expense	2.20	39.19	1.06	42.45
Eliminated on disposal of assets	-	-	-	-
Balance as at March 31, 2022	39.00	202.02	1.21	242.23
Carrying Value				
As at March 31,2022	-	816.18	386.29	1,202.47
As at March 31,2021	7.80	855.38	23.21	886.38
Useful life of the asset (years)	3	25	50	
Method of amortisation	SLM	SLM	SLM	

Note: The development/stripping cost is amortised over the period of mining lease.

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Note 8. Intangible assets under development

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Mining development	357.79	179.98
Land & land development	-	7.98
Total	357.79	187.96

Intangible assets under development aging schedule

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project in progress	169.82	187.97			357.79
Project temporarily suspended	-	-	-	-	-
Total	169.82	187.97	-	-	357.79

As at 31st March, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project in progress	120.90	67.06			187.96
Project temporarily suspended	-	-	-	-	-
Total	120.90	67.06	-	-	187.96

For CWIP whose completion is overdue or has exceeded its cost compared to its original plan

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project- wise	-	-	-	-	-
Total	-	-	-	-	-

Note 9. Other financial assets

₹ in lakhs

	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	Non-Current	Current	Non-Current	Current
Security deposits (unsecured considered good)	-	-		14.05
Bank deposits with more than 12 months maturity	3,467.32	-	10.80	-
Others				
- Advance to employees (unsecured considered good)	-	7.45		9.24
- Interest accrued but not due on fixed deposits	-	77.93		12.17
Total	3,467.32	85.38	10.80	35.46

Note 10. Income Tax assets (net)

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Advance tax and tax deducted at source	36.90	23.58
	-	-
Balance at the end of the year Total	36.90	23.58

Note 10A. Deferred Tax Assets (net)

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Deferred tax assets :		
MAT credit entitlement	428.15	428.15
Provision allowed under tax on payment basis	287.45	163.83
Unabsorbed depreciation / losses	5,677.84	5,125.64
Others	11.09	26.68
Total	6,404.53	5,744.30
Deferred tax liabilities:		
Tangible and intangible assets	1,590.90	1,828.13
	1,590.90	1,828.13
Net Deferred tax assets Total	4,813.63	3,916.17

Deferred Tax benefits are recognised on assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences will be utilised against which the asset can be utilised

Note 11. Other Assets

₹ in lakhs

	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	Non-Current	Current	Non-Current	Current
a) Capital Advances				
Capital advances (Secured considered good)	2,768.39	-	5,014.10	-
Capital advances (Unecured considered good)	9,473.04		1,532.26	
b) Advances other than Capital Advances				
Security Deposits	254.60	-	322.20	-
Advance to suppliers	-	76.32	-	18.73
c) Other Advances				
Mining leasehold land pre-payment	428.37	-	449.78	-
Pre-payments	488.00	5.74	0.24	21.71
Indirect tax balances/recoverable/credit	-	7,894.97	-	733.80
Total	13,412.40	7,977.03	7,318.58	774.24

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Note 12. Inventories (at lower of cost and net realisable value) ₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Raw materials (at Cost)	932.29	541.13
Work-in-progress (at Cost)	40.41	180.62
Finished goods (net realisable value)	-	26.56
Fuel (at Cost)	77.37	184.61
Stores and spares (at Cost)	83.48	256.79
Total	1,133.55	1,189.71

Note 12.1 Cost of Inventory recognised as an expense ₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Cost of material consumed	100.87	834.87
Change in inventories of finished goods,work in progress and stock in trade	166.77	15.33
Stores and spares	56.62	242.59
Fuel	121.79	832.15
Total	446.05	1,924.94

Note 13. Trade Receivables ₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Trade receivable considered good- Unsecured (Refer note 32(B)(iii)(a))	2.50	188.47
Trade receivable which have significant increase in credit risk	126.24	110.08
Trade receivable- credit impaired	3.02	14.15
Less : Allowance for expected credit loss(*)	129.26	124.23
Total	2.50	188.47

The Movement in allowance for expected credit loss is as follows :		
Balance at the beginning of the year	124.23	119.38
Change in allowance for credit impirement during the year	5.03	4.85
Trade receivable written off during the year	-	-
Balance at the end of the year	129.26	124.23

(*) Refer Note 2 O (i) (d) of notes to financial statement.
Trade Receivable does not include any receivable from Directors and Officers of the Company.
Trade receivables have been pledged as security against certain bank borrowing of the company as at 31st March,2021 (Refer note 18).
There is no credit period available for Non Trade sales, however credit period of maximum 30 days are available for Trade sales.

Trade receivable ageing schedule
As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment/ from date of transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Trade receivables - considered good						
- Disputed						-
- Undisputed		0.02	1.16		1.32	2.50
Trade receivables - which have significant increase in credit risk						
- Disputed			1.17	8.03	117.04	126.24
- Undisputed						
Trade receivables - credit impaired						
- Disputed						-
- Undisputed					3.02	3.02

Unbilled dues for the financial year 2021-22 - Nil lakhs (previous financial year- Nil lakhs)

As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment/ from date of transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Trade receivables - considered good						
- Disputed						-
- Undisputed	169.61	0.46	7.95	7.81	2.65	188.48
Trade receivables - which have significant increase in credit risk						
- Disputed			13.91	55.24	40.94	110.09
- Undisputed						
Trade receivables - credit impaired						
- Disputed						-
- Undisputed		0.04	2.25	5.79	6.06	14.14

Unbilled dues for the financial year 2020-21 - Nil lakhs (previous financial year- Nil lakhs)

Note 14. Cash and cash equivalents ₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with banks in current account	434.33	72.43
Total	434.33	72.43

Note 15. Bank balances other than cash and cash equivalent ₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Fixed Deposits With Banks		
Original maturity more than 3 months and upto 12 months (Refer note 15.1, 15.2)	896.96	724.47
Original maturity more than 12 months	3,467.32	10.80
Less: Fixed Deposits maturity more than 12 months disclosed under Other Non-Current Financial Assets (Refer note 9)	(3467.32)	(10.80)
Total	896.96	724.47

15.1. Includes deposits of Nil (as at 31.03.2021 ₹ 713.96 lakhs) are pledged with bank against cash credit facilities.
15.2. Includes deposits of ₹ 3.55 lakhs (as at 31.03.2021 ₹ 21.31 lakhs) given as security to Government department and others.
15.3. Includes deposits of ₹ 4360.73 lakhsl (as at 31.03.2021 NIL) with bank as security against bank guarantee given to government

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

Note 16. Equity Share Capital

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Share Capital				
Authorised				
a) Equity shares of the par value of Rs. 2/- each	**40,00,00,000**	**8,000.00**	30,00,00,000	6,000.00
b) 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100/- each	**2,00,00,000**	**20,000.00**		
Issued, Subscribed and fully paid up				
a) Equity shares of Rs. 2/- each	**19,50,00,000**	**3,900.00**	19,50,00,000	3,900.00
b) 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100/- each	**1,00,00,000**	**10,000.00**	1,00,00,000	10,000.00
Total	**20,50,00,000**	**13,900.00**	20,50,00,000	13,900.00
Less: 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Non Current Financial Liabilities - Borrowing	**(1,00,00,000)**	**(10,000.00)**	(1,00,00,000)	(10,000.00)
G.Total	**19,50,00,000**	**3,900.00**	19,50,00,000	3,900.00

Refer Notes (i) to (v) below

(i) Rights, preferences and restriction attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Terms/rights attached to 1% Optional Convertible Cumulative Reedeemable Preference Share (OCCRPS)

The Company has one class of Preference Shares. These shares carry cumulative dividend @ 1%. These OCCRPS are convertible into Equity Shares at the option of the Holder within a period of 18 months from the date of allotment, in or more tranches, at a price determined on the relevent date or to be redeemed at par upon maturity after 18 months but within 9 years from date of allotment.
OCCRPS shall be non - participating in the surplus funds, surplus assets and profit of the Company on winding up, which may remain after entire capital has been repaid.
The Equity Shares to be alloted on conversion of OCCRPS, shall rank pari passu in all respects with the existing Equity shares of the Company including dividend.
As per Ind AS 109, any instrument wherein the conversion option does not meet the fixed criteria and are convertible in variable number of Equity share, fails the Equity classification and thus the instruments are classified as Financial Liability - Non Current in the Condensed Financial Statement for the half year ended 30.09.2021.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31.03.2022		As at 31.03.2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%
1% Optionally Convertible Cumulative Redeemable Preference Shares				
JSW Cement Limited	1,00,00,000	100%	1,00,00,000	100%

(iv) Details of shares held by promotors and promotors group:

Class of shares	As at 31.03.2022		As at 31.03.2021	
	Number of shares held	% holding in that class of shares	Number of shares	% holding in that class of shares
Promoters				
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%
Promoter Group				
Anushree Jindal	5,25,000	0.27%	-	

(v) Shares allotted by company for consideration other than cash : Nil

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Shiva Cement Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

Note 17. Other Equity

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Capital reserve	**812.31**	812.31
(ii) Securities premium reserve	**5,206.13**	5,206.13
(iii) Retained Earnings	**(14,190.57)**	(11,645.40)
Total	**(8,172.13)**	**(5,626.96)**

(i) Capital Reserve :

Reserve primarily created out of share forfeiture amounting Rs. 214.50 lakhs and amalgation reserve amounting Rs. 566.03 lakhs as per statutory requirement

(ii) Securities premium reserve :

Securities premium reserve is created when shares are issued at premium. This reserve are utilised in accordance with the specific provisions of the Companies Act, 2013

(iii) Retained Earning :

Retained earning comprise balance of accumulated (undistributed) profit and loss at ech year end and balance of net defined benefit plans less any transfer to general reserve.

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Note 18. Borrowings (at amortised cost) ₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	Non-Current	Current	Non-Current	Current
Term Loans				
Secured				
From Bank	30,990.94	-	-	-
Less: Unamortised upfront fees on borrowings	(182.74)		-	-
From Banks - Cash Credits / Working Capital Borrowings (Secured by Hypothecation of Stocks and Book Debts of the Company)	-	-		474.96
	30,808.20	-		474.96
Unsecured :				
From related party	25,192.83	14,175.09	14,175.08	-
1% Optional Convertible Cumulative Reedeemable Preference Share of Rs.100/- each	10,000.00	-	10,000.00	-
	35,192.83	14,175.09	24,175.08	-
Total	66,001.03	14,175.09	24,175.08	474.96

Notes :

(i) The above unsecured loan from related party has been taken from holding company, M/s. JSW Cement Limited. The tenure of the loan is 3 years from the date of disbursement or such extended time as may be agreed and repayable at the end of the tenure alongwith interest accrued on the same. The rate of interest is 9.75% per annum.

(ii) Cash Credits / Working Capital Borrowings have been drawn at rate of interest at 13.50% to 13.75%

(iii) The company raised fund of Rs. 10000 lakhs by issue of One Crore 1% optionally convertible cumulative redeemable preference share of Rs.100 each. As per IND AS 109, any instrument wherein the conversion option does not meet the fixed criteria and are convertible in variable number of Equity share, fails the Equity classification and thus the instruments are classified as Financial Liability.

(iv) During the year term loan amounting to Rs.106600 lakhs have been sanctioned by consortium of Banks having Axis Bank Limited as a lead banker with other Banks like Bank of India, Bank of Maharastra & Punjab National Bank. The applicable rate of interest is of 8.75% per annum during construction period (8.50% after date of schedule operation 30th September, 2023). and payable on monthly basis.

a. Term of Repayment

- 9 years (36 quarterly structured repayment) after one year of moratorium from schedule date of operation i.e. 30th September,2024

b. Nature of security

- First pari-passu charge on project fixed assets (both moveable & immoveable) including assignment of lease hold right of the land acquired for mining and project.
- Unconditional and irrevocable Corporate Guarantee of JSW Cement Limited - Holding company.

(v) Term loans were applied for the purpose for which the Term loans have been obtained from Banks.

(vi) As per the term sheet, the company is not required to file Stock statements or any Bank returns with its bankers.

(vii) All charges are registered with ROC within statutory period by the company.

(viii) The company has not declared wilful defaulter by any bank or financial institution or lender during the year.

Note 19. Lease liabilities **₹ in lakhs**

Particulars	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	Non-Current	**Current**	Non-Current	Current
Lease liability	**4.61**	**0.50**	4.61	0.50
Total	**4.61**	**0.50**	4.61	0.50

19.1. Lease liabillties

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Lease liability	**5.11**	5.11
Addition	-	-
Interest accrued	**0.50**	0.50
Lease principle payments	-	-
Lease interest payments	**0.50**	0.50
Closing liability	**5.11**	5.11
Current	**0.50**	0.50
Non Current	**4.61**	4.61

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Less than 1 years	**0.50**	0.50
1-5 years	**2.49**	2.49
more than 5 years	**35.84**	36.83

19.2. The Company as a lessee :

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of agreement by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount and discounted using the lessee's incremental borrowing rate. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities.

The Company incurred ₹ 2.74 lakhs for the year ended March 31, 2022 (₹ 5.55 lakhs for year ended March 31,2021) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 2.74 lakhs for the year ended March 31, 2022 (₹ 6.04 lakhs for year ended March 31,2021), including cash outflow for short term and low value leases. The Company has lease term extension options that are not reflected in the measurement of lease liabilities. Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

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Note 20. Provisions ₹ in lakhs

	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	Non-Current	Current	Non-Current	Current
For employee benefits				
- Gratuity (Refer note 34(a)(ii))	100.78	21.01	112.54	32.93
- Leave Encashment (Refer note 34(d)(vi))	9.59	1.89	12.66	2.96
Others :				
For Mines Restoration Expenditure (refer note 3(A)(ii))	905.39	-	469.04	-
Total	1,015.76	22.90	594.24	35.89

Note 20.1 Movement of provisions during the year as required by Ind AS- 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Mines Restoration expenditure (to be settled at Mines closure)		
Opening Balance	469.04	418.15
Add: Increase in provision due to interest rate change	364.13	
Add: Provision made during the year	72.22	50.89
Closing Balance	905.39	469.04

Note 21. Trade Payables **₹ in lakhs**

	As at 31.03.2022	As at 31.03.2021
Total outstanding dues of micro enterprises and small enterprises	-	1.75
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Other than acceptances	509.69	759.17
Total	509.69	760.92

a. Trade payable ageing schedule

As at 31st March, 2022

Particulars	Outstanding for following period from due date of payment/ from date of transaction				
	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	309.34	16.77	5.80	177.79	509.69
Disputed - MSME					
Disputed - Others					
Total	309.34	16.77	5.80	177.79	509.69

Unbilled dues for current financial year- ₹ 322.40 lakhs (previous financial year- ₹ 373.63 lakhs)

As at 31st March, 2021

Particulars	Outstanding for following period from due date of payment/ from date of transaction				
	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
MSME	1.75	-	-	-	1.75
Others	527.65	16.79	16.35	198.38	759.17
Disputed - MSME					
Disputed - Others					
Total	529.40	16.79	16.35	198.38	760.92

b. Disclosure pertaining to Micro, Small and Medium Enterprises :

	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	Non-Current	Current	Non-Current	Current
1. Principal amount due outstanding as at 31st March	-	-	-	1.75
2. Interest due on (1) above and unpaid as at 31st March	-	-	-	-
3. Interest paid to the supplier	-	-	-	-
4. Payments made to the supplier beyond the appointed day during the year	-	-	-	-
5. Interest due and payable for the period of delay	-	-	-	-
6. Interest accrued and remaining unpaid as at 31st March	-	-	-	-
7. Amount of further interest remaining due and payable in succeeding year	-	-	-	-
Total	-	-	-	1.75

Note 22. Other Financial Liabilities (Current) **₹ In lakhs**

	As at 31.03.2022	As at 31.03.2021
Interest accrued and due on borrowings	688.34	4,498.12
Security deposits from customers, vendors & others	66.16	351.62
Payable for Capital Projects-Other than acceptances	10,312.21	913.76
Acceptances	990.53	-
Total	12,057.24	5,763.50

Note 23. Other Current Liabilities **₹ In lakhs**

	As at 31.03.2022	As at 31.03.2021
Advance from customers	51.50	35.46
Statutory liabilities	269.54	71.95
Total	321.04	107.41

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

Note 24. Revenue from operations

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Sale of products		
Sale of Manufactured Products	346.55	2,845.20
Total	346.55	2,845.20

Reconciliation of Revenue from sale of products with the contracted price

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contracted Price	347.42	2,858.61
Less: Trade discounts, volume rebates, etc.	(0.87)	(13.41)
Sale of Products Total	346.55	2,845.20

Advance received from Customer (Contract Liability)

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Closing Balance of Contract Liability as on 31st March	51.50	35.45
Total	51.50	35.45

Note 25. Other income

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest income on financial assets that are not designated as FVTPL		
On bank deposits	31.70	46.09
On others	9.74	5.67
Miscellaneous income	339.04	358.23
Total	380.48	409.99

(i)	Interest income comprises:		
	Interest from banks & others on:		
	Deposits	41.44	51.77
	Interest income Total	41.44	51.77

(ii)	Other non-operating income comprises:		
	Profit on transfer of lease land	-	356.85
	Rental income	0.75	1.00
	Misc. Income	338.29	0.38
	Other non-operating income Total	339.04	358.23

Note 26A. Cost of materials consumed

₹ in lakhs

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
(i)	Opening stock	487.78	498.09
(ii)	Add: Purchases (Net)	34.92	824.56
		522.70	1,322.65
(iii)	Less: Closing stock	421.83	487.78
	Cost of materials consumed Total	100.87	834.87

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Note 26B. Changes in inventories of finished goods & work-in-progress

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Closing inventories		
Finished goods	-	26.56
Work-in-progress	40.41	180.62
	40.41	207.18
Opening inventories		
Finished goods/Stock-in-Trade	26.56	51.10
Work-in-progress	180.62	171.41
	207.18	222.51
(Increase) / Decrease in inventories Total	166.77	15.33

Note 26C. Power & Fuel

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Power procured	198.05	763.84
Coal	121.78	832.16
Total	319.83	1,596.00

Note 27. Employee benefits expense

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries and wages	204.04	237.79
Contributions to provident and other funds (Refer note 34(d i))	4.63	8.27
Gratuity (Refer note 34 (d ii))	18.05	126.34
Staff welfare expenses	50.03	23.10
Total	276.75	395.50

Note 28. Finance costs

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest expense :		
On borrowings	797.63	1,419.25
Unwinding of mines restoration provision	72.22	50.89
Other Borrowing Cost	9.41	25.47
Total	879.26	1,495.61

Note 29. Depreciation and amortisation expense

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Depreciation on property plant & equipment	661.14	747.72
Depreciation on Right of use assets	1.96	1.96
Amortisation of intangible assets	42.45	32.21
Total	705.55	781.89

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Note 30. Other expenses

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Store and spares consumed	56.62	242.59
Service charges	44.00	52.32
Repairs and maintenance		
- Plant and equipment	40.54	100.13
- Building	31.76	41.80
- Vehicles	4.16	8.57
- Others	9.04	6.36
Rent (including mining lease)	24.85	27.05
Insurance	14.41	13.94
Rates & taxes	-	2.79
Travelling and conveyance	1.25	9.21
Loss on sale/write off of assets (Refer note 4.2)	1,340.72	139.73
Directors sitting Fees	12.55	9.75
Provision for doubtful receivables	5.03	4.85
Freight and forwarding expense	3.95	5.26
Legal and Professional charges	165.83	159.50
Sales Promotion and Other Selling Expenses	3.89	8.58
Auditor Remuneration (Refer note 30.1)	12.35	10.30
Other Administrative expenses	158.07	244.96
Total	1,929.02	1,087.69

Note 30.1 Auditors remuneration (excluding Tax)		
As auditors	11.00	5.00
For taxation matters	1.00	4.95
Other services	0.35	0.35
Total	12.35	10.30

Note 31. Tax Expense

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Current Tax	-	-
Deferred Tax	(899.84)	(751.40)
Minimum Alternate Tax (MAT) credit availed	-	-
Total	(899.84)	(751.40)

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicted are as follows:

₹ in lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit Before Tax	(3,451.75)	(2,948.22)
Enacted Tax rate in India	26.00%	26.00%
Expected income tax expense at statutory tax rate	(897.47)	**(766.55)**
Tax effect of:		
Income exempt from taxation	-	
Expense not deductible in determining taxable profit	(556.41)	(260.22)
Expense allowed in determining taxable profit	211.15	254.65
Increase/(reversal) of Losses/ Depreciation	552.20	758.90
Others	690.52	13.21
Total Tax effect	897.47	**766.55**
Deferred tax on account of		
Property, Plant & Equipment & Other Intangible Asset	(237.24)	5.46
(Increase)/reversal of Unabsorbed Depreciation	(201.71)	(244.43)
Increase/(reversal) of Unabsorbed Loss	(350.49)	(514.47)
Financial Assets, Liabilities and Other Item	(110.40)	2.04
Deferred Tax / (Asset)	(899.84)	**(751.40)**
Deferred tax on OCI	2.37	**2.90**
Tax Expense / (income) recognised in Statement of Profit and Loss	(897.47)	**(748.50)**
Effective Tax Rate	26.00%	**25.39%**

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Note 32 . Financial instruments

A. Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by bank borrowing and funding from holding company.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

₹ in lakhs

Particulars	31-Mar-22	31-Mar-21
Long term borrowings	66,001.03	24,175.08
Short term borrowings	14,175.09	474.96
Less: Cash and cash equivalent	(434.33)	(72.43)
Less: Bank balances other than cash and cash equivalents	(896.96)	(724.47)
Net Debt	78,844.83	23,853.14
Total Equity	(4,272.13)	(1,726.96)
Gearing ratio	**(18.46)**	(13.81)

(i) Equity includes all capital and reserves of the company that are managed as capital

(ii) Debt is defined as long-term , short-term borrowings and 1% Optional convertible cumulative redeemable Preference Share

B. Categories of financial instruments

The accounting classification of each category of financial instruments and their carrying amounts are set out below :

₹ in lakhs

Particulars	31-Mar-22		31-Mar-21	
	Carrying Values	Fair Value	Carrying Values	Fair Value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	434.33	434.33	72.43	72.43
Bank balances other than cash and cash equivalents	896.96	896.96	724.47	724.47
Trade receivables	2.50	2.50	188.47	188.47
Other financial assets	3,552.70	3,552.70	46.26	46.26
Total financial assets at amortised cost (A)	**4,886.49**	**4,886.49**	**1,031.63**	**1,031.63**
Financial liabilities				
Measured at amortised cost				
Long term borrowings(*)	66,001.03	66,001.03	24,175.08	24,175.08
Short term borrowings	14,175.09	14,175.09	474.96	474.96
Trade payable	509.69	509.69	760.92	760.92
Other financial liabilities	12,062.35	12,062.35	5,768.61	5,768.61
Total financial liabilities at amortised cost	**92,748.16**	**92,748.16**	**31,179.57**	**31,179.57**

(*) including 1% Optional convertible cumulative redeemable Preference Share.

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Financial instruments (continued)

A. Risk management framework

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Interest rate risk
- Credit risk ; and
- Liquidity risk

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

ii. 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 debt obligations with floating interest rates.
The companys exposure to the interest rate on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Interest Rate sensitivity analysis:

Sensitivity analysis has to be determined based on the exposure to floating interest rate for non derivative instrument at the end of the reporting period.
Since all the short term and long term borrowing are at fixed interest rate, the company is not exposed to interest rate risk.

iii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash & cash equivalents, derivatives.

(a) Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue in any of the years indicated except sales to holding company. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The movement in allowance for Expected Credit Loss is as follows

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	124.23	119.38
Change in allowance for the credit impairment during the year	5.03	4.85
Balance at the end of the year	**129.26**	**124.23**

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.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

iv. Commodity risk

Commodity price risk for the Company is mainly related to fluctuations in coal prices linked to various external factors, which can affect the production cost of the Company. Since the fuel costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the procurement team.

v. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at 31.03.2022

₹ in lakhs

	Contractual cash flows			
Particulars	**< 1 year**	**1-5 year**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents	434.33	-	-	434.33
Bank balances other than cash and cash equivalents	896.96	-	-	896.96
Trade receivables	2.50	-	-	2.50
Other financial assets	85.38	3,467.32	-	3,552.70
Total Financial assets	**1,419.17**	**3,467.32**	**-**	**4,886.49**
Financial liabilities				
Long term borrowings	-	44,613.03	21,388.00	66,001.03
Short term borrowings	14,175.09	-	-	14,175.09
Trade payable	509.69	-	-	509.69
Other financial liabilities	12,057.74		4.61	12,062.35
Total financial liabilities	**26,742.52**	**44,613.03**	**21,392.61**	**92,748.16**

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Liquidity exposure as at 31.03.2021 ₹ in lakhs

Particulars	Contractual cash flows < 1 year	1-5 year	> 5 years	Total
Financial assets				
Cash and cash equivalents	72.43	-	-	72.43
Bank balances other than cash and cash equivalents	724.47	-	-	724.47
Trade receivables	188.47	-	-	188.47
Other financial assets	35.46	10.80	-	46.26
Total Financial assets	**1,020.83**	**10.80**	-	**1,031.63**
Financial liabilities				
Long term borrowings	-	24,175.08	-	24,175.08
Short term borrowings	474.96	-	-	474.96
Trade payable	760.92	-	-	760.92
Other financial liabilities	5,764.00		4.61	5,768.61
Total financial liabilities	**6,999.88**	**24,175.08**	**4.61**	**31,179.57**

Impact of COVID-19 (Global pandemic)

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

Level wise disclosure of financial instruments

Particulars	31.03.2022	31.03.2021	Fair value hierarchy	Valuation technique(s) and key Input(s)
Financial liabilities :				
Borrowing	**80,176.12**	24,650.04	Level 3	Inputs other than Quoted prices included within level 1 that are observable for an Asset or Liability either directly or indirectly.

The carrying amount of Trade Receivable, Trade Payable, Capital Creditors, Cash and Cash Equivalents and other Bank Balances are considered to be the same as their fair values due to their short term nature. The management considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

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Note 33. Financial Ratios

SL No	Particulars	Numerator	Denominator	Ratios For the year ended		Variance (%)	Change in ratio in excess of 25% compared to preceeding year
				31.03.2022	31.03.2021		
1	Current Ratio (times)	Current Assets	Current Liabilities	0.39	0.42	-6.97%	
2	Net Debt Equity Ratio (times)	Total Borrowing (short term + long term)	Total Equity (Equity chare capital + other equity + instrument entirely equity in nature	-18.77	-14.27	31.48%	Debt has increased due to availment of fresh term loan for project activity
3	Debt service coverage ratio (times)	Loss before tax + depreciation+interest+loss on asset discard	Interest on loan+ short term borrowing (not due for repayment)	-0.04	-0.11	-66.84%	Primarily due to operating loss in both the year
4	Return on Equity (%age)	Net loss after tax	Average shareholders equity	85%	396%	-78.58%	On account of Increase in loss during the year due to temporary suspension of operation
5	Inventory Turnover ratio (Days)	Average Inventory	Cost of Goods Sold	1.60	3.75	-57.41%	On account of lower production in the current financial year due to suspension of operation to expedite project work
6	Trade Receivable Turnover ratio (Days)	Credit Sales	Average trade receivable	3.63	17.04	-78.69%	Decrease due to higher opening receivables which have been collected during the year.
7	Trade Payable turnover ratio (Days)	Cost of goods sold	Average trade payable	2.92	6.22	-53.12%	Decrease due to reduction of production cost on account of lower production volume & increased vendor payable at the year end.
8	Net Capital Turnover ratio (times)	Revenue from operation	Working capital	-0.02	-0.68	-96.94%	Decrease primarily on account of working capital
9	Net Profit Ratio (%age)	Net loss for the year	Total Income	-7.34	-0.77	854.78%	increase on account of lower sales volume during the year compare to previous year
10	Return on Capital Employed (%age)*			NA	NA		
11	Return on Investment **			NA	NA		

* Capital employed is negative, hence # NA
** Operating EBIDTA is negative, hence # NA

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

Note 34 : Other Notes

a) Contingent liabilities not provided for in respect of disputed claims / levies:

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Orissa Sales Tax, VAT, CST	130.00	130.00
Entry Tax	6.38	6.38
Income tax	466.32	466.32
Compensation for excess mining of Limistone	1,857.74	1,857.74
Interest @ 1% on Optionaly convertible cumulative redeemable preference shares (OCCRPS)	116.67	16.67
Total	2,577.11	2,477.11

b) **Commitments**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	17,870.04	41,265.19

c) The Company is yet to receive balance confirmation in respect of certain Trade Payables, Advances and Trade Receivables. The Management does not expect any material difference affecting the amount at which they are stated.

d) **Employee Benefits:**

i) **Defined Contribution Plan:**

The company operates defined contribution retirement benefit plans for all qualifying employees.

Company's contribution to Provident Fund recognized in statement of Profit and Loss ₹ 22.55 Lakhs (Previous Year ₹ 24.14. Lakh) (included in note 27)

ii) **Defined Benefit Plans – Gratuity:**

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58 and 60 without any payment ceiling. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Rate Risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 by KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity Unfunded:

₹ In lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
a. Changes in Present Value of obligations:		
Opening Balance of present value of obligation	145.48	159.89
Acquisition adjustment		
Service Cost	8.82	9.26
Interest Cost	9.23	9.91
Actuarial (gain)/loss on obligation	(9.10)	(11.16)
Benefits paid	(32.64)	(22.43)
b. Net Asset/(Liability) recognised in the Balance Sheet:		
Present Value of obligations	121.78	145.48
Fair Value of plan asset	-	-
Net Asset/(Liability) recognised in the Balance Sheet	121.78	145.48
c. Expenses during the Year:		
Service cost	8.82	9.26
Interest cost	9.23	9.91
Total	18.05	19.17
d. Principal actuarial assumptions:		
Rate of Discounting	7.15% p.a.	6.35% p.a.
Rate of increase in salaries	6.0% p.a.	6.0% p.a.
Attrition Rate	2.0% p.a.	2.0% p.a.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC Ultimate Tables 2012-14.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

iii) Experience adjustments

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Defined Benefit Obligation	**121.78**	145.48	159.90	127.04	119.08
Plan Assets	-	-	-	-	-
Deficit	**(121.78)**	(145.48)	(159.90)	(127.04)	(119.08)
Experience Adjustments on Plan Liabilities–Loss/(Gain)	**(3.34)**	(9.85)	14.95	(0.25)	0.92
Experience Adjustments on Plan Assets–Loss/(Gain)	-	-	-	-	

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

The discount rate is based on the prevailing market yeilds of Government of India securities as at the balance sheet date for estimate term of the obligations.

iv) Sensitivity Analysis

₹ in lakhs

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**114.68**	**129.96**	137.39	154.77
Future salary growth (1% movement)	**129.97**	**114.55**	154.71	137.29
Attrition rate (1% movement)	**122.31**	**121.18**	145.62	145.31
Mortality rate (1% movement)	**121.76**	**121.80**	145.48	145.47

v) Maturity profile of defind benefit obligation

Weighted average duration (based on discounted cashflows) : 5 years

₹ in lakhs

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2022	**21.00**	**68.87**	**134.16**	**224.03**
As at 31 March 2021	32.94	77.20	129.03	239.17

vi) Compensated Absences

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment on separation from the Company due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

Assumptions used in accounting for compensated absences

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of un-funded obligation	**11.48**	15.62
Expense recognized in Statement of Profit or loss	**(0.46)**	4.35
Discount rate (p.a)	**7.15%**	6.35%
Salary escalation (p.a)	**6.00%**	6.00%

vii) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect

e. Segment Reporting

The Company is primarily in the business of manufacturing and sale of cement and cement related product. As per IND AS 108 "Operating Segments" specified under Section 133 of the Companies Act 2013, there are no other reportable business applicable to the company

f. Non-current operating assets

All non- current assets of the company are located in India.

g. Related parties disclosure as per IND AS 24:

A) List of Related Parties

1) Holding Company
JSW Cement Limited
2) Enterprises under common control/ exercising significant influence with whom the company has entered into transactions during the year
JSW Steel Limited
Utkarsh Transport Private Limited
3) Key Managerial Personnel
Manoj Rustagi (Whole Time Director)
R.P Gupta (Non-Executive Director)
Narinder Singh Kahlon (Non-Executive Director)
B.K.Mangaraj (Independent Director)
Sanjay Sharma (Independent Director)
Sudeshna Banerjee (Independent Director)
Mahendra Singh (Independent Director)
Girish Menon (CFO)
Sneha Bindra (Company secretary)

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

B) Nature of Transaction

₹ in lakhs

Transaction during the year	As at 31.03.2022	As at 31.03.2021
Purchase of Goods/Services		
JSW Cement Limited	**1,182.64**	25.12
Utkarsh Transport Private Limited	4.00	
JSW Steel Limited	-	13.07
Purchase of Property, plant & equipment		
JSW Cement Limited	**30.24**	44.15
Sale of Goods/ Other Income		
JSW Cement Limited	**128.38**	1,358.48
JSW Steel Limited	-	27.88
Lease rent received (incl. GST)		
JSW Cement Limited	**0.89**	1.18
Loan Repayment		
JSW Cement Limited	-	15,560.00
Interest Repayment		
JSW Cement Limited	**6,000.00**	335.00
Loan Received		
JSW Cement Limited	**25,192.83**	14,809.10
Interest cost		
JSW Cement Limited	**2,433.58**	1,587.44
1% Optionally Convertible Cumulative Redeemable Preference shares		
JSW Cement Limited	-	10,000.00

Compensation to key management personnel

₹ in lakhs

Nature of Transaction	As at 31.03.2022	As at 31.03.2021
Short-term employee benefits	-	-
Post employment benefits	-	-
Sitting fees	12.55	9.75
Other long-term benefits	-	-
Termination benefits	-	-
Total compensation to key management personnel	12.55	9.75

1. Key managerial persons such as Whole Time Director, Chief Financial Officer, Company Secretary are in receipt of remuneration from the holding company.

Terms & Conditions

Sales :

The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price and agreement signed with related parties. For the year ended 31st March, 2022 the company has not recorded any loss allowances of trade receivable from related parties

Purchases :

The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.

Loan from Related Party :

The company has availed loan from its holding company for general corporate purpose. The loan balance as on 31st March, 2022 was amounting ₹ 39,367.92 lakhs . The loan is unsecured and carry an interest 9.75% per annum and repayable after the end of the tenure.

Corporate Guarantee by Related Party :

The holding company , JSW Cement Limited has issued corporater guarantee to banks on behalf of and in respect of loan availed by the company.

C. **Closing balance of related parties**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Receivable		
JSW Cement Limited	-	18.04
JSW Steel Limited		
Trade Payable		
JSW Cement Limited	**1,065.37**	30.64
JSW Steel Limited	-	(0.13)
Loan Received		
JSW Cement Limited	**39,367.92**	14,175.08
1% Optionally Convertible Cumulative Redeemable Preference shares		
JSW Cement Limited	**10,000.00**	10,000.00
Interest Payable on loan		
JSW Cement Limited	**688.33**	4,498.12

h. **Earnings per share (EPS)**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Profit/(Loss) attributable to Equity shareholders (₹ in lakhs)(A)	(2,551.91)	(2,196.82)
Weighted average number of Equity shares for basic EPS (B)	19,50,00,000	19,50,00,000
Effect of Dilution :	-	-
Weighted average number of Equity shares adjusted for the effect of dilution (C)	19,50,00,000	19,50,00,000
Basic EPS (Amount in ₹) (A/B)	(1.31)	(1.13)
Diluted EPS(Amount in ₹) (A/C)	(1.31)	(1.13)

i **Advance received from Customer (Contract Liability)**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance as on 1st April	35.46	14.87
Revenue recognised in the reporting period with respect to contract liability	(11.66)	(14.39)
Advance received from Customer during the year	27.70	34.98
Closing Balance of Contract Liability as on 31st March	51.50	35.46

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

j. During the year ended March 31, 2022, the Company has incurred a loss of Rs 2,545.17 lakh and as on March 31, 2022, the Company's accumulated loss is Rs 14,190.57 lakh resulting in erosion of net-worth of the Company. The Management is hopeful of improving the performance of the company after expansion and commissioning of 4000 TPD clinkerisation unit. The management is confident that the Company will be able to operate as a "Going Concern" and meet its liabilities as they fall due for payment based on its future business plans as indicated in this note and continues support being received from its shareholders/lenders. Accordingly, these financial statements continue to be presented on a going concern basis.

K **Other Statutory information**

1. The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property

2. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

3. The Company has 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.

4. The Company has 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.

5. 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.

6. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

7. The Company is not declared wilful defaulter by and bank or financials institution or lender during the year

8. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

9. Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts

10. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

11. The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

12. The Company does not have any transactions with companies which are struck off

l. The financial statements are approved for issue by the audit committee at its meeting held on 21st April,2022 and by the board of directors on 21st April,2022

m. Previous year's figures have been regrouped / reclassified wherever necessary, to confirm the current period's classification in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013 effective 1st April, 2021.

As per our report of even date
For Shah Gupta & Co.
Chartered Accountants
FRN No : 109574W

SHAH GUPTA & CO.
MUMBAI
FRN : 109574W
CHARTERED ACCOUNTANTS

Vipul K. Choksi
Partner
M.No : 37606
UDIN : 22037606AHNDKM1502

Place : Mumbai
Date : 21.04.2022

For and on behalf of the Board of Directors

R.P.Gupta
Director
DIN No : 01325989

Manoj kumar Rustagi
Whole Time Director
DIN No : 07742914

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer