PATIENCE DEFINES US

MEGHA TECHNICAL AND ENGINEERS PRIVATE LIMITED

Annual Report 2021-22

INSIDE THE REPORT

For more investor-related information, please visit

https://www.starcement.co.in/investor/annual-report-subsidiary-companies

Or simply scan to view the online version of the Report

Disclaimer:

This document contains statements about expected future events and financials of Megha Technical & Engineers Private Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to this Annual Report.

MEGHA TECHNICAL & ENGINEERS PRIVATE LIMITED
CIN: U27107ML2002PTC006976

Corporate Information

BOARD OF DIRECTORS

Mr. Tushar Bhajanka
Managing Director
w.e.f. 1st February, 2022

Mr. Pankaj Kejriwal
Director
w.e.f. 1st February, 2022

Mr. Rajesh Kumar Agarwal
Director

Ms. Edielanaphika Gabriela Suja War
Director

Mr. Pramod Kumar Shah
Independent Director

Mr. Nirmalya Bhattacharyya
Independent Director

Mr. Nagraj Tater
Director
upto 31st January, 2022

CHIEF FINANCIAL OFFICER

Mr. Vivek Lahoti

COMPANY SECRETARY

Mr. Mohit Mahana

AUDITORS

M/s. D.K.Chhajer & Co.
Chartered Accountants
Nilhat House, 11, R. N. Mukherjee Road, Kolkata – 700001

BANKERS

State Bank of India
IDBI Bank

REGISTERED OFFICE & WORKS

Vill:-Lumshnong, P.O.Khaliehriat
Distt:- East Jaintia Hills, Meghalaya – 793 210

CORPORATE OFFICE

"Century House" P-15/1 Taratala Main Road,
CPT Colony, Taratala, Kolkata 700088

GUWAHATI OFFICE

Mayur Garden, 2nd Floor, Opp. Rajiv Bhawan,
G. S. Road, Guwahati – 781005

DELHI OFFICE

Unit No. - DSM-517 to DSM-521, 5th Floor, D.L.F. Tower,
Shivaji Marg, Najafgarh Road, Delhi – 110015

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Twentieth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2022 and the Statement of Profit & Loss for the year ended on that date.

FINANCIAL HIGHLIGHTS

The highlights of the financial performance of the Company for the financial year ended 31st March, 2022 as compared to the previous financial year are as under:-

(₹ in Lakhs)

Particulars	FY 21-22	FY 20-21
Total Income	1,067.53	1,011.19
Profit before Interest, Depreciation and Tax and exceptional items	52.47	24.24
Depreciation	87.89	106.91
Interest and Finance Charges	0.24	0.23
Profit/(Loss) before exceptional items and tax	(35.66)	(82.90)
Exceptional Items	-	1,264.28
Profit/(Loss) before Tax	(35.66)	(1,347.18)
Provision for taxation:		
- Current Tax	-	-
- Deferred Tax	(9.69)	(387.98)
- Income tax for earlier years	5.73	5.67
Net Profit/(Loss) after Tax	(31.70)	(964.87)
Other comprehensive income for the year, net of tax	214.05	538.91
Total comprehensive income for the year	182.35	(425.96)

Indian Cement Industry

India is the second largest producer of cement in the world with 7% global installed cement capacity. Country's overall cement production accounted for 294.4 MT. in the financial year FY 2021-22. The Country is having lot of potential for development in infrastructure sector. Government's spending on infrastructure sector and various ongoing programmes will be the primary factor for growth of cement industry of the country.

OPERATIONAL PERFORMANCE

During the year under review, your Company produced 3450 MT of Cement as against 1180 MT in the previous year. In the year FY 2021-22, your Company has dispatched 2801 MT of cement and sold 2610.75 MT of cement as compared to 1688.89 MT and 508.90 MT respectively recorded in the previous year.

During the Financial Year under review, your Company's total revenue stood at ₹ 1,067.53 Lakhs as against ₹ 1,011.19 Lakhs in previous year. The profit before tax stood at ₹ (35.66) Lakhs as against ₹ (1,347.18) Lakhs in the previous year.

MARKETING PERFORMANCE

Your Company markets its product under the Brand name **"STAR CEMENT"** Under a Brand agreement with its holding Company M/s. Star Cement Limited **(SCL)**. Your Company's holding Company i.e., Star Cement Limited undertook a lot of marketing initiatives during the year under review.

Brand **"STAR CEMENT"** continued to enjoy its market leadership in North Eastern Region.

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2022 was ₹ 2,734.64 Lakhs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

ANNUAL RETURN

Pursuant to Provision of Section 134(3)(a) and Section 92(3) read with Rule 11 & 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the requirement to attach the Extract of Annual Return has been omitted vide Companies (Management and Administration) Amendment Rules, 2021. Since the Company does not possess any website thus, it is not required to upload the Annual Return on the website and to provide web link thereof on the Board's Report. Further, a copy of the Annual Return for the Financial Year FY 2021-22, shall be filed with the ROC.

CHANGES IN NATURE OF BUSINESS, IF ANY

There has not been any change in the nature of business.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company. During the year, Four (4) Board Meetings were convened and held. The intervening gap between

DIRECTORS' REPORT (Contd.)

the Meetings was within the period prescribed under the Companies Act, 2013. The meetings were held on 8th June, 2021; 12th August, 2021; 1st November, 2021 and 25th January, 2022.

The composition of the Board and the attendance details of the members are given below:

Name of the Director	Designation	No. of Meetings	
		Held	Attended
Mr. Pankaj Kejriwal*	Non-Executive Director	4	1
Mr. Tushar Bhajanka**	Managing Director	-	-
Mr. Rajesh Kumar Agarwal	Non - Executive Director	4	4
Mr. Nagraj Tater#	Independent Director	4	3
Mr. Pramod Kumar Shah	Independent Director	4	4
Ms. Edielanaphika Gabriela Suja War	Non - Executive Director	4	1
Mr. Nirmalya Bhattacharyya##	Independent Director	4	4

*Mr. Pankaj Kejriwal ceased to be Managing Director with effect from close of the business hours of 31st January, 2022, and continuing as the Non-Executive Director.

** On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 25th January, 2022 appointed Mr. Tushar Bhajanka as an Additional Director effective from 1st February, 2022. At the said meeting Mr. Tushar Bhajanka was appointed as Managing Director of the Company for a period of 3 years effective from 1st February, 2022 till 31st January, 2025, subject to the approval of the shareholders at the ensuing Annual General Meeting.

#Mr. Nagraj Tater ceased to be Independent Director of the Company w.e.f. close of the business hours of 31st January, 2022.

##Appointment of Mr. Nirmalya Bhattacharyya as Director in Independent category was duly approved by the shareholders of the Company by way of special resolution passed in the Annual General Meeting held on 27th September, 2021.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 25th March, 2022 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

COMPLIANCE WITH THE SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards (Ind AS) referred to in section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the loss of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Mr. Pramod Kumar Shah and Mr. Nirmalya Bhattacharyya are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General Management, Accounts & Finance, Audit, Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company. Regarding proficiency, all Independent Directors have registered themselves in the Data Bank maintained with

DIRECTORS' REPORT (Contd.)

the Indian Institute of Corporate Affairs (IICA), Manesar. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of his name in the data bank. Mr. Nirmalya Bhattacharyya (appointed w.e.f. 1st April, 2021) will appear in 'online proficiency test' within the period of two (2) years from the date of inclusion of his name in the data bank. Mr. Pramod Kumar Shah appeared in 'online proficiency test' within the period of one (1) year from the date of inclusion of his name in the data bank and has successfully qualified the test.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

AUDITORS & AUDITORS' REPORT

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration No.: 304138E) were appointed as the Statutory Auditors of the Company to hold office for five consecutive years starting from the conclusion of the 15th Annual General Meeting (AGM) held on 11th September, 2017 until the conclusion of the 20th Annual General Meeting of the Company to be held during the FY 2021-22. The term of office of M/s. D. K. Chhajer & Co., as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

Subject to the approval of the members of the Company, the Audit Committee and the Board of Directors during their respective meetings held on 16th May, 2022 have considered and recommended the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No.: 302049E) as the Statutory Auditors of the Company, to hold office from the conclusion of the 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2027.

M/s. Singhi & Co., Chartered Accountants (Firm Registration No.: 302049E) have given their consent for the proposed appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the members of the Company. They have further confirmed that the said appointment, if made, would be within the prescribed limits under the Companies act, 2013 and that they are not disqualified for appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration No.: 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2022 in the Board Meeting held on 8th June, 2021. The remuneration proposed to be paid to them for the FY 2021-22, as recommended by audit committee, was ratified in the meeting of shareholders held on 27th September, 2021.

Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration No.: 000064) have expressed their willingness to be re-appointed as Cost Auditors of the Company for ensuing financial year. The Board, on recommendation of the audit committee has re-appointed Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration No.: 000064) as Cost Auditors of the Company for the FY 2022-23 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs B. G. Chowdhury & Co., Cost Auditors for the FY 2022-23 is included in the Notice convening the Annual General Meeting.

The cost audit report for the FY 2020-21 was filed with the Ministry of Corporate Affairs on 25th October, 2021.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Investments made in and Loans given by your Company to its Holding Company falling under ambit of Section 186 (2) of the Companies Act, 2013 were within the limits prescribed.

Details of Investments and loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and to the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

RESERVES

During the year under review no amount was transferred to reserves.

DIVIDEND

In view of operational loss recorded for the year and in order to conserve resources to meet operational requirement, your Directors do not recommend any dividend for the year under review.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134(3)(m) of the Act and rules framed there under is mentioned below:

(A) Steps taken towards Conservation of energy **(B) Steps taken toward Technical Absorption**	since whole plant was not fully operational for entire financial year, no further steps were taken for conservation of energy and technical absorption.

- The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems and quality improvement. During the year under review, your Company incurred Revenue Expenditure of ₹ 859/- (PY ₹ 421/-) and Capital expenditure of ₹ NIL (PY NIL) in Research & Development.

(C) Foreign Exchange Earnings and Outgo:

During the period under review, there were no Foreign Exchange earnings (Previous Year Nil) and no Foreign Exchange Outgo (Previous year Nil).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believe that the literacy is key to the progress. Therefore, during the year your Company contributed towards construction of additional class rooms in schools located in nearby plant area.

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and marked as Annexure- 1.

PERFORMANCE EVALUATION OF THE BOARD

In accordance with the requirements of the Companies Act, 2013, the performance evaluation of the Board was carried out during the year under review. The Board follows a formal mechanism for the evaluation of the performance of the Board as well as Committee. The evaluation reflected the overall engagement of the Board and the Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The appointments of Mr. Nagraj Tater and Mr. Nirmalya Bhattacharyya as Director in Independent category were duly approved by the shareholders of the Company by way of special resolutions passed in the Annual General Meeting held on 27th September, 2021.

Mr. Pankaj Kejriwal ceased to be the Managing Director of the Company w.e.f. close of the business hours of 31st January, 2022 and continuing to be Non-Executive Director.

Mr. Nagraj Tater ceased to be an Independent Director of the Company w.e.f. close of business hours of 31st January, 2022.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 25th January, 2022 appointed Mr. Tushar Bhajanka as an Additional Director in Executive Category effective from 1st February, 2022. Further, Mr. Bhajanka was appointed as Managing Director of the Company for a period of 3 years effective from 1st February, 2022 till 31st January, 2025, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. Tushar Bhajanka, aged 26 years, studied M. Phil in Economics from Cambridge University. Mr. Bhajanka has given his consent for appointment and has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act. His association as Director would be beneficial to the Company.

In accordance with the provisions of Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rajesh Kumar Agarwal will retire by rotation and being eligible offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

The following personnel are Key Managerial Personnel of the Company:

1.	Mr. Pankaj Kejriwal	-	Managing Director upto 31st January, 2022.
2.	Mr. Tushar Bhajanka	-	Managing Director w.e.f. 1st February, 2022.
3.	Mr. Vivek Lahoti	-	Chief Financial Officer
4.	Mr. Mohit Mahana	-	Company Secretary

HOLDING COMPANY

M/s Star Cement Limited remains the Holding Company with 100% stake in your Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company has no Subsidiaries, Associate Company and Joint Ventures.

DEPOSITS

During the year under report, the Company has not accepted any deposits from public or from any of the Members of the Company falling under the ambit of Section 73 of the Companies Act, 2013.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

In respect of demand letter received from Central Excise authority for refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 244.18 Lakhs, the Company has filed a writ petition before the Hon'ble Meghalaya High Court for quashing of demand notice, the Meghalaya High Court has stayed the said demand notice matter is sub–judice and final hearing of the case is yet to be conducted, therefore, no provision have been taken in the books of account. (Refer Note no. 42(a) of Notes to Accounts).

Other than the aforesaid, there have been no significant and material orders passed by the Courts/ Regulators impacting the going concern status and future operations of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

DETAILS OF DIFFERENCE IN VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

COMMITTEES OF THE BOARD

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process.

During the year, the Committee met Four (4) times on 8th June, 2021; 12th August, 2021; 1st November, 2021 and 24th January, 2022. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meetings	
			Held	Attended
Mr. Nagraj Tater*	Independent	Chairman	4	4
Mr. Nirmalya Bhattacharyya**	Independent	Chairman	4	4
Mr. Pramod Kumar Shah	Independent	Member	4	4
Mr. Tushar Bhajanka***	Executive	Member	-	-

*Mr. Nagraj Tater ceased to be an Independent Director of the Company w.e.f. close of business hours on 31st January, 2022.

**Mr. Nirmalya Bhattacharyya was appointed as the Chairman of the said Committee w.e.f. 1st February, 2022.

***Mr. Tushar Bhajanka was appointed as Managing Director and Member of the Committee w.e.f. 1st February, 2022.

- Vigil mechanism

  A Vigil (Whistle Blower) mechanism provides a formal mechanism to the Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimisation of employees and Directors to avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

b. **Nomination & Remuneration Committee**

The Committee identifies, screens and review individuals who are qualified to become Directors, Key Managerial Personnel and Senior Management staff. The Committee also makes recommendations to the Board for such appointment and removal and carries out evaluation of every director's performance.

During the year under review, the Committee met Two (2) times to deliberate on the various matters. The Meetings were held on 8th June, 2021 and 24th January, 2022. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meetings	
			Held	Attended
Mr. Nirmalya Bhattacharyya	Independent	Chairman	2	2
Mr. Pramod Kumar Shah	Independent	Member	2	2
Mr. Rajesh Kumar Agarwal	Non-Executive	Member	2	2

c. **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee is responsible for the implementation / monitoring and review of the policy and the activities undertaken under

DIRECTORS' REPORT (Contd.)

the CSR policy as framed by the Company.

During the year, the Committee met Two (2) times 8th June, 2021 and 24th January, 2022. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meetings Held	No. of Meetings Attended
Mr. Rajesh Kumar Agarwal	Non-Executive	Chairman	2	2
Mr. Nirmalya Bhattacharyya	Independent	Member	2	2
Mr. Nagraj Tater*	Independent	Member	2	2
Mr. Tushar Bhajanka**	Executive	Member	-	-

*Mr. Nagraj Tater ceased to be an Independent Director of the Company w.e.f. close of business hours on 31st January, 2022.

**Mr. Tushar Bhajanka was appointed as Managing Director and Member of the Committee w.e.f. 1st February, 2022.

d. Finance Committee

The Finance Committee deals within the terms of reference defined by the Board and ensures their expeditious implementation.

During the year under review, the Finance Committee met on 15th July, 2021 and 25th January, 2022. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meetings Held	No. of Meetings Attended
Mr. Pankaj Kejriwal	Non-Executive	Chairman	2	-
Mr. Rajesh Kumar Agarwal	Non-Executive	Member	2	2
Mr. Nagraj Tater*	Independent	Member	2	2
Mr. Tushar Bhajanka **	Executive	Member	-	-

*Mr. Nagraj Tater ceased to be an Independent Director of the Company w.e.f. close of business hours on 31st January, 2022.

**Mr. Tushar Bhajanka was appointed as Managing Director and Member of the Committee w.e.f. 1st February, 2022.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

Employee relationship in your Company continues to remain cordial and harmonious. Your Company's human resource management systems and process aim to enhance organisational performance. Your Directors place on record their appreciation for the valuable services rendered by the workmen and employees at all levels for their valuable support and expect their sustenance in years ahead.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as Annexure- 2 and forms part of this report. The Company has no employee whose remuneration exceeds the limit prescribed under section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge and are grateful for continuous support received from the shareholders, banks, financial institutions, dealers, suppliers and other stakeholders. The Directors regret the loss of life due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. Your Directors recognise and appreciate the hard work and efforts put in by all the employees of the Company and their contribution towards the progress of the organisation.

For and on behalf of the Board of Directors

Tushar Bhajanka
Managing Director
(DIN: 09179632)

Rajesh Kumar Agarwal
Director
(DIN: 00223718)

Place : Kolkata
Date: 16th May, 2022

Annexure - 1

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. **A brief outline on the Company's CSR policy:**

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 as and when amended. Your Company's CSR strategy ensures compliance with ethical standards in business practices; minimising environmental impacts and waste; addresses the challenges of improved access to education, health, sports, drinking water, sanitation and livelihood opportunities; and helping underprivileged communities to become resilient and self-reliant.

   The main objective of the policy is to establish the basic principles and the general framework of action for management to undertake and fulfil its Corporate Social Responsibility.

2. **The composition of the CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajesh Kumar Agarwal	Chairman (Non-Executive Director)	2	2
2	Mr. Nagraj Tater*	Member (Independent Director)	2	2
3	Mr. Nirmalya Bhattacharyya **	Member (Independent Director)	2	2
4	Mr. Tushar Bhajanka***	Member (Executive Director)	-	-

*Mr. Nagraj Tater ceased to be the member of the said committee and director w.e.f. close of business hours on 31st January, 2022

**Mr. Nirmalya Bhattacharyya was appointed as the member of the said committee w.e.f. 1st April, 2021.

***Mr. Tushar Bhajanka was appointed as the member of the said committee and Managing Director of the Company w.e.f. 1st February, 2022.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:** NOT APPLICABLE

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).** NOT APPLICABLE

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount Required for set off for the financial year, if any :** NOT APPLICABLE

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	
	Total		

6. **Average Net Profit of the Company for last 3 financial years:** ₹ 55.50 Lakhs

7. (a) **Two percent of average net profit of the Company as per section 135(5):** ₹ 1.11 Lakhs

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

   (c) **Amount required to be set off for the financial year, if any:** NIL

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 1.11 Lakhs

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1.18 Lakhs	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (₹ in Lakhs)**	**Mode of implemen-tation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
1.	Education	Item No. ii – Promoting Education	Yes	Meghalaya	Lumshnong	1.18	Yes	Not Applicable	
	Total					**1.18**			

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 1.18 Lakhs

(g) Excess amount for set off, if any

Sl. No.	**Particular**	**Amount (₹ in Lakhs)**
(i)	Two percent of average net profit of the Company as per section 135(5)	1.11
(ii)	Total amount spent for the Financial Year	1.18
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.07

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
	NIL						
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
	NIL							
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5). – Not Applicable

For and on behalf of the Board of Directors

Place : Kolkata
Date: 16th May, 2022

Rajesh Kumar Agarwal
Director
(DIN: 00223718)
Chairman – CSR Committee

Tushar Bhajanka
Managing Director
(DIN: 09179632)

Annexure - 2

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Pradeep Purohit	Vice President - SCM	93.17	Permanent	B.COM; GDIMM	33	15th November, 2004	54	T&I Limited	NIL	None
2	Mr. Vivek Lahoti	Chief Financial Officer	44.55	Permanent	CA	23	1st October, 2008	46	Ambuja Cement Limited	NIL	None
3	Mr. Sanjay Kumar Chourasia	Manager - Quality Control	16.89	Permanent	B. Sc	22	6th September, 2010	44	Adhunik Cement Ltd	NIL	None
4	Mr. Manoj Purohit	Assistant Manager - Logistic	14.30	Permanent	B.Com, Diploma in IIMM	13	16th November, 2007	52	Self Employed	NIL	None
5	Mr. Souren Ghosh	Senior Executive - Finance & Accounts	13.46	Permanent	B. Com	20	23rd February, 2007	42	Japha Comfeed India Private Limited	NIL	None
6	Mr. Debanik Sarkar	Senior System Officer - IT	13.36	Permanent	BA, Diploma in Networking	15	20th June, 2006	39	Xenities Infotech Private Limited	NIL	None
7	Mr. Mohit Mahana	Company Secretary & Compliance Officer	13.30	Permanent	B.Com, CS & LLB	11	15th September, 2015	33	Great Eastern Energy Corporation Limited	NIL	None
8	Md. Shaikh Nazrul Islam	Assistant Manager - Branding	10.62	Permanent	B. Com	19	10th September, 2014	43	DDB Marketing Services Pvt. Ltd	NIL	None
9	Mr. Utpal Borkakati	Assistant Manager-Finance & Accounts	10.83	Permanent	B.Com; M.Com	19	11th April, .2009	47	Ozone Ayurvedis Ltd	NIL	None
10	Mr. Pratik Sharma	Senior Executive – Finance & Accounts	10.41	Permanent	B.Com	13	1st August, 2008	34	-	NIL	None

For and on behalf of the Board of Directors

Place : Kolkata
Date: 16th May, 2022

Tushar Bhajanka
Managing Director
(DIN: 09179632)

Rajesh Kumar Agarwal
Director
(DIN: 00223718)

INDEPENDENT AUDITORS' REPORT

To the Members of Megha Technical & Engineers Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Financial Statements of **Megha Technical & Engineers Private Limited** (the "Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the loss including other comprehensive income, changes in equity and the cash flows for the year then ended.

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 relevant provisions of the Act and the Rules 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 judgment, 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:

S. No.	Key Audit Matter	Auditor's Response
1	**Related Party Transactions** (Refer Note no. 41to the Financial Statements.) The Company operates within a conglomerate of group entities. These entities operate in the same line of business as the Company and have significant transactions amongst themselves during the year. We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Financial Statements as a key audit matter due to: • the significance of transactions with related parties during the year ended 31st March, 2022, necessitated to be at arm's length, significant cash flow between parties, inter-Company contracts, and common management amongst other things. • the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	**Our principal audit procedures in relation to the evaluation and disclosure of related party transactions included:** - Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Financial Statements. - Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. - Assessing the management's evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015. - Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately

INDEPENDENT AUDITOR'S REPORT (Contd.)

S. No.	Key Audit Matter	Auditor's Response
2	**Litigation, Claims and Contingent Liabilities** (Refer Note no. 42 to the Financial Statements and Note no. 1.21 of the significant accounting policies of the Financial Statements) Provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter. These estimates could change significantly over time as new facts emerge and each legal case progresses. The Company is involved in legal proceedings on disputed tax demands. The Company's management has assessed that the probability of success of the demand is remote and accordingly has not provided for the disputed demands. This has been considered a key audit matter in view of the uncertain outcome of the litigations and involvement of significant management judgement in assessing the probability of outflow of economic resources.	**Our principal audit procedures to assess the appropriateness of provisions and adequacy of disclosures included:** - Reviewing the outstanding litigations against the Company for consistency with the previous years. Enquiring and obtaining explanations for movement during the year. - Reading the latest correspondence between the Company and the various tax/legal authorities - Discussing the status of significant litigation with the Company's in-house Legal Counsel and other senior management personnel and assessing their responses. - On sample basis, examining the Company's legal expenses and reading the minutes of the board meetings, in order to ensure all cases have been identified. - With respect to tax matters, discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. - For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company's disclosures with regard to facts and circumstances of the legal and litigation matters On the basis of the above procedures performed, we considered the management's assessment in respect of contingencies and provision for taxes and other litigations and claims to be reasonable and disclosures to be appropriate.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 the Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls with reference to Financial Statements, 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 is 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 skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 specified under Section 133 of the Act, read with relevant rules issued thereunder;

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

(f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" wherein we have expressed an unmodified opinion;

(g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 no.42 to the Financial Statements;

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

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2022.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity(ies) ("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 have been received by the Company from any person(s) or entity(ies), including foreign entity(ies) ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the Management representations under sub-clauses (a) and (b) above, contain any material misstatement.

v. The Board of Directors of the Company have not proposed / paid any dividend for the year ended 31st March, 2022, hence, no compliance of Section 123 of the Act was required.

3. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

For **D. K. Chhajer & Co.**
Chartered Accountants
Firm Registration No.: 304138E

Manoj K Roongta
Partner
Membership No.: 057761
UDIN: 22057761AJBPGD6326

Place: Kolkata
Date: 16th May, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 1 of our Independent Auditors' report of even date)

i. (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 is maintaining proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified at reasonable intervals of time. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year. Accordingly, reporting under clause 3(i)(d) of the Order are not applicable to the Company.

(e) Based on the information and explanations given to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its Financial Statements does not arise.

ii. (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. With respect to goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and based on the audit procedures conducted by us,the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties during the year. Accordingly, reporting under Clause 3(iii)[(a), (b), (c), (d), (e) and (f)] of the Order is not applicable to the Company.

iv. According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities in contravention of provisions of Section 185 of the Act. The Company has not made any guarantees or securities to the parties covered under Section 186 of the Act. In respect of loans and investments made by the Company, the provisions of Section 186 of the Act have been complied with.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service tax, Cess and other statutory dues, as applicable, with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

b) According to the information and explanations given to us, the details of dues of Income Tax, Excise Duty and Cess not deposited by the Company on account of any dispute are given below:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	51.31	FY 2008-09 & FY 2009-10	CESTAT
The Central Excise Act, 1944	Excise Duty	244.18	May'07 to Jan'13	Meghalaya High Court
The Central Excise Act, 1944	Excise Duty	12.17	July'13 to March'14	CESTAT
Income Tax act,1961	Demand Payable	37.91	AY 2018-19	Additional Commissioner of Income Tax/Income-tax Officer, National e-Assessment Centre, Delhi
Income Tax act,1961	Demand Payable	10.34	AY 2017-18	Additional Commissioner of Income Tax/Income-tax Officer, National e-Assessment Centre, Delhi

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that have not been recorded in the books of account.

ix. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any loans or other borrowings from any lender during the year.Accordingly, reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not taken any term loans from any lender. Accordingly, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any funds on short-term basis. Accordingly, reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) During the year ended 31st March, 2022, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) During the year ended 31st March, 2022, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3(x)(a) of the Order are is applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us with the Central Government, during the year and upto the date of this Report. Further, as informed by the

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Company, the Cost Auditor of the Company has not filed any report under Section 143(12) of the Act with the Central Governmentin Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year and upto the date of this Report.Accordingly, reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. There is no requirement for the Company to have an internal audit system or internal audit during the year. Accordingly, reporting under Clause 3(xiv) of the Order are is applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Accordingly, reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

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

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.Accordingly, reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year.Accordingly reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and 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, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring transfer to a Fund specified in Schedule VII to the Act or a special account in compliance with the provision of sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Accordingly,reporting under clause 3(xx)(b)is not applicable to the Company.

xxi. During the year ended 31st March, 2022, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For **D. K. Chhajer & Co.**
Chartered Accountants
Firm Registration No.: 304138E

Manoj K Roongta
Partner
Membership No.: 057761
UDIN: 22057761AJBPGD6326

Place: Kolkata
Date: 16th May, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 2(f) of our Independent Auditor's report of even date)

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

We have audited the Internal Financial Controls with reference to Financial Statements of Megha Technical & Engineers Private Limited ("the Company") as at 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to Financial Statements

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance withthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management over ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, 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 ICAI.

For **D. K. Chhajer & Co.**
Chartered Accountants
Firm Registration No.: 304138E

Manoj K Roongta
Partner
Membership No.:057761
UDIN : 22057761AJBPGD6326

Place: Kolkata
Date: 16th May, 2022

BALANCE SHEET
AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Notes	31st March, 2022	31st March, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2(a)	1,499.68	1,585.04
(b) Capital work-in-progress	2(b)	37.56	39.94
(c) Right-of-use assets	2(c)	7.43	1.98
(d) Intangible assets	2(d)	0.45	0.12
(e) Financial assets			
(i) Investment in fellow subsidiary	3	9,658.53	9,322.91
(ii) Loans	4	7,218.08	12,033.46
(iii) Other financial assets	5	2,555.21	0.53
(f) Deferred tax assets (net)	6	2,079.57	2,182.06
(g) Non-current tax assets (net)	7	244.32	186.67
(h) Other non-current assets	8	26.31	71.63
Total non-current assets		**23,327.14**	**25,424.34**
(2) Current assets			
(a) Inventories	9	178.53	181.68
(b) Financial assets			
(i) Trade receivables	10	76.44	42.53
(ii) Cash and cash equivalents	11	95.53	41.25
(iii) Bank balances (other than (ii) above)	12	6,316.30	4,136.16
(iv) Other financial assets	13	277.50	177.81
(c) Other current assets	14	94.64	79.06
Total current assets		**7,038.94**	**4,658.49**
Total assets		**30,366.08**	**30,082.83**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	2,734.64	2,734.64
(b) Other equity	16	27,263.03	27,080.69
Total equity		**29,997.67**	**29,815.33**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	30.44	30.44
(ii) Lease liabilities	18	2.97	1.30
(b) Provisions	19	25.85	52.36
(c) Other non current liabilities	20	11.20	13.08
Total non-current liabilities		**70.46**	**97.18**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21		
a) Total outstanding dues of micro and small enterprises		-	0.10
b) Total outstanding dues of creditors other than micro and small enterprises		103.39	17.10
(ii) Other financial liabilities	22	105.18	91.24
(iii) Lease liabilities	23	4.64	0.83
(b) Provisions	24	44.99	37.25
(c) Other current liabilities	25	39.75	23.80
Total current liabilities		**297.95**	**170.32**
Total liabilities		**368.41**	**267.50**
Total equity and liabilities		**30,366.08**	**30,082.83**
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
Firm Registration No.:304138E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Manoj K Roongta
Partner
Membership No.: 057761

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 16th May, 2022

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

(₹ in Lakhs)

Particulars	Notes	31st March, 2022	31st March, 2021
INCOME			
Revenue from operations	26	192.21	14.48
Other income	27	875.32	996.71
Total Income		**1,067.53**	**1,011.19**
EXPENSES			
Cost of materials consumed	28	94.73	31.49
Changes in inventories of finished goods	29	(9.29)	(67.23)
Employee benefit expenses	30	656.81	623.30
Finance costs	31	0.24	0.23
Depreciation and amortisation expenses	32	87.89	106.91
Other expenses	33	272.81	399.39
Total expenses		**1,103.19**	**1,094.09**
Profit / (Loss) before exceptional items and tax		**(35.66)**	**(82.90)**
Exceptional items		-	1,264.28
Profit / (Loss) before tax		**(35.66)**	**(1,347.18)**
Tax expenses	34		
- Current tax		-	-
- Deferred tax		(9.69)	(387.98)
- Income tax for earlier years		5.73	5.67
Total Tax Expense		**(3.96)**	**(382.31)**
Profit / (Loss) for the year		**(31.70)**	**(964.87)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of post-employment benefit obligations	36	(9.39)	8.60
Income tax related to above		2.61	(2.39)
Changes in fair value of equity instruments (FVOCI)		335.63	633.96
Income tax related to above		(114.80)	(101.26)
Other comprehensive income for the year, (net of tax)		**214.05**	**538.91**
Total comprehensive income for the year		**182.35**	**(425.96)**
Earnings per equity share (Face value of ₹ 10/- each)	35		
Basic earning per share (in ₹)		(0.12)	(3.53)
Diluted earning per share (in ₹)		(0.12)	(3.53)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
Firm Registration No.:304138E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Manoj K Roongta
Partner
Membership No.: 057761

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 16th May, 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

	Particulars	Notes	31st March, 2022	31st March, 2021
A	**Cash Flow from Operating Activities**			
	Profit before Tax		(35.66)	(1,347.18)
	Adjustments for :			
	Depreciation & amortisation		86.27	105.72
	Depreciation of right-of-use- assets		1.62	1.19
	Interest income		(875.32)	(990.45)
	Interest expenses		0.24	0.23
	(Profit)/Loss on sale of property, plant and equipment		3.02	4.58
	Operating Profit before Working Capital changes		**(819.83)**	**(2,225.91)**
	Adjustments for :			
	(Increase)/Decrease in Trade Receivables		(33.91)	10.02
	(Increase)/Decrease in Inventories		3.15	(61.02)
	(Increase)/Decrease in Other receivables		(115.27)	1,018.90
	(Increase)/Decrease in Other assets		2,299.33	2,714.39
	Increase/(Decrease) in Trade payables		86.20	3.21
	Increase/(Decrease) in Other liabilities		8.98	21.43
	Cash Generated from Operations		**1,428.65**	**1,481.02**
	Income Tax paid		(63.39)	(5.52)
	Net Cash flow from Operating Activities		**1,365.26**	**1,475.50**
B	**Cash flow from Investing Activities**			
	Purchase of property, plant and equipment (including CWIP)		(10.43)	(3.87)
	Sale of property, plant and equipment (including CWIP)		4.50	2.18
	Interest received		875.32	990.45
	Fixed Deposit/margin money given/matured		(2,180.13)	(2,615.84)
	Net Cash used in Investing Activities		**(1,310.74)**	**(1,627.08)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Interest paid		(0.00)	(0.00)
	Payment of lease liabilities		(0.24)	(1.38)
	Net Cash used in Financing Activities		**(0.24)**	**(1.38)**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)			**54.28**	**(152.96)**
Cash and Cash Equivalents (refer note no. 11)				
Opening Balance			**41.25**	**194.21**
Closing Balance			**95.53**	**41.25**

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7):"Statement of Cash Flow".

2 For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Cash on hand	2.88	2.37
Cheques on hand	38.54	17.85
Balance with Banks	54.11	21.03
Total	**95.53**	**41.25**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
Firm Registration No.:304138E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Manoj K Roongta
Partner
Membership No.: 057761

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 16th May, 2022

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

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
As at 1st April, 2020	**2,734.64**
Changes in equity share capital	-
As at 31st March, 2021	**2,734.64**
Changes in equity share capital	-
As at 31st March, 2022	**2,734.64**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and surplus	Items of other Comprehensive income	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2020	**22,840.51**	**4,666.14**	**27,506.65**
Profit for the year (a)	(964.86)	-	(964.86)
Other Comprehensive Income - Remeasurements of post-employment benefit obligations (net of tax) (b)	6.20	-	6.20
Other Comprehensive Income - Change in fair value of equity instruments (FVOCI) (c)	-	532.70	532.70
Total comprehensive income for the year (a + b + c)	**(958.66)**	**532.70**	**(425.96)**
Balance as at 31st March, 2021	**21,881.85**	**5,198.84**	**27,080.69**

(₹ in Lakhs)

Particulars	Reserves and surplus	Items of other Comprehensive income	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2021	**21,881.85**	**5,198.84**	**27,080.69**
Profit for the year (a)	(31.70)	-	(31.70)
Other Comprehensive Income - Remeasurements of post-employment benefit obligations (net of tax) (b)	(6.78)	-	(6.78)
Other Comprehensive Income - Change in fair value of equity instruments (FVOCI) (c)	-	220.82	220.82
Total comprehensive income for the year (a + b + c)	**(38.48)**	**220.82**	**182.33**
Balance as at 31st March, 2022	**21,843.37**	**5,419.66**	**27,263.03**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
Firm Registration No.:304138E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Manoj K Roongta
Partner
Membership No.: 057761

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 16th May, 2022

NOTES TO FINANCIAL STATEMENTS

Note 1: Significant Accounting Policies for the year ended 31st March, 2022

Corporate information

Megha Technical & Engineers Private Limited is a private limited Company domiciled in India and incorporated on 13th December, 2002 under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing of cement and generation of power. The manufacturing unit is located at Lumshnong, Meghalaya. The Company is selling its product across north eastern and eastern states of India.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, amendments there to and other relevant provisions of the Act.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 16th May, 2022.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

(ii) Historical Cost Convention

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

- Net defined benefit asset/liability which is Fair value of plan assets less present value of defined benefit obligations
- Certain financial assets and financial liabilities that are measured at fair value.

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

Use of Estimates

The preparation of financial statements is in conformity with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

i) Classification of legal matters and tax litigation

ii) Defined benefit obligations

NOTES TO FINANCIAL STATEMENTS (Contd.)

iii) Useful life of property, plant and equipment

iv) Leases Ind AS 116

1.2 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short–term foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss All foreign exchange gains or losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1.3 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortisation and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use.

Subsequent expenditures are included in the asset's carrying amount or recognised 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. When significant parts of plant and equipment are required to be replaced the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital Work In Progress

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets"

Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, until the project is ready for its intended use are capitalised.

Depreciation

Depreciation on Property, plant and equipment is provided on written down value method for cement division and on straight line method for power division in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof'. Depreciation is provided on components that have homogenous useful lives by using the WDV/SLM method so as to depreciate the initial cost down to the residual value over the estimated useful lives. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

1.4 Intangible Asset

An intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will

NOTES TO FINANCIAL STATEMENTS (Contd.)

flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure is written off over a period of three years.

1.5 Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

1.6 Lease

As a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset and lease payments made at or before the commencement date less any lease incentives received. After the commencement date, the Right of use assets are measured applying the Cost model. They are subsequently measured at cost, less any accumulated depreciation, adjustments for any remeasurement of the lease liabilities and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at 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 net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

1.7 Government Grants / Subsidies

Government grants and subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognised in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Balance Sheet as deferred income, are recognised to the Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.8 Inventories

Raw materials, stores and spare parts, fuel and packing material:

Raw materials, stores and spares and fuel and packing material are valued at lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-progress, finished goods and stock in trade:

Work-in-progress, finished goods and stock in trade are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on weighted average basis.

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

1.9 Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- **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.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss.However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets

A financial asset is derecognised only when

NOTES TO FINANCIAL STATEMENTS (Contd.)

- The Company has transferred the rights to receive cash flows from the financial asset, or
- 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 Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

1.10 Trade receivables

Trade receivables are recognised initially at transaction price. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be presented as an expense. Subsequently, the trade receivables are measured at cost less expected credit losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. The Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The loss allowance is measured at an amount equal to lifetime expected credit losses.

1.11 Cash & Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and demand deposits with banks and other short-term highly liquid investments/deposits that are readily convertible into cash which are subject to insignificant risk of changes in value with an original maturity of three months or less.

1.12 Financial liabilities

Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

1.13 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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 income or finance costs.

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. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.14 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

1.15 Trade and other 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 within 30 days of recognition. 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.

1.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.17 (A) Revenue Recognition

Revenue from sale of goods is recognised when control of the products has been transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading .Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence/ loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/(loss) .

Unfulfilled performance obligations

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

(B) Other Income

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

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

1.18 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 recognised in respect of

NOTES TO FINANCIAL STATEMENTS (Contd.)

employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Defined Contribution Plan

Employee's benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss account offor the year when the contributions to the respective funds are due.

(iii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Remeasurement 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 and transferred to retained earnings.. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

(iv) Other Long-term Benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

1.19 Tax Expenses

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

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 consolidated 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 (tax 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 for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognised to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

1.21 Provisions and Contingencies

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. 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 expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

1.22 Segment Reporting

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

1.23 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in other equity.

2(a) PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Heavy Vehicles & Equipments	Vehicles	Tools & Tackles	Total
Gross Carrying Value											
As at 1st April 2019	**384.61**	**718.69**	**801.34**	**650.70**	**10.19**	**4.01**	**6.76**	**1.44**	**20.15**	**5.49**	**2,603.37**
Additions	-	-	-	0.33	-	0.59	0.44	-	-	-	1.36
Disposals/deductions/ adjustments	-	-	-	1.00	0.16	1.29	0.46	1.44	2.04	3.72	10.11
As at 31st March 2021	**384.61**	**718.69**	**801.34**	**650.03**	**10.03**	**3.31**	**6.74**	**-**	**18.11**	**1.77**	**2,594.63**
Additions	-	-	-	-	4.90	1.17	1.63	-	2.79	-	10.49
Disposals/deductions/ adjustments	-	-	-	3.26	5.80	0.35	1.02	-	10.74	0.04	21.21
As at 31st March, 2022	**384.61**	**718.69**	**801.34**	**646.77**	**9.13**	**4.13**	**7.36**	**-**	**10.16**	**1.73**	**2,583.91**
Accumulated Depreciation											
As at 1st April, 2020	**-**	**240.43**	**170.90**	**473.72**	**6.68**	**1.28**	**2.89**	**-**	**5.94**	**2.79**	**904.63**
Charge for the year	-	46.53	36.63	20.77	0.32	0.45	0.43	-	3.13	0.04	108.30
Disposals/deductions/ adjustments	-	-	-	0.82	0.08	0.03	-	-	0.58	1.83	3.34
As at 31st March, 2021	**-**	**286.96**	**207.53**	**493.67**	**6.92**	**1.70**	**3.32**	**-**	**8.49**	**1.00**	**1,009.59**
Charge for the year	-	41.96	31.95	10.07	1.01	0.85	0.34	-	2.17	0.02	88.37
Disposals/deductions/ adjustments	-	-	-	2.62	3.65	0.08	-	-	7.38	-	13.73
As at 31st March 2022	**-**	**328.92**	**239.48**	**501.11**	**4.28**	**2.48**	**3.66**	**-**	**3.28**	**1.02**	**1,084.23**
Net Carrying Value											
As at 31st March 2022	**384.61**	**389.77**	**561.86**	**145.66**	**4.85**	**1.64**	**3.70**	**-**	**6.88**	**0.71**	**1,499.68**
As at 31st March 2021	**384.61**	**431.73**	**593.81**	**156.36**	**3.11**	**1.61**	**3.42**	**-**	**9.62**	**0.77**	**1,585.04**

Note:

During the year, the Company has sold property, plant and equipment amounting to ₹ 10.15 Lakhs (31st March, 2021 ₹ 2.12 Lakhs) and discarded ₹ 11.06 Lakhs (31st March, 2021 ₹ 7.99 Lakhs)

NOTES TO FINANCIAL STATEMENTS (Contd.)

2(b) CAPITALISATION OF EXPENDITURES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Balance at the beginning of the year included in capital work-in-progress	39.94	37.89
Add : Expenditure during construction for projects	-	2.38
Less : Capitalised during the year	2.38	0.33
Balance at the end of the year included in capital work-in-progress	**37.56**	**39.94**

Ageing with Capital working progress

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at 31st March, 2022					
Projects in progress	-	-	-	37.56	37.56
Projects temporarily suspended	-	-	-	-	-
As at 31st March, 2021					
Projects in progress	2.38	-	-	37.56	39.94
Projects temporarily suspended	-	-	-	-	-

Note :

There are no projects whose cost has exceeded its budget or has overrun its completion time.

2(c) RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	Non Factory Building
Gross Carrying Value	
As at 1st April 2020	**3.91**
Addition	0.46
Disposals/deductions/adjustment	-
As at 31st March 2021	**4.37**
Addition	7.28
Disposals/deductions/adjustment	0.21
As at 31st March 2022	**11.44**
Accumulated Depreciation	
As at 1st April 2020	**1.20**
Charge for the year	1.19
Disposals/deductions/adjustment	-
As at 31st March 2021	**2.39**
Charge for the year	1.62
Disposals/deductions/adjustment	
As at 31st March 2022	**4.01**
Net Carrying Value	
As at 31st March 2022	**7.43**
As at 31st March 2021	**1.98**

NOTES TO FINANCIAL STATEMENTS (Contd.)

2(d) INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software
Gross Carrying Value	
As at 1st April 2020	**0.57**
Additions	-
Disposals/deductions/adjustments	-
As at 31st March 2021	**0.57**
Additions	0.52
Disposals/deductions/adjustments	0.35
As at 31st March, 2022	**0.74**
Accumulated Amortisation	
At 1st April 2020	**0.34**
Charge for the year	0.12
Disposals/deductions/adjustments	-
At 31st March 2021	**0.46**
Charge for the year	0.15
Disposals/deductions/adjustments	0.32
As at 31st March, 2022	**0.29**
Net Carrying Value	
As at 31st March, 2022	**0.45**
As at 31st March 2021	**0.12**

Note :

There are no intangible assets under development.

3. INVESTMENT IN FELLOW SUBSIDIARY

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Investments in unquoted equity shares (FVOCI)		
Star Cement Meghalaya Limited	9,658.53	9,322.91
37,29,162 equity shares (37,29,162 as at 31st March, 2021) of ₹ 10 each fully paid up		
Total	**9,658.53**	**9,322.91**

Total non-current investments

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Aggregate amount of unquoted investments	9,658.53	9,322.91
Aggregate amount of impairment in the value of investments	-	-

4. LOANS - NON CURRENT

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Unsecured, considered good		
-Loans to related parties (refer note no. 41)	7,218.08	12,033.46
Total	**7,218.08**	**12,033.46**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note :

Terms of loan to related parties is long term in nature which is repayable in 5 Years.

(₹ in Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans (%)
Related Party	7,218.08	100

5. OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Secured, considered good		
In Fixed Deposit accounts with original maturity of more than 12 months	2,555.00	-
Unsecured, considered good		
Security deposits	0.21	0.53
Total	**2,555.21**	**0.53**

6. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Deferred tax assets		
Expenditure allowable for tax purposes upon payment	19.71	24.92
Property, plant and equipment : impact of difference between tax depreciation and depreciation/ amortisation charged	-	-
Business Loss	412.56	381.61
MAT credit entitlement	2,923.76	2,923.76
Deferred tax liabilies		
Property, plant and equipment : impact of difference between tax depreciation and depreciation/ amortisation charged	(20.93)	(7.50)
Fair valuation of equity shares	(1,255.53)	(1,140.73)
Deferred tax assets	**2,079.57**	**2,182.06**

Note :

Mat Credit Entitlement of ₹ Nil (₹ Nil Lakhs as at 31st March, 2021) adjusted with Provision for taxation

7. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Advance income tax & TDS Receivables (net of)	244.32	186.67
Total	**244.32**	**186.67**

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Unsecured, considered good		
Deposits with statutory authority	26.29	26.29
Capital advances	0.02	45.34
Total	**26.31**	**71.63**

NOTES TO FINANCIAL STATEMENTS (Contd.)

9. INVENTORIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
(Valued at lower of cost or Net Realisable Value)		
Raw materials	4.03	4.41
Finished goods (including in transit ₹ 67.56 Lakhs as at 31st March 2022, ₹ 79.95 as at 31st March, 2021)	89.24	79.95
Fuels, packing materials, etc.	35.78	36.44
Stores and spares parts	49.48	60.88
Total	**178.53**	**181.68**

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
a) Secured		
Considered good	30.44	30.44
	30.44	**30.44**
b) Unsecured		
Considered good	46.00	12.09
Receivable which have significant increase in credit risk	74.77	74.77
Less: Allowance for credit losses	(74.77)	(74.77)
	46.00	**12.09**
Total	**76.44**	**42.53**

Ageing of outstanding trade receivables as on 31st March 2022 from due date of payment :

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	29.15	4.76	-	-	0.75	-	34.65
Undisputed - significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	-	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-	30.44	30.44
Disputed - significant increase in credit risk	-	-	-	-	-	86.12	86.12
Disputed - credit impaired	-	-	-	-	-	-	-
Total	29.15	4.76	-	-	0.75	116.56	151.21
Less: Allowance for credit losses						(74.77)	(74.77)
Total	**29.15**	**4.76**	**-**	**-**	**0.75**	**41.79**	**76.44**

Ageing of outstanding trade receivables as on 31st March, 2021 from due date of payment :

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	-	-	-	0.75	-	-	0.75
Undisputed - significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	-	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-	30.44	30.44
Disputed - significant increase in credit risk	-	-	-	-	-	86.12	86.12
Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	-	-	0.75	-	116.56	117.31
Less: Allowance for credit losses						(74.77)	(74.77)
Total	**-**	**-**	**-**	**0.75**	**-**	**41.79**	**42.54**

NOTES TO FINANCIAL STATEMENTS (Contd.)

11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Balances with banks		
- Current accounts	54.11	21.03
Cheques on hand	38.54	17.85
Cash on hand	2.88	2.37
Total	**95.53**	**41.25**

12. BANK BALANCES OTHER THAN ABOVE

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
In Fixed Deposit accounts with original maturity of more than 3 months and upto 12 months	6,290.00	2,800.00
In Fixed Deposit accounts with original maturity of more than 12 months		1,310.00
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months (Refer Note 12.1 below)	26.30	26.16
Total	**6,316.30**	**4,136.16**

Note :

12. 1 The bank balance disclosed above represents margin money against bank guarantee and are subject to regulatory restrictions and are therefore not available for general use by the Company.

13. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Unsecured, considered good		
Security deposit	15.43	18.27
Interest accrued but not due on		
-Fixed Deposits	262.07	159.54
Total	**277.50**	**177.81**

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Unsecured, considered good		
Advances to suppliers	-	-
Advances for services and expenses	17.64	0.23
Advances to employees	4.41	5.86
Prepaid expenses	8.55	10.36
Balances with/ receivable from statutory/ government authorities	64.04	62.61
Unsecured, considered doubtful		
-Doubtful advances	5.93	5.93
Less: Allowance for bad & doubtful advances for services & expenses	(5.93)	(5.93)
Total	**94.64**	**79.06**

NOTES TO FINANCIAL STATEMENTS (Contd.)

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars		31st March, 2022 No. of Shares	31st March, 2021 No. of Shares
1.	Authorised capital		
	3,50,00,000 (3,50,00,000 as at 31st March 2021) Equity Shares of ₹ 10/- each	3,500.00	3,500.00
2.	Issued, subscribed & fully paid up shares		
	2,73,46,400 equity shares (2,73,46,400 as at 31st March 2021) Equity Shares for ₹ 10/- each fully paid up in cash	2,734.64	2,734.64

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of Equity shares is entitlled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend..

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proprtion to the number of equity shares held by the shareholders.

b) Reconciliation of number of shares outstanding

(₹ in Lakhs)

Equity Shares	31st March, 2022 No. of Shares	31st March, 2021 No. of Shares
Equity Shares		
At the beginning of the year	2,73,46,400	2,73,46,400
Issued during the year	-	-
Outstanding at the end of the year	**2,73,46,400**	**2,73,46,400**

c) Shares held by Holding Company

(₹ in Lakhs)

Name of the Holding Company	31st March, 2022 No. of Shares	31st March, 2021 No. of Shares
Star Cement Limited	2,73,46,400	2,73,46,400

d) Shareholders holding more than 5% of Equity Share capital

(₹ in Lakhs)

Name of the Shareholder	No. of Shares % of holding	No. of Shares % of holding
Star Cement Limited	2,73,46,400	2,73,46,400
	(100)	(100)

As per records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership.

e) Details of shares held by the promoters at the end of the year

Promoter Name	FY 21-22		
	No. of Shares	% of Total Shares	% Change during the year
Star Cement Limited	2,73,46,400	100	-

Promoter Name	FY 21-22		
	No. of Shares	% of Total Shares	% Change during the year
Star Cement Limited	2,73,46,400	100	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

16. OTHER EQUITY

(₹ in Lakhs)

Reserve and surplus	31st March, 2022	31st March, 2021
Retained earnings		
Opening balance	21,881.85	22,840.51
Profit/(loss) for the year	(31.70)	(964.86)
Items of other comprehensive income directly recognised in retained earnings	-	-
Remeasurements gain/(loss) of post-employment benefit obligations (net of tax)	(6.78)	6.20
Total (a)	**21,843.37**	**21,881.85**

(₹ in Lakhs)

Items of other comprehensive income	31st March, 2022	31st March, 2021
Equity Instruments through Other Comprehensive Income		
Opening balance	5,198.84	4,666.14
Change in fair value of equity instruments (FVOCI)	335.62	633.96
Deferred tax	(114.80)	(101.26)
Total (b)	**5,419.66**	**5,198.84**
Total Other Equity (a+b)	**27,263.03**	**27,080.69**

Note :

Retained Earnings

Retained earnings represents the accumulated profits of the Company and effects of remeasurement of defined benefit obligations.

Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of its investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments (FVOCI) reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

17. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Security deposit	30.44	30.44
Total	**30.44**	**30.44**

18. LEASE LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Lease Liability Payable (Refer Note no. 38)	2.97	1.30
Total	**2.97**	**1.30**

19. PROVISIONS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Provisions for employee benefit obligations		
-Gratuity (refer note no. 36)	25.85	52.36
Total	**25.85**	**52.36**

NOTES TO FINANCIAL STATEMENTS (Contd.)

20. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Deferred government grant	11.20	13.08
Total	**11.20**	**13.08**

21. TRADE PAYABLES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
a) Total outstanding dues of micro and small enterprises (Refer Note no. 47)	-	0.10
b) Total outstanding dues of creditors other than micro and small enterprises	103.39	17.10
Total	**103.39**	**17.20**

Ageing of outstanding Trade Payables as on 31st March, 2022 from due date of payment

Sl. No.	Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Undisputed dues - MSME	-	-	-	-	-	**-**
(ii)	Undisputed dues - Other than MSME	100.41	-	-	-	2.98	103.39
(iii)	Disputed dues - MSME	-	-	-	-	-	**-**
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	**-**

Ageing of outstanding Trade Payables as on 31st March, 2021 from due date of payment

Sl. No.	Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Undisputed dues - MSME	0.10	-	-	-	-	**0.10**
(ii)	Undisputed dues - Other than MSME	14.12	-	-	-	2.98	17.10
(iii)	Disputed dues - MSME	-	-	-	-	-	**-**
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	**-**

22. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
-Retention money	5.21	7.45
-Salary and bonus to employees	55.22	46.39
- Creditors for servcies and expenses	8.74	1.02
-Creditors for employees expenses	-	0.93
-Other liabilities (including Liability for expenses ₹ 27.66 Lakhs as at 31st March, 2022, ₹ 25.23 Lakhs as at March, 2021)	36.01	35.45
Total	**105.18**	**91.24**

23. LEASE LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Lease Liability Payable (Refer Note no. 38)	4.64	0.83
Total	**4.64**	**0.83**

NOTES TO FINANCIAL STATEMENTS (Contd.)

24. PROVISIONS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Provision for employee benefit obligations (refer note no. 36)		
- Leave encashment	39.16	32.78
- Gratuity	5.83	4.47
Total	**44.99**	**37.25**

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Current portion of Deferred government grant	1.88	2.25
Statutory Liabilities	21.81	21.39
Advances from customers	16.06	0.16
Total	**39.75**	**23.80**

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Sale of products	192.21	14.48
Other operating income		
-Shortage recovery of cement	-	-
Total	**192.21**	**14.48**

Note:

Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Revenue as per contract price	192.21	14.48
Less: Discounts and incentives	-	-
Revenue as per Statement of Profit and Loss	**192.21**	**14.48**

27. OTHER INCOME

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Interest income on financial assets measured at amortised cost		
- Bank Deposit	409.51	269.06
- Interest on Loans	462.10	721.39
Miscellaneous income	3.71	6.26
Total	**875.32**	**996.71**

NOTES TO FINANCIAL STATEMENTS (Contd.)

28. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Inventory at the beginning of the year	4.41	8.67
Add : Purchases	94.35	27.23
	98.76	**35.90**
Less : Inventory at the end of the year	4.03	4.41
Cost of materials consumed	**94.73**	**31.49**

Details of Raw materials Consumed	31st March, 2022	31st March, 2021
Clinker	92.58	31.35
Other	2.15	0.14
Total	**94.73**	**31.49**

29. CHANGES IN INVENTORIES OF FINISHED GOODS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Opening stock	79.95	12.72
Closing stock	89.24	79.95
(Increase) / decrease	**(9.29)**	**(67.23)**

30. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Salaries and wages	614.41	581.05
Contribution to provident fund and other funds	34.79	34.61
Staff Welfare expenses	7.61	7.64
Total	**656.81**	**623.30**

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
- Other borrowing cost	0.24	0.23
Total	**0.24**	**0.23**

32. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Depreciation on property, plant and equipment (refer note no. 2(a))	86.12	105.60
Depreciation of right-of-use assets (refer note no. 2(c))	1.62	1.19
Amortisation of intangible assets (refer note no. 2(d))	0.15	0.12
Total	**87.89**	**106.91**

Note :

Depreciation is net off amortisation of government grants amounting to ₹ 2.25 Lakhs as at 31st March, 2022 (₹ 2.70 Lakhs as at 31st March, 2021)

NOTES TO FINANCIAL STATEMENTS (Contd.)

33. OTHER EXPENSES

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Consumption of stores & spare parts	16.71	23.13
Packing materials	6.40	4.20
Power & fuel	46.53	20.46
Repairs & maintenance		
- Building	9.13	7.12
- Plant & machinery	18.57	3.53
- Others	1.70	3.52
Insurance	18.82	17.01
Rent	3.59	3.16
Rates & taxes	9.81	221.17
Heavy vehicle / equipment running expenses	0.70	0.57
Research and Development Expenses	0.01	0.00
Charity & donation	2.13	2.13
Corporate social responsibility (refer note no. 44)	1.18	13.20
Travelling and conveyance	24.34	18.81
Advertisement & publicity	0.19	-
Sales promotion expenses	0.06	0.01
Outward freight charges	64.30	14.27
Commission, discount & incentives on sale	8.26	-
Miscellaneous expenses (includes payment to Auditors, refer note no. 45)	40.38	47.09
Total	**272.81**	**399.39**

34. INCOME TAX EXPENSE

(a) Amount recognised in Profit or Loss

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Current tax on profits for the year	-	-
Total Current tax expense	**-**	**-**
(ii) Deferred tax expense	(9.69)	(387.98)
Total Deferred tax expense	**(9.69)**	**(387.98)**
(iii) Income tax expense for earlier years	5.73	5.67
Total Income tax for earlier years	**5.73**	**5.67**
Income tax expenses	**(3.96)**	**(382.31)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit before tax	(35.66)	(1,347.18)
Tax at the Indian tax rate of 27.82%	**-**	**-**
Differences on which no deferred tax has been recognised	-	-
Income tax expense /Tax Credit for earlier years	5.73	5.67
Other adjustments	(9.69)	(387.98)
Income tax expenses	**(3.96)**	**(382.31)**

NOTES TO FINANCIAL STATEMENTS (Contd.)

(c) The tax rate used for the FY 20-21 and FY 21-22 for the above reconciliation is the corporate tax rate of 27.82% (25% + surcharge 7% + education cess 4%) and 27.82% (25% + surcharge 7% + education cess 4%) respectively payable on taxable profit under the Income Tax Act, 1961.

(d) During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act,1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

35. EARNINGS PER SHARE

(a) Basic earnings per share

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Basic earnings per share attributable to the equity holders of the Company (in ₹)	(0.12)	(3.53)

(b) Diluted earnings per share

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	(0.12)	(3.53)

(c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Profit attributable to equity holders of the Company used in calculating basic earnings per share (₹ in Lacs)	(31.70)	(964.87)
Profit attributable to equity holders of the Company used in calculating diluted earnings per share (₹ in Lacs)	(31.70)	(964.87)

(d) Weighted average number of equity shares used as the denominator

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,73,46,400	2,73,46,400
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,73,46,400	2,73,46,400

36. EMPLOYEE BENEFIT OBLIGATIONS

(a) Leave obligations and Leave travel allowance

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Leave obligations not expected to be settled within the next 12 months	37.29	30.98

(b) Post-employment obligations

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance Company.

NOTES TO FINANCIAL STATEMENTS (Contd.)

(i) The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2020	**88.51**	**(35.83)**	**52.68**
Current service cost	8.94	-	8.94
Interest expense/(income)	6.20	(2.37)	3.82
Total amount recognised in profit or loss	**15.13**	**(2.37)**	**12.76**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.33	0.33
Actuarial (gain)/loss from change in financial assumptions	0.89	-	0.89
Actuarial (gain)/loss from unexpected experience	(9.82)	-	(9.82)
Total amount recognised in other comprehensive income	**(8.93)**	**0.33**	**(8.60)**
Employer contributions/ premium paid	-	-	-
Benefits paid	(3.82)	3.82	-
31st March, 2021	**90.88**	**(34.05)**	**56.83**

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2021	**90.88**	**(34.05)**	**56.83**
Current service cost	8.07	-	8.07
Interest expense/(income)	6.27	(3.88)	2.39
Total amount recognised in profit or loss	**14.34**	**(3.88)**	**10.46**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.26	0.26
Actuarial (gain)/loss from change in financial assumptions	(2.02)	-	(2.02)
Actuarial (gain)/loss from unexpected experience	11.15	-	11.15
Total amount recognised in other comprehensive income	**9.13**	**0.26**	**9.39**
Employer contributions/ premium paid	-	(45.00)	(45.00)
Benefits paid	(0.60)	0.60	-
31st March, 2022	**113.75**	**(82.07)**	**31.68**

Net asset / (liability) recognised in the balance sheet

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Present value of Defined Benefit Obligation	(113.75)	(90.88)
Fair Value of Plan Assets	82.07	34.05
Net Asset / (Liability) in the Balance Sheet	**(31.68)**	**(56.83)**
Current Asset/(liability)	(5.83)	(4.47)
Non-Current Asset/(liability)	(25.85)	(52.36)

NOTES TO FINANCIAL STATEMENTS (Contd.)

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Discount rate	7.10%	6.90%
Expected return on plan asset	7.10%	6.90%
Salary growth rate	6.00%	6.00%
Withdrawal Rate	1%-8%	1%-8%
Mortality rate	IALM(FY 12-14) Table	IALM(FY 2-14)Table

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lakhs)

Particulars	Impact on defined benefit obligation			
	31st March, 2022		31st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 1%)**	104.45	124.48	(82.52)	100.61
Salary growth rate **(-/+ 1%)**	123.72	104.79	100.34	(81.99)
Withdrawal Rate **(-/+ 1%)**	114.68	112.73	91.43	(90.27)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitvity analysis did not change compared to the prior period.

(iv) The major categories of plans assets

The defined benefit plans are funded with an insurance Company of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	31st March, 2022	31st March, 2021
Funds managed by Insurer	100%	100%

(v) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk :

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

Interest risk :

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy :

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Salary growth risk :

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2023 are ₹ 9.37 Lakhs.

The weighted average duration of the defined benefit obligation is 4.98 years (31st March, 2021 : 5.38 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	Less than a year	Between 2 - 5 years	Between 5 - 10 years
31st March 2022	5.83	47.70	26.86
31st March 2021	4.47	5.11	17.68

c) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 34.79 Lakhs (31st March, 2021: ₹ 34.61 Lakhs)

37. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in Lakhs)

Particulars	31st March, 2022			31st March, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments in unquoted equity instruments	-	9,658.53	-	-	9,322.91	-
Other financial assets	-	-	2,832.72	-	-	178.34
Loans	-	-	7,218.08	-	-	12,033.46
Trade receivable	-	-	76.44	-	-	42.53
Cash and cash equivalents	-	-	95.53	-	-	41.25
Bank balances (other than (ii) above)			6,316.30	-	-	4,136.16
	-	**9,658.53**	**16,539.07**	**-**	**9,322.91**	**16,431.74**
Financial liabilities						
Security deposits	-	-	30.44	-	-	30.44
Lease Liability	-	-	7.61	-	-	2.12
Trade payable	-	-	103.39	-	-	17.20
Retention money	-	-	5.21	-	-	7.45
Salary and bonus to employees	-	-	55.22	-	-	46.39
Creditors for services and expenses	-	-	8.74	-	-	1.02
Creditors for employees expenses	-	-	-	-	-	0.93
Other liabilities	-	-	36.01	-	-	35.45
Creditors for capital goods						
	-	**-**	**246.64**	**-**	**-**	**141.00**

NOTES TO FINANCIAL STATEMENTS (Contd.)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of significant inputs is not based on observable market data, the instrument is included in level 3**.**

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.
- the fair value of all assets and liabilities

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

Particulars	31st March, 2022			31st March, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investment in equity instruments	-	-	9,658.53	-	-	9,322.91
Total financial assets	**-**	**-**	**9,658.53**	**-**	**-**	**9,322.91**

(iv) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	31st March, 2022		31st March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security Deposits	0.21	0.21	0.53	0.53
Fixed Deposit accounts with original maturity of more than 12 months	2,555.00	2,555.00	-	-
Total financial assets	**2,555.21**	**2,555.21**	**0.53**	**0.53**
Financial liabilities				
Security Deposit	30.44	30.44	30.44	30.44
Lease Liabilities	2.97	2.97	1.30	1.30
Total financial liabilities	**33.42**	**33.42**	**31.74**	**31.74**

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature. The carrying amounts of loans given are at floating rate of interest hence are considered to be close to the fair value.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

NOTES TO FINANCIAL STATEMENTS (Contd.)

38. LEASE

Movement of lease liabilities

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Opening balance	**2.13**	**2.82**
Additions	7.28	0.46
Deletions	(0.21)	-
Add: Interest recognised during the year	0.24	0.23
Less: Payments made during the year	(1.84)	(1.38)
Closing balance	**7.61**	**2.13**

Current	2.97	1.30
Non-Current	4.64	0.83
Total	**7.61**	**2.13**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has recognised interest on lease liability of ₹ 0.24 Lakhs under Finance Costs (31st March, 2021 ₹ 0.23 Lakhs).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

39. CAPITAL MANAGEMENT

Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in Balance Sheet is considered as Capital.

The Company does not have any externally imposed capital requirements.

40. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Sl. No.	Risk	Exposure arising from	Measurement	Management
A	Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
B	Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
C (i)	Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian National rupee (INR).	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
C (ii)	Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Continuous monitoring the performance of investments
C (iii)	Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring of Company's performance

NOTES TO FINANCIAL STATEMENTS (Contd.)

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Company receives security deposit from its customers which mitigates the credit risk. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lakhs)

Particulars	Not due	Less than 6 Months	More than 6 Months and upto 1 years	More than 1 years	Allowances for doubtful trade receivables	Net carrying amount of trade receivables
As on 31 March, 2022	29.14	4.76	-	117.31	(74.77)	76.44
As on 31 March, 2021	-	-	-	117.31	(74.77)	42.53

(ii) FINANCIAL INSTRUMENTS AND DEPOSITS

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31st March, 2022 and 31st March, 2021 are the carrying amounts as illustrated in Note 37

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

(i) Financing arrangements

The Company has no borrowings and hence the undrawn borrowing facilities at the end of the reporting period is nil.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

Contractual maturities of financial liabilities - 31 March, 2022*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	103.39	-	-	-	103.39
Other liabilities	105.18	-	-	-	105.18
Lease Liabilities	4.64	2.97	-	-	7.61
Total financial liabilities	**213.21**	**2.97**	**-**	**-**	**216.19**

NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Contractual maturities of financial liabilities - 31 March, 2021*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	17.20	-	-	-	17.20
Other liabilities	91.24	-	-	-	91.24
Lease Liabilities	0.83	0.68	0.62	-	2.13
Total financial liabilities	**109.27**	**0.68**	**0.62**	**-**	**110.57**

* Security deposits received from customers has not been included in the above maturity profile as the repayment of the same cannot be reasonably estimated.

(C) Market Risk-

(i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Further foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

(ii) Interest rate risk & Interest rate risk exposure

The Company has no borrowings and hence the undrawn borrowing facilities at the end of the reporting period is nil. Hence, interest rate risk is not applicable.

(iii) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company in equity securities and classified in the balance sheet as at fair value through other comprehensive income. The Company has investment in unqouted equity securities. The Company's Board of Directors reviews and approves all investment decisions.

Sensitivity

The table below summarises the impact of increase/decrease of the share prices on the Company's equity:-

(₹ in Lakhs)

Particulars	Impact on total comprehensive income before tax	
	31st March, 2022	31st March, 2021
Increase by 5% (2020: 5%)	482.93	466.15
Decrease by 5% (2020: 5%)	(482.93)	(466.15)

* *Holding all other variables constant*

41. RELATED PARTY DISCLOSURES

I.

Sl. No.	Particulars	Nature of relationship
A.	**Names of the Related parties where control exists**	
	Star Cement Limited (SCL)	Holding Company
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiary
	Meghalaya Power Limited (MPL)	Fellow Subsidiary
	NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	Star Century Global Cement Private Limited (SCGCPL)	Fellow Subsidiary
	Star Cement (I) Limited (Formerly known as Star Cement Lumshnong Limited) (SCIL)	Subsidiary Company (w.e.f. 20th May, 2021)
	Star Cement North East Limited (SCNEL)	Subsidiary Company (w.e.f. 25th May, 2021)

NOTES TO FINANCIAL STATEMENTS (Contd.)

I.

Sl. No.	Particulars	Nature of relationship
B.	**Other related parties**	
	Key Management Personnel	
	Mr. Pankaj Kejriwal	Managing Director upto 31st January, 2022, Director w.e.f. 1st February, 2022
	Mr. Tushar Bhajanka	Managing Director w.e.f. 1st February, 2022
	Mr. Vivek Lahoti	Chief Financial Officer
	Mr. Mohit Mahana	Company Secretary
	Key Management Personnel of Parent Company	
	Mr. Sajjan Bhajanka	Chairman, Managing Director & CEO (CEO w.e.f. 1st February, 2022)
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Kumar Bhajanka	Director upto 12th August, 2021, Managing Director w.e.f. 13th August, 2021
	Mr. Brij Bhushan Agarwal	Director (w.e.f.1st February, 2022)
	Mr. Sanjay Kumar Gupta	Chief Executive Officer (upto 31st January, 2022)
	Mr. Manoj Agarwal	Chief Financial Officer
	Mr. Debabrata Thakurta	Company Secretary
	Relatives of Key Management Personnel of Parent Company	
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mrs. Renu Chamaria	Wife of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Rahul Chamaria (HUF)	HUF of Mr. Rahul Chamaria,son of Rajendra Chamaria, Vice Chairman & Managing Director
	Rajendra Udyog (HUF)	HUF of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mrs. Yash Bala Bhajanka	Wife of Mr. Prem Kumar Bhajanka, Managing Director
	Enterprises influenced by KMP of parent Company	
	Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
	Shyam Sel & Power Limited. (SSPL)	Enterprises influenced by KMP
	Profound Cement Work Limited (Formerly Star India Cement Limited) (PCWL)	Enterprises influenced by KMP
	Nefa Udyog (NU)	Enterprises influenced by KMP

NOTES TO FINANCIAL STATEMENTS (Contd.)

II. During the year, following transactions were carried with the related parties in the ordinary course of business. Disclosure of transactions between the Company and the related parties and the status of their outstanding balances are as below :

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiaries		Key Management Personnel	
		FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21
1	**Purchase Transactions**						
	SCL	6.51	2.25	-	-	-	-
	SCML	-	-	114.95	35.02	-	-
	MPL	-	-	19.50	13.43	-	-
2	**Sale Transactions**						
	SCL	20.49	4.49	-	-	-	-
	SCML	-	-	0.15	0.68	-	-
	MPL	-	-	0.51	0.17	-	-
3	**Sale of Capital Asset**						
	SCL	-	0.43	-	-	-	-
4	**Services Received**						
	SCL	0.04	0.01	-	-	-	-
	SCML	-	-	8.74	-	-	-
5	**Loans Received Back**						
	SCL	4,315.37	2,751.00	-	-	-	-
	MPL	-		500.00	-	-	-
6	**Interest Received**						
	SCL	439.94	676.19	-	-	-	-
	MPL	-	-	22.16	38.70	-	-
7	**Remuneration Paid**						
	Mr. Pankaj Kejriwal	-	-	-	-	40.25	48.30
	Mr. Tushar Bhajanka	-	-	-	-	8.00	-
	Mr. Vivek Lahoti	-	-	-	-	44.55	41.28
	Mr. Mohit Mahana	-	-	-	-	13.30	10.91

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiaries	
		FY 21-22	FY 20-21	FY 21-22	FY 20-21
	Balance Outstanding				
A	**Sundry Creditors**				
	SCML	-		77.27	-
	MPL	-	-	6.69	-
B	**Advances**				
	SCL	17.55	-	-	-
C	**Loans Given**				

NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiaries	
		FY 21-22	FY 20-21	FY 21-22	FY 20-21
	SCL	7,218.08	11,533.46	-	-
	MPL	-	-	-	500.00
D	**Share Capital**				
	SCL	2,734.64	2,734.64	-	-
E	**Investments**				
	SCML	-	-	9,658.53	9,322.91

* Investment measured at fair value.

III. Key management personnel compensation

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Short-term employee benefits	98.10	98.49
Post-employment benefits	-	-
Long-term employee benefits	-	-
Total compensation	**98.10**	**98.49**

Note :

(i) The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. During the previous years, the Company has provided inter corporate loan to its Holding and Fellow subsidiary which is repayable on demand, for current year the rate of interest is 4.76% & 6.33% respectively (31st March, 2021 : 5.60% & 7.74%)."

(ii) Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the Company as a whole and hence segregation is not available.

42. CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Claims against the Company not acknowledged as debts- Excise / VAT / Income Tax matters etc.	409.20	378.95
Estimated amount of Contract remaning to be executed on capital account & not provided for (net of advance)	-	60.00

Note: Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary. The amounts shown above represent the possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

(a) On the basis of the direction of the High Court of Meghalaya dated 30th August, 2018 following the decision of the Supreme Court dated 10th November, 2017 passed in SRD Nutrients Private Limited Vs. Commissioner of Central Excise, Guwahati, Company has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 244.18 Lakhs in earlier years. However, the Apex court vide its order dated 6th December, 2019 have taken a contrary view in the matter of M/S Unicorn Industries Vs Union of India and Others. Based on the later judgement a demand letter was raised by the department to refund back the amount granted. As the order dated 30th August, 2018, has attained its finality and the refund was granted accordingly, the Company has preferred a writ petition before the Meghalaya High Court against the above demand letter. Meghalaya High Court has stayed the said demand vide its order dated 16th June, 2020. The final hearing

NOTES TO FINANCIAL STATEMENTS (Contd.)

of the case is yet to conducted before the Meghalaya High Court. Based on the legal advice obtained by the Company from External Counsel as well as its own assessment there is every likelihood that the said demand will be quashed and therefore no provision have been taken in the books of account.

43. EXCEPTIONAL ITEM

Exceptional Item includes ₹ Nil (as at 31st March, 2022 ₹ 1,264.28) which was on account of reversal of Excise Duty in view of the order dated 21st January, 2021 passed by the Hon'ble Supreme Court by which the Review Petition of the Company against it's judgement dated 22nd April, 2020 in the matter of Union of India –vs- V.V.F. Limited & ors. was dismissed.

44. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

A CSR Committee has been formed by Company as per the Act. The funds were primarily utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the Company during the year is ₹ 1.11 Lakhs (31st March, 2021 : ₹ 12.24 Lakhs)

b) Amount spent during the year on :

(₹ in Lakhs)

Sl. No.	Nature of Expenditure	FY 21-22	FY 20-21
a)	Construction/acquisition of any asset	-	-
b)	On purpose other than above -:		
	Education	1.18	13.20
	Total	**1.18**	**13.20**

c) Total of previous years shortfall and reason thereof : Not Applicable

45. PAYMENTS TO AUDITORS

(₹ in Lakhs)

Particulars	FY 21-22	FY 20-21
As Auditor		
-Audit Fees	2.50	2.50
-Tax Audit Fees	-	-
Total	**2.50**	**2.50**

46. CHARITY AND DONATION INCLUDES ₹ NIL (31ST MARCH, 2021 : ₹ NIL) PAID TO POLITICAL PARTIES

47. MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

(₹ in Lakhs)

Particulars	FY 21-22	FY 20-21
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	-	0.10
(ii) Interest due on above	-	-
Total of (i) & (ii)	-	0.10

NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particulars	FY 21-22	FY 20-21
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	-	-
(iv) Amount paid to the suppliers beyond the respective appointed date.	-	-
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

48. DETAILS OF RATIO ANALYSIS IS GIVEN AS UNDER

Sl. No.	Name of the Ratios	Numerator	Denominator	FY 21-22	FY 20-21	Variance	Remarks
1	Current Ratio	Current Assets	Current Liabilities	23.62	27.35	(13.63)	-
2	Debt - Equity Ratio	Total Debt (Long term + Short term borrowing)	Equity (Share Cpaital + Other equity)	N.A.			
3	Debt Service Coverage Ratio	Earning available for debt service	Debt Service	119.36	(530.83)	(122.49)	Increase in Debt Service Coverage ratio due to decrease in loss
4	Return on Equity Ratio	Net Profit after Tax	Average Equity Share Capital (incl. other equity) (i)	(0.00)	(0.03)	(96.70)	Decrease in Return on Equity ratio due to decrease in loss
5	Inventory Turnover Ratio	Sales	Average Inventory (ii)	1.07	0.10	1,014.53	Increase in Inventory Turnover ratio due to increase in revenue
6	Trade Receivables Turnover Ratio	Sales	Average Trade Receivable (iii)	3.23	0.30	961.30	Increase in Trade Receivable Turnover ratio due to increase in trade receivable
7	Trade Payables Turnover Ratio	Total Purchase	Average Trade Payable (iv)	1.75	3.37	(48.18)	Decrease in Trade Payable Turnover ratio due to increase in trade payable
8	Net Capital Turnover Ratio	Sales	Working Capital	0.03	0.00	784.09	Increase in Net Capital Turnover ratio due to increase in revenue
9	Net Profit Ratio	Net Profit after Tax	Sales	(0.16)	(66.66)	(99.75)	Decrease in Net Profit ratio due to decrease in loss
10	Return on Capital Employed	Earning Before Interest & Tax (EBIT)	Capital Employed (v)	(0.00)	(0.00)	(57.42)	Decrease in Return on Capital Employed ratio due to decrease in loss
11	Return on Investment	Gain/ (Loss) on Investment	Average Investment (vi)	0.08	0.09	(16.07)	Decrease in Return on Investment ratio due to decrease in loss

NOTES TO FINANCIAL STATEMENTS (Contd.)

Notes :

(i) Average Equity Share Capital -: (Opening Equity (incl. other equity) +Closing Equity (incl. other equity))/2

(ii) Average Inventory -: (Opening Inventory+Closing Inventory)/2

(iii) Average Trade Receivable -: (Opening Trade Receivable+Closing Trade Receivable)/2

(iv) Average Trade Payable -: (Opening Trade Payable+Closing Trade Payable)/2

(v) Capital Employed -: (Equity (incl. other equity) + Current Borrowing + Non Current Borrowing+ Lease liability)

(vi) Average Net worth -: (Opening Equity (incl. other equity) +Closing Equity (incl. other equity))/2

49. No transactions to report against the disclosure requirement as notified by MCA pursuant to amended Schedule III - Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules thereunder.

50. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

51. Previous year's figure have been regrouped and/or rearranged wherever necessary, to confirm to current year classification.

52. The financial statements are approved by the Audit Committee at its meeting held on 16th May, 2022 and by the Board of Directors on the same date.

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
Firm Registration No.:304138E

Manoj K Roongta
Partner
Membership No.: 057761

Place : Kolkata
Date : 16th May, 2022

Vivek Lahoti
Chief Financial Officer

Mohit Mahana
Company Secretary

Tushar Bhajanka
Managing Director
DIN : 09179632

Rajesh Kumar Agarwal
Director
DIN : 00223718

NOTE:

MEGHA TECHNICAL AND
ENGINEERS PRIVATE LIMITED

CIN: U27107ML2002PTC006976

REGISTERED OFFICE:
VILL.: LUMSHNONG,
P.O.: KHALIEHRIAT
DIST.: EAST JAINTIA HILLS,
MEGHALAYA - 793 210