



Independent Auditor's Report

To the Members of Bhavya Cements Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bhavya Cements Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	Auditor's Response
<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Notes 40 to the Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>Obtained details of completed tax assessments and demands as on March 31, 2023 from management. We involved our internal experts, to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors Report but does not include the financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

Management's Responsibility for the Financial Statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure-A".

(g) The Company has not paid any remuneration to its directors during the year. Hence the provisions of section 197 of the Act are not applicable.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 40);

ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or



Ramanatham & Rao

Chartered Accountants

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared or paid during the year by the Company.

vi. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 requires for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. However, as per Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 the auditors are required to comment on audit trail (edit log) for the year 2022-23. As the maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the Company for the year 2022-23, we are not reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 for the financial year ending March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Government of India in terms of Section 143 (11) of the Act, we give in "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Ramanatham & Rao
Chartered accountants
(Firm Registration No.S-2934)

C. Kameshwar Rao
Partner
Membership No.024363

UDIN:23024363BGUJKQ7022

Place : Hyderabad
Date :16th May 2023



Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company of even date)

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

We have audited the internal financial controls over financial reporting of Bhavya Cements Private Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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


Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramanatham & Rao
Chartered accountants
(Firm Registration No.S-2934)


C. Kameshwar Rao
Partner
Membership No.024363

UDIN: 23024363BGUJKQ7022

Place: Hyderabad
Date :16th May 2023

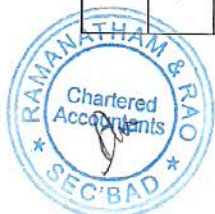


Annexure "B" to the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company, we report that:

i.	In respect of the Company's Property, Plant and Equipment and Intangible Assets:	
	(a)	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
		(B) The Company does not have intangible assets. Hence, reporting under clause 3(i)(a)(B) of the Order is not applicable.
	(b)	According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
	(c)	Based on our examination of registered sale deeds and other documents, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company.
	(d)	The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
	(e)	No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
ii.	(a)	The inventory has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% in the aggregate for each class of inventory and have been properly dealt with in the books of account.
	(b)	The Company was sanctioned working capital limits in excess of Rs.5 Crore from banks on the basis of security of inventory and trade receivables. Further, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
iii.	The Company has not made investments, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii) of the Order is not applicable.	
iv.	The Company has not granted loans, not made investments and not given guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.	
v.	The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.	
vi.	We have broadly reviewed the cost records maintained by the Company as prescribed under subsection (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.	
vii.	In respect of statutory dues:	
	a)	In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, and other statutory dues applicable to it with the appropriate authorities.
		There are no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

b)	Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:
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	Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (In Lakhs)	Amount paid under protest
	Central Excise Act, 1944	Excise Duty	Commissioner of Central Taxes, Guntur	February 2016 to June 2017	1001.07	-
	Commercial Taxes Department	Entry Tax	High Court for the State of Andhra Pradesh	April 2009 to March 2011	37.84	12.61
	Income Tax Act, 1961	Income Tax	Jurisdictional Assessing Officer	2018-19	17.44	-
	Income Tax Act, 1961	Income Tax	Jurisdictional Assessing Officer	2015-16	22.88	-
	Income Tax Act, 1961	Income Tax	Jurisdictional Assessing Officer	2019-20	2.40	-
viii.	There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).					
ix.	a)	The Company has not defaulted in repayment of loans taken from the banks. The Company has not taken loans from financial institutions and Government.				
	b)	The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.				
	c)	According to the information and explanations given to us and procedures performed by us, we report that the Company has applied the term loans for the purpose for which the loans were obtained.				
	d)	On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.				
	e)	The Company does not have any Subsidiaries, Associates or Joint Ventures and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable				
x.	a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.				
	b)	During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.				
xi.	a)	No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.				
	b)	No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.				
	c)	As represented to us by the management, there are no whistle blower complaints received by the company during the year.				
xii.	The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.					
xiii.	In our opinion, the Company is in compliance with 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Companies Act, 2013 is not applicable to the Company.					
xiv.	a)	In our opinion the Company has an adequate internal audit system commensurate with the size and				



		the nature of its business.
	b)	We have considered, the internal audit reports of the Company issued till date, for the period under audit.
xv.		In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
xvi.	a)	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
	b)	In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
xvii.		The Company has incurred cash losses of Rs. 633.29 lakhs during the financial year covered by our audit and has not incurred cash losses in the immediately preceding financial year.
xviii.		There has been no resignation of the statutory auditors of the Company during the year.
xix.		On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
xx.	a)	There is no amount to be spent for other than ongoing projects towards Corporate Social Responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
	b)	The Company does not have ongoing projects relating to CSR. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

For Ramanatham & Rao
Chartered Accountants
(Firm Registration No.S-2934)


C. Kameshwar Rao
Partner
Membership No.024363

UDIN: 23024363BGUJKQ7022

Place: Hyderabad
Date : 16th May 2023



Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2	17,202.35	18,058.10
Right of Use Assets	44	1.46	195.66
Capital work-in-progress	2	63.02	-
Investment Property	4	103.77	108.88
Other intangible assets	3	-	-
Financial assets			
i. Other financial assets	5	0.35	1,501.36
Other non-current assets	6	814.36	808.87
Total non-current assets		18,185.31	20,672.87
Current assets			
Inventories	7	2,985.53	2,108.81
Financial assets			
i. Trade receivables	8	2,125.53	3,753.72
ii. Cash and cash equivalents	9	-	348.89
iii. Bank Balances other than (ii) above	10	-	87.24
iv. Other financial assets	5	1,666.27	47.50
Current tax assets (net)	11	146.94	-
Other current assets	12	324.63	1,642.27
Total current assets		7,248.90	7,988.43
Total Assets		25,434.21	28,661.30
Equity and Liabilities			
Equity			
Equity share capital	13	13,231.59	13,231.59
Other equity	14	491.76	3,059.47
Total equity		13,723.35	16,291.06
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	2,300.00	3,000.00
ii. Lease liabilities	44	0.97	172.75
Provisions	16	161.80	204.91
Deferred tax liabilities (net)	17	1,006.00	975.51
Total non-current liabilities		3,468.77	4,353.17
Current liabilities			
Financial liabilities			
i. Borrowings	18	3,702.33	3,179.70
ii. Lease liabilities	44	0.50	28.34
iii. Trade payables	19		
a) Total outstanding dues of micro and small enterprises		507.78	684.80
b) Total outstanding dues of creditors other than micro and small enterprises		2,561.64	1,693.68
iv. Other financial liabilities	20	795.62	905.25
Other current liabilities	21	651.72	1,331.15
Provisions	16	22.50	4.84
Current tax liabilities (net)	22	-	189.50
Total current liabilities		8,242.09	8,017.07
Total liabilities		11,710.86	12,370.24
Total equity and liabilities		25,434.21	28,661.30

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Ramanatham & Rao
 Chartered Accountants
 ICAI firm registration number: S-2934

C. Kameshwar Rao
 Partner
 Membership No.: 024363

Place: Hyderabad
 Date: May 16, 2023



For and on behalf of the Board

N. Venkat Raja
 Managing Director
 DIN: 08672963

P. Ramkumar
 Director
 DIN: 09207219

M.S.K. Chaitanya
 Chief Financial Officer
 PAN: BEUPM7389K

Place: Chennai
 Date: May 16, 2023

Valliammai S. Sandeep

V Valliammai S. Sandeep
 Director
 DIN: 01197421
 Director
 DIN: 09207372

M Satyanarayana Murthy
 Director
 DIN: 01612799

Jyoti Agarwal Singhal
 Company Secretary
 M No. A56780



Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	23	24,169.44	40,662.27
Other income	24	226.05	467.27
Total Income (i)		24,395.49	41,129.54
Expenses			
Cost of raw materials consumed	25	2,667.10	5,364.71
Purchase of stock-in-trade		8.03	-
Changes in inventories of work-in-process and finished goods	26	(267.51)	(617.10)
Employee benefits expense	27	1,388.04	1,317.79
Finance costs	28	606.85	1,158.55
Depreciation and amortisation expense	29	1,835.75	1,986.98
Power and fuel	30	14,609.67	18,226.88
Freight and forwarding expense		2,965.19	5,450.96
Other expenses	31	3,161.57	4,641.11
Total expenses (ii)		26,974.69	37,529.88
Profit before tax ((i)-(ii))		(2,579.20)	3,599.66
Tax expense			
Current tax	32	-	865.12
Deferred tax	32	21.49	(6.80)
Earlier years' tax	32	(6.19)	0.55
Total tax expense	32	15.30	858.87
Profit/(loss) for the year	14	(2,594.50)	2,740.79
Other comprehensive income / (loss) for the year			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		35.80	49.67
(b) Income tax relating to items (a) above		(9.01)	(12.50)
Other comprehensive income/(loss) for the year, net of tax	14	26.79	37.17
Total comprehensive income for the year		(2,567.71)	2,777.96
Earnings per share (equity shares, par value Rs.10 each)			
Basic earnings per share in Rupees	33	(1.96)	1.96
Diluted earnings per share in Rupees		(1.96)	1.96
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Ramanatham & Rao
Chartered Accountants
ICAI firm registration number: S-2934

C. Kameshwar Rao
Partner
Membership No.: 024363

Place: Hyderabad
Date: May 16, 2023



For and on behalf of the Board

N. Venkat Raju
Managing Director
DIN: 08672963

M Satyanarayana Murthy
Director
DIN: 01612799

Jyoti Agarwal Singhal
Company Secretary
M No. A56780

Place: Chennai
Date: May 16, 2023

V. Valliammai
Director
DIN: 01197421

S. Sandeep
Director
DIN: 09207372

P Ramkumar
Director
DIN: 09207219

M.S.K Chaitanya
Chief Financial Officer
PAN: BEUPM7389K



Bhavya Cements Private Limited

CIN: U26941AP2007PTC053611

Notes to the financials statements for the year ended March 31, 2023

(All amounts are in Lakhs Indian Rupees except for share data or otherwise stated)

Statement of Changes in Equity

I) Equity share capital

Particulars	Note No	Amounts
Balance as at April 1, 2022		13,231.59
Changes in equity share capital during the year	13	-
Balance as at March 31, 2023		13,231.59
Balance as at April 1, 2021		13,992.19
Changes in equity share capital during the year	13	(760.60)
Balance as at March 31, 2022		13,231.59

II) Other equity

Particulars	Note No	Reserves and Surplus				Total
		Securities Premium	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income	
Balance as at April 1, 2022		-	760.60	2,272.83	26.04	3,059.47
Profit for the year	14	-	-	(2,594.50)	-	(2,594.50)
Other comprehensive income/(loss)	14	-	-	-	26.79	26.79
Balance as at March 31, 2023		-	760.60	(321.67)	52.83	491.76
Balance as at April 1, 2021		3,375.00	-	1,085.58	(11.13)	4,449.45
Profit for the year	14	-	-	2,740.79	-	2,740.79
Utilized towards share buyback		(3,239.40)	-	-	-	(3,239.40)
CRR created on account of share buyback		(135.60)	760.60	(625.00)	-	-
Utilized towards payment of buyback tax		-	-	(928.54)	-	(928.54)
Other comprehensive income/(loss)	14	-	-	-	37.17	37.17
Balance as at March 31, 2022		(0.00)	760.60	2,272.83	26.04	3,059.47

As per our report of even date

For Ramanatham & Rao
Chartered Accountants
ICAI firm registration number: S-2934


C. Kameshwar Rao
Partner
Membership No.: 024363

Place: Hyderabad
Date: May 16, 2023



For and on behalf of the Board


N. Venkat Raju
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Director
DIN: 09207372


M.S.K. Chaitanya
Chief Financial Officer
PAN: BEUPM7389K

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Net profit before tax	(2,579.20)	3,599.66
Adjustments for operating activities:		
Depreciation and amortisation expense	1,835.75	1,986.98
Interest income from Bank Deposits and Others	(51.83)	(285.04)
Net gain on disposal of property, plant and equipment	(16.81)	(40.03)
Bad debts written off	34.80	8.90
Provision for doubtful debts	110.16	47.53
Liabilities no longer required written back	(13.07)	(1.21)
Interest income from financial assets at amortised cost	(144.31)	(140.99)
Interest expenses on financial liabilities calculated using effective interest rate	24.17	524.23
Finance costs	582.68	634.32
Operating cash flow before working capital changes	(217.66)	6,334.35
Decrease / (increase) in Inventories	(876.72)	(584.03)
Decrease / (increase) in Trade Receivables	1,483.23	(1,312.18)
Decrease / (increase) in Financial Assets	26.55	954.14
Decrease / (increase) in Other Non Current Assets	9.55	(0.87)
Decrease / (increase) in Other Current Assets	1,321.11	(834.45)
Increase / (decrease) in Trade Payables	690.94	(1,441.23)
Increase / (decrease) in Provisions	10.35	(30.96)
Increase / (decrease) in Financial Liabilities	(111.50)	(58.44)
Increase / (decrease) in other Current Liabilities	(733.67)	(543.58)
Cash generated from operating activities	1,602.18	2,492.75
Income taxes paid, net of refunds	(275.00)	(682.83)
Net cash flow from operating activities (A)	1,327.18	1,809.92
Cash flows from investing activities		
Payments for property, plant and equipment	(1,028.82)	(118.39)
(Increase) / Decrease in capital advances	(15.06)	1,245.54
Proceeds from sale of fixed assets	26.90	75.81
Proceeds from redemption of NCDs	-	8,500.00
Proceeds from bank deposits / (bank deposits made) (net)	87.24	396.06
Interest income received	48.37	644.15
Net cash used in investing activities (B)	(881.37)	10,743.17
Cash flows from financing activities		
Proceeds from / (Repayment of) borrowings	(2,477.37)	(8,039.80)
ICD received from Ultimate Holding Company	2,300.00	-
Lease liabilities paid	(36.51)	(33.15)
Payments made towards Buyback of equity shares	-	(4,000.00)
Payments made towards Buyback tax	-	(928.54)
Finance costs paid	(580.82)	(625.14)
Net cash flow from financing activities (C)	(794.70)	(13,626.63)
Net increase in cash and cash equivalents (A+B+C)	(348.89)	(1,073.54)
Cash and cash equivalents at the beginning of the period	348.89	1,422.43
Cash and cash equivalents at the end of the period	-	348.89
Components of cash and cash equivalents (refer note 9)		
- Cash on hand	-	1.50
Balances with banks	-	-
- on current accounts	-	347.39
Deposits with original maturity of less than three months	-	-
Summary of significant accounting policies	1	348.89

1) Components of cash and cash equivalents

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balances with banks in current accounts	-	347.39
Balances with banks in deposit accounts	-	-
Cash on hand	-	1.50
Cash and cash equivalents considered in the cash flow statement	-	348.89

2) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in Indian Accounting Standard - 7 specified under Section 133 of the Companies Act, 2013.

3) Reconciliation of liabilities arising from financing activities

Particulars	Outstanding as at April 1, 2022	Cash flows (net outflows)	Non-Cash Changes	Outstanding as at March 31, 2023
Non Current Borrowings	3,000.00	(1,500.00)	(1,500.00)	-
Current Borrowings	3,179.70	(977.37)	1,500.00	3,702.33
ICD from Ultimate Holding Company	-	-	2,300.00	2,300.00
Total Borrowings	6,179.70	(177.37)	-	6,002.33

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

As per our report of even date

For Ramanatham & Rao
 Chartered Accountants
 ICAI firm registration number: S-2934

C. Kameshwar Rao
 Partner
 Membership No.: 024363

For and on behalf of the Board

N. Venkat Raja
 Managing Director
 DIN: 08622963

S. Sanderup
 Director
 DIN: 09267372

Jyoti Agarwal Singhal
 Company Secretary
 M No. A56780

V Valliammai
 Director
 DIN: 01197421

P Ramkumar
 Director
 DIN: 09207219

M Satyanarayana Murthy
 Director
 DIN: 01612799

M.S.K Chaitanya
 Chief Financial Officer
 PAN: BEUPM7389K

Place: Hyderabad
 Date: May 16, 2023

Place: Chennai
 Date: May 16, 2023



Bhavya Cements Private Limited

CIN: U26941AP2007PTC053611

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in Lakhs Indian Rupees except for share data or otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES

a) Brief description of the Company

Bhavya Cements Private Limited (referred to as the "Company") is a private limited company incorporated under the Indian Companies Act domiciled in India.

The Company is engaged in the business of manufacture and sale of Cement. The Company has manufacturing plant located at Tangeda Village, Dacheppally Mandal, Guntur District, Andhra Pradesh.

The company is a subsidiary of Anjani Portland Cement Limited ('holding company') and as of March 31, 2023 ; the holding company holds 99.09% equity of the Company.

b) Basis of preparation

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policies given below) which have been measured at fair value.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Critical Estimates and judgments

The areas involving critical estimates or judgments are:

- i) Estimation of current tax expense and payable
- ii) Estimation of defined benefit obligation
- iii) Estimation of useful life of Property, Plant and Equipment
- iv) Impairment of trade receivables
- v) Estimation of decommissioning liabilities for quarry mines
- vi) Leases

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are and net of returns, trade allowances, rebates, and amounts collected on behalf of third parties.

Sale of products:

Timing of recognition - Revenue from sale of products is recognized when control of the products is transferred to customers based on terms of sale.

Measurement of Revenue: Revenue from sales is based on the price specified in the sales contract, net of all discounts and returns in relation to sales made until end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. Receivable is recognized when the goods are dispatched as this is the point in time that the consideration is unconditional and only passage of time is required before payment is done.

Interest, Dividends and Other Income:

Dividend income is recognised when the right to receive payment has been established, 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 the applicable effective interest rate.

f) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other property plant and equipment are stated at cost of acquisition less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use. However, cost excludes input credit of the duty or tax is availed of.



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

g) Depreciation and amortization

i) Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment are provided under the written down value method of depreciation ('WDV') using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013.

The estimated useful lives for property, plant and equipment is as follows :

Assets	Useful life as stated in Companies Act, 2013 (in years)	Useful life as per Management estimate (in years)
Factory Buildings	30	30
Non Factory Buildings	60	60
Plant & Machinery ^^^	5-25	5-25
Data Processing Equipment	3-6	3-6
Furniture & Fixtures	10	10
Office Equipment	5	5
Vehicles	5	5

Based on the technical evaluation, the useful lives of some of the Plant & Machinery items are considered in the range of 5-10 years and the management believes the useful life considered best represents the period over which the assets are expected to be used. Hence, the useful life of these assets is different from the useful lives as prescribed under the Schedule II to the Companies Act, 2013

ii) The assets' residual values are measured at not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

iii) On tangible property, plant and equipment added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

iv) Gains and losses on disposal of assets are determined by comparing the sale proceeds with the carrying amount. These are included in profit or loss within other income.

h) Investment Property:

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is in accordance with Ind AS 40.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

i) Intangible assets

Intangible assets, namely Computer Software are recorded at their acquisition cost and are amortised using the WDV method over their useful lives.

j) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash inflows can be generated which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, (including any non-cash assets transferred or liabilities assumed), is recognised in profit or loss as other gain/(loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



l) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised up-to the time when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

m) Transactions in foreign currencies

- i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

n) Inventories

Inventories are valued at the lower of cost and net realisable value.

- i) Cost of raw materials and components, packing materials, stores and spares, work-in-process and finished goods are ascertained on a weighted average basis.
- ii) Cost of finished goods and work-in-process comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.
- iii) 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.
- iv) Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- v) Slow and non-moving material, obsolesces, defective inventories are duly provided for.

o) Employee benefits

- i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- ii) Other long term employee benefit:

The liabilities for earned 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 the expected future payments to be made in respect of services provided by employee upto the end of 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 as profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- iii) Post-employment obligation:

The Company operates the following post-employment schemes:

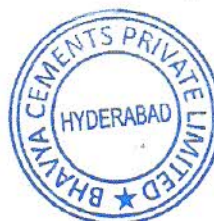
- a) Defined benefit plans such as gratuity for its eligible employees; and
- b) Defined contribution plans such as provident fund.

- a) Gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

b) Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv) Bonus plans:

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where statutory liability exists, contractually obliged or where there is a past practice that has created a constructive obligation.

p) Income tax

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

q) Provisions and contingent liabilities

i) Provisions:

A provision is recorded when the Company has a present or constructive obligation as a result of present obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

ii) Contingent liabilities:

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

r) Leases

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 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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve 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.

Certain lease arrangements includes 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 right-of-use 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.

Right-of-use 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset 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.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

s) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the conditions attached to it.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented under other income.

Grants related to income are recognised in statement of profit or loss by deducting it from the the related expense.

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

u) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

v) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



w) Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

x) Investments and Other financial assets

i) Classification

The Company classifies its financial assets as those subsequently measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

iii) Impairment of financial assets:

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 37 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets:

A financial asset is de-recognised only when:

- a) the Company has transferred the rights to receive cash flows from the financial asset or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

y) Current and Non-current classification

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

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



