



**AGAINST
ALL ODDS,
WE PERSIST**

INSIDE THE REPORT

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Disclaimer: This document contains statements about expected future events and financials of Megha Technical and Engineers Private Limited ('the Company'), 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.

CORPORATE INFORMATION

MEGHA TECHNICAL AND ENGINEERS PRIVATE LIMITED

CIN: U27107ML2002PTC006976

Board of Directors

Mr. Tushar Bhajanka
Managing Director

Mr. Pankaj Kejriwal
Director

Mr. Rajesh Kumar Agarwal
Director

Ms. Edielanaphika Gabriela Suja War
Director

Mr. Pramod Kumar Shah
Independent Director

Mr. Nirmalya Bhattacharyya
Independent Director

Chief Financial Officer

Mr. Vivek Lahoti

Company Secretary

Mr. Mohit Mahana

Auditors

M/s. Singhi & Co.
Chartered Accountants
161, Sarat Bose Road,
Kolkata- 700026

Bankers

State Bank of India
IDBI Bank

Registered Office & Works

Vill:-Lumshnong, P.O.: Khaliéhriat
Dist:- East Jaintia Hills
Meghalaya – 793 210

Registrar & Share Transfer Agents

Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor,
Kolkata - 700001, West Bengal

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 Twenty First Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2023 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, 2023 as compared to the previous financial year are as under:-

(₹ In Lakhs)

| Particulars | FY 22-23 | FY 21-22 |
|--|----------|----------|
| Total Income | 3,264.62 | 1,067.53 |
| Profit before Interest, Depreciation and Tax and exceptional items | 705.96 | 52.47 |
| Depreciation and Amortisation Expenses | 80.11 | 87.89 |
| Finance Costs | 1.92 | 0.24 |
| Profit/(Loss) before exceptional items and tax | 623.93 | (35.66) |
| Exceptional Items | - | - |
| Profit/(Loss) before Tax | 623.93 | (35.66) |
| Provision for taxation: | | |
| - Current Tax | 107.47 | - |
| - Deferred Tax | 68.00 | (9.69) |
| - Income tax for earlier years | 8.47 | 5.73 |
| Net Profit/(Loss) after Tax | 439.99 | (31.70) |
| Other comprehensive income for the year | 1,851.10 | 214.05 |
| Total comprehensive income for the year | 2,291.09 | 182.35 |

INDIAN CEMENT INDUSTRY

India continues its position as second largest producer of cement in the world. Country's ongoing residential projects and infrastructure development like road, bridges, dams etc., will drive the cement demand of the country.

Government of India in Budget FY 23-24 has allocated USD 1.8 Bn for the creation of safe housing, clean drinking water and sanitation and increasing road and telecom connectivity, such initiatives are likely to boost cement demand of the Country. As per a rating agency, country's cement production is likely to reach 6% to 8% during the Financial year 2023-24.

OPERATIONAL PERFORMANCE

During the year under review, your Company produced 40,526 MT of Cement as against 3,450 MT recorded in the previous year which was mainly due to increase in demand. In the year FY 22-23, your Company has dispatched 40,680 MT of cement and sold 42,050 MT of cement as compared to 2,801 MT and 2,610.75 MT respectively recorded in the previous year.

During the Financial Year under review, your Company's total revenue stood at ₹ 3,264.62 Lakhs as against ₹ 1,067.53 Lakhs in previous year. The profit before tax stood at ₹ 623.93 Lakhs as against ₹ (35.66) 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, 2023 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

DIRECTORS' REPORT (Contd.)

Annual Return for the Financial Year 2022-23, 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 the Meetings was within the period prescribed under the Companies Act, 2013. The meetings were held on 16th May, 2022; 1st August, 2022; 11th November, 2022 and 2nd February, 2023.

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 | 4 | 4 |
| Mr. Rajesh Kumar Agarwal | Non - Executive Director | 4 | 4 |
| Mr. Pramod Kumar Shah | Independent Director | 4 | 4 |
| Ms. Edielanaphika Gabriela Suja War | Non - Executive Director | 4 | 1 |
| Mr. Nirmalya Bhattacharyya | Independent Director | 4 | 3 |

*Appointment of Mr. Tushar Bhajanka (DIN: 09179632) as Managing Director of the Company, was duly approved by the shareholders of the Company by way of special resolution passed in the Annual General Meeting held on 23rd September, 2022.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 17th March, 2023 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 (IND AS)

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, 2023 and of the profit 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

DIRECTORS' REPORT (Contd.)

Company. Regarding proficiency, all Independent Directors have registered themselves in the Data Bank maintained with 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) year from the date of inclusion of their names in the data bank. Mr. Pramod Kumar Shah and Mr. Nirmalya Bhattacharyya appeared in 'online proficiency test' and have 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

Messrs Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E) have been appointed by the members at the 20th Annual General Meeting of the members of the Company and shall hold office for a period of 5 years from the date of such meeting held on 23rd September, 2022.

The Statutory Auditors' Report "with an unmodified opinion", given by M/s. Singhi & Co., on the Financial Statements of the Company for the Financial Year ended 31st March, 2023, is appended in the Financial Statements forming part of this Annual Report.

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 Number: 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2023 in the Board Meeting held on

16th May, 2022. The remuneration proposed to be paid to them for the financial year 2022-23, as recommended by audit committee, was ratified in the meeting of shareholders held on 23rd September, 2022.

Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number: 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 M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number: 000064) as Cost Auditors of the Company for the financial year 2023-24 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 M/s. B. G. Chowdhury & Co., Cost Auditors (Firm Registration Number: 000064) for the financial year 2023-24 is included in the Notice convening the Annual General Meeting.

The cost audit report for the Financial Year 2021-22 was filed with the Ministry of Corporate Affairs on 30th August, 2022.

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.

DIRECTORS' REPORT (Contd.)

All Related Party Transactions are presented to the Audit Committee and 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 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:

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

- 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 ₹ NIL/- (PY ₹ 859/-) 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's CSR initiatives goes beyond the statutory requirements. Therefore, for the Financial year 2022-23 though there was no requirements for CSR spending, however your Company contributed towards rural and infrastructure development of the region where it operates.

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 **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

Appointment of Mr. Tushar Bhajanka (DIN: 09179632) as Managing Director of the Company, was duly approved by the shareholders of the Company by way of special resolution passed in the Annual General Meeting held on 23rd September, 2022.

In accordance with the provisions of Companies Act, 2013 and in terms of the Articles of Association of the Company, Ms. Edielanaphika Gabriela Suja War (DIN: 08322755) will retire by rotation and being eligible offers herself for re-appointment. In view of her considerable experience, your Directors recommend her re-appointment as Director of the Company.

The following personnel are Key Managerial Personnel of the Company:

- | | | |
|-------------------------|---|-------------------------|
| 1. Mr. Tushar Bhajanaka | - | Managing Director |
| 2. Mr. Vivek Lahoti | - | Chief Financial Officer |
| 3. Mr. Mohit Mahana | - | Company Secretary |

DIRECTORS' REPORT (Contd.)

HOLDING COMPANY

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

The Board of Directors of your Company (Transferor Company) in its meeting dated 2nd February, 2023 and 18th May, 2023 has approved a draft scheme of amalgamation with Star Cement Meghalaya Limited (Transferee Company) along with Meghalaya Power Limited and NE Hills Hydro Limited, (Transferor Companies) pursuant to provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules made thereunder and subject to approval of the Members and Creditors (if any) of the Company as the case may be, and National Company Law Tribunal ("NCLT") and other necessary approvals as may be required, with effect from the Appointed date, 1st April, 2023.

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. No further development took place during the year. (Refer Note no. 43(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 one time 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.

DIRECTORS' REPORT (Contd.)

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 16th May, 2022; 1st August, 2022; 11th November, 2022 and 2nd February, 2023. 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 | 4 | 3 |
| Mr. Pramod Kumar Shah | Independent | Member | 4 | 4 |
| Mr. Tushar Bhajanka | Non-Independent | Member | 4 | 4 |

- 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 of 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 16th May, 2022 and 2nd February, 2023. The composition of the Committee and the attendance details of the members are given below:

| Name | Category | Chairman/ Members | No. of Meetings | |
|----------------------------|-----------------|----------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Nirmalya Bhattacharyya | Independent | Chairman | 2 | 1 |
| Mr. Pramod Kumar Shah | Independent | Member | 2 | 2 |
| Mr. Rajesh Kumar Agarwal | Non-Independent | 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 the CSR policy as framed by the Company.

During the year, the Committee met Two (2) times 16th May, 2022 and 2nd February, 2023. The composition of the Committee and the attendance details of the members are given below:

| Name | Category | Chairman/ Members | No. of Meetings | |
|----------------------------|-----------------|----------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Rajesh Kumar Agarwal | Non-Independent | Chairman | 2 | 2 |
| Mr. Nirmalya Bhattacharyya | Independent | Member | 2 | 1 |
| Mr. Tushar Bhajanka | Non-Independent | Member | 2 | 2 |

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 16th May, 2022 and 12th September, 2022. The composition of the Committee and the attendance details of the members are given below:

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

DIRECTORS' REPORT (Contd.)

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 **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. 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

Place: Kolkata
Date: 18th May, 2023

Tushar Bhajanka
Managing Director
DIN: 09179632

Rajesh Kumar Agarwal
Director
DIN: 00223718

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; rural and infrastructure development 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. Nirmalya Bhattacharyya | Member (Independent Director) | 2 | 1 |
| 3 | Mr. Tushar Bhajanka | Member (Managing Director) | 2 | 2 |

3. PROVIDE THE WEB-LINK(S) 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 EXECUTIVE SUMMARY ALONG WITH THE WEB-LINK(S) 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, AS AMENDED, IF APPLICABLE (ATTACH THE REPORT): Not Applicable

5. (a) **Average Net Profit of the Company for last 3 financial years as per section 135(5):** ₹ (318.16) Lakhs
 (b) **Two percent of average net profit of the Company as per section 135(5):** ₹ (6.36) Lakhs
 (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
 (d) **Amount required to be set off for the financial year, if any:** NIL
 (e) **Total CSR obligation for the financial year (b+c-d):** Nil

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 9.52 Lakhs
 (b) **Amount spent in Administrative Overheads :** Nil
 (c) **Amount spent on Impact Assessment, if applicable :** Nil
 (d) **Total amount spent for the Financial Year (a+b+c) :** ₹ 9.52 Lakhs
 (e) **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 |
| ₹ 9.52 Lakhs | | | NIL | | |

ANNEXURE – 1 (Contd.)

(f) Excess amount for set off, if any :

| Sl. No. | Particular | Amount (₹ in Lakhs) |
|---------|---|---------------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the Company as per section 135(5) | Nil |
| (ii) | Total amount spent for the Financial Year | 9.52 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 9.52 |
| (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)] | 9.52 |

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---------|-----------------------------|--|---|---|--|------------------|---|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Balance Amount in Unspent CSR Account under section 135(6) (in ₹) | Amount spent in the Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(5), if any. | | Amount remaining to be spent in succeeding financial year(s) (in ₹) | Deficiency, if any |
| | | | | | Amount (in ₹) | Date of transfer | | |
| | | | | | NIL | | | |
| | Total | | | | | | | |

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR: Not Applicable

Yes No

If yes, enter the number of Capital assets created/ acquired Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

| Sl. No. | Short particulars of the property or asset (s) (including complete address and location of the property) | Pincode of the property or asset(s) | Date of Creation | Amount of CSR amount spent | Details of entity/Authority/beneficiary of the registered owner | | |
|---------|--|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| | | | | | | | |

(Note: All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5). – Not Applicable

For and on behalf of the Board of Directors

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

Tushar Bhajanka
Managing Director
(DIN: 09179632)

Place: Kolkata
Date: 18th May, 2023

**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. Vivek Lahoti | Chief Financial Officer | 52.54 | Permanent | CA | 24 | 1st October, 2008 | 47 | Ambuja Cement Limited | NIL | None |
| 2 | Mr. Sanjay Kumar Chourasia | Assistant General Manager - Quality Control | 18.81 | Permanent | B. Sc | 23 | 6th September, 2010 | 45 | Adhunik Cement Limited | NIL | None |
| 3 | Mr. Manoj Purohit | Deputy Manager - Logistic | 16.54 | Permanent | B.Com, Diploma in IIMM | 14 | 16th November, 2007 | 53 | Self employed | NIL | None |
| 4 | Mr. Souren Ghosh | Deputy Manager - Finance & Accounts | 15.81 | Permanent | B. Com | 21 | 23rd February, 2007 | 43 | Japha Comfeed India Private Limited | NIL | None |
| 5 | Mr. Debanik Sarkar | Deputy Manager - IT | 15.44 | Permanent | BA, Diploma in Networking | 16 | 20th June, 2006 | 40 | Xenities Infotech Private Limited | NIL | None |
| 6 | Mr. Mohit Mahana | Company Secretary & Compliance Officer | 14.55 | Permanent | B.Com, CS & LLB | 12 | 15th September, 2015 | 34 | Great Eastern Energy Corporation Limited | NIL | None |
| 7 | Mr. Utpal Borkakati | Deputy Manager-Finance & Accounts | 12.70 | Permanent | B.Com; M.Com | 20 | 11th April, 2009 | 48 | Ozone Ayurvedis Limited | NIL | None |
| 8 | Mr. Pratik Sharma | Senior Executive – Finance & Accounts | 12.59 | Permanent | B.Com | 14 | 1st August, 2008 | 35 | - | NIL | None |
| 9 | Md. Shaiikh Nazrul Islam | Assistant Manager - Branding | 12.48 | Permanent | B. Com | 20 | 10th September, 2014 | 44 | DDB Marketing Services Private Limited | NIL | None |
| 10 | Mr. Gopal Khandelwal | Assistant Manager-Finance & Accounts | 10.42 | Permanent | B.Com | 26 | 23rd February, 2007 | 49 | SAP Agencies Private Limited | NIL | None |

For and on behalf of the Board of Directors

Tushar Bhajanka
Managing Director
DIN: 09179632

Rajesh Kumar Agarwal
Director
DIN: 00223718

Place: Kolkata
Date: 18th May, 2023



INDEPENDENT AUDITOR'S REPORT

To
The Members of Megha Technical and Engineers Private Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of Megha Technical and Engineers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of changes in Equity for the year then ended, and notes to the financial statements, 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Directors 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 with reference to financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

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

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

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

OTHER MATTERS

The comparative financial information of the company for the year ended 31st March 2022 are based on the previously issued financial statements prepared in accordance with the Ind AS that were audited by the erstwhile auditors. The audit report dated 16th May, 2022 on the audited financial statement of the Company for the year ended 31st March 2022 issued by erstwhile auditors expressed an unmodified opinion.

Our opinion is not modified in respect to above matter.

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 Companies Act, 2013, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

INDEPENDENT AUDITOR'S REPORT (Contd.)

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Companies (India Accounting Standards) Rules 2015 as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The impacts of pending litigations on the financial position of the Company have been disclosed in the financial statement as required in terms of the Ind AS and provisions of the Companies Act, 2013 - Refer Note No. 43 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 51, 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 51, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- v. The Company has not declared any dividend in the previous year which has been paid in the current year. Further, no dividend has been declared in the current year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of

Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Gopal Jain)

(Partner)

Place: Kolkata
Date: 18th May 2023

Membership No. 059147
UDIN: 23059147BGYQAD3762

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 with the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date in respect to Statutory Audit of Megha Technical and Engineers Private Limited for the year ended March 31, 2023)

We report that:

- I. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of property, plant & equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the company and nature its property, plant and equipment. In accordance with this programme, certain property, plant & equipment were physically verified during the year. 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 a lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company (Refer note 2(a)(ii) of the financial statements).
- d. The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- II. a. The management has conducted physical verification of inventory at reasonable intervals during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of such inventories. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- b. The Company has not been sanctioned working capital limits more than five crore, in aggregate, from banks or financial institution and hence requirement of submission of the quarterly returns or statements filed by the Company with such

banks or financial institutions are not applicable to the company

- III. a. 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 made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year apart from the details given below:

| Particulars | Loan given (Rs. In Lakh) |
|---|-----------------------------|
| Aggregate amount granted/ provided during the year | |
| To Holding Company | 8,00.00 |
| To Fellow Subsidiary | 5,400.00 |
| Balance outstanding as at balance sheet date in respect of above | |
| To Holding Company | 2,913.08 |
| To Fellow Subsidiary | 5,400.00 |

- b. In our opinion and according to the information and explanation given to us, the terms and conditions of granting of all the, loans during the year are, prima facie, not prejudicial to the interest of the company.
- c. According to the information and explanations given to us and based on the audit procedures conducted by us, in respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and re payment of principle and payment of interest are regular.
- d. There are no amounts of loans granted by the company which are overdue for more than ninety days.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted by the company that have fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- f. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the

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

requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- IV. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- V. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. Hence reporting under clause 3(v) of the order is not applicable.
- VI. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are

made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- VII. a. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Services tax, Duty of customs, Duty of excise, Value Added Tax, Cess and Other Statutory Dues applicable to it. In our opinion, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and the records of the Company examined by us. Details of statutory dues referred to sub clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute are given below:

| Name of the Statute | Nature of Dues | Amount (Rs. in lakhs) | Period to which amount relates | Forum where the dispute is pending |
|------------------------------|-----------------------|------------------------------|---------------------------------------|---|
| The Service Tax Act, 1994 | Service Tax | 51.31 | FY 2008 - 09 & FY 2009 - 10 | Custom Excise & Service Tax Appeallate Tribunal |
| The Central Excise Act, 1944 | Excise Duty | 244.18 | May 2007 - June 2013 | Hon'ble High Court, Meghalaya |
| The Central Excise Act, 1944 | Excise Duty | 5.31 | July 2013 - March 2014 | Custom Excise & Service Tax Appeallate Tribunal |

- VIII. 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- IX. a. 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared

Willful 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 audit procedures, the company has not raised any fund by way of term loan. Accordingly, the requirement to report on Clause 3(ix)(c) of the Order is not applicable to the Company.
- d. The company has not raised any funds on short term basis during the year. Accordingly, 3(ix)(d) of the order not applicable.
- e. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) & (f) of the Order is not applicable to the Company.

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

- X. a. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year.
- b. 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 made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x) (b) of the Order is not applicable.
- XI. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, 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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, 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 with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in Compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. The company is not required to have an internal audit system as per the criteria given in the companies Act, 2013. Accordingly, clause xiv (a) & (b) are not applicable to the company.
- XV. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, 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, the reporting under clause 3(xvi)(a) & (b) of the Order is not applicable to the Company.
- b. 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.
- c. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the company, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- XVII. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- XVIII. There here has been no resignation of the statutory auditors during the year accordingly the 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 (refer note – 47 in the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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

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

date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. CSR provision is not applicable as the company is not satisfying the threshold requirements of Section 135 of

the companies Act 2013. Accordingly, reporting under clause xx (a) & (b) not applicable.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Gopal Jain)

(Partner)

Place: Kolkata

Date: 18th May 2023

Membership No. 059147

UDIN: 23059147BGYQAD3762

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) with the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date in respect to Statutory Audit of Megha Technical and Engineers Private Limited for the year ended March 31, 2023)

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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 and Engineers Private Limited** (“the Company”) as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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 with reference to Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 such internal financial controls, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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.

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**OPINION**

In our opinion to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2023, 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 with

reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

(Gopal Jain)

(Partner)

Place: Kolkata

Date: 18th May 2023

Membership No. 059147

UDIN: 23059147BGYQAD3762

BALANCE SHEET

AS AT 31ST MARCH, 2023

| Particulars | Notes | (₹ in Lakhs) | |
|---|-------|---------------------------|---------------------------|
| | | As at 31st March, 2023 | As at 31st March, 2022 |
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 2(a) | 1,425.04 | 1,499.68 |
| (b) Capital work-in-progress | 2(b) | 40.87 | 37.56 |
| (c) Right-of-use assets | 2(c) | 2.91 | 7.43 |
| (d) Intangible assets | 2(d) | 0.37 | 0.45 |
| (e) Financial assets | | | |
| (i) Investments | 3 | 11,634.99 | 9,658.53 |
| (ii) Loans | 4 | 8,313.08 | 7,218.08 |
| (iii) Other financial assets | 5 | 2,292.82 | 2,555.21 |
| (f) Deferred tax assets (net) | 6 | 1,869.29 | 2,079.57 |
| (g) Non-current tax assets (net) | 7a | 154.23 | 244.32 |
| (h) Other non-current assets | 8 | 26.29 | 26.31 |
| Total non-current assets | | 25,759.89 | 23,327.14 |
| (2) Current assets | | | |
| (a) Inventories | 9 | 190.34 | 178.53 |
| (b) Financial assets | | | |
| (i) Trade receivables | 10 | 658.97 | 76.44 |
| (ii) Cash and cash equivalents | 11 | 99.49 | 95.53 |
| (iii) Bank balances (other than (ii) above) | 12 | 6,029.33 | 6,316.30 |
| (iv) Other financial assets | 13 | 320.55 | 277.50 |
| (c) Other current assets | 14 | 61.65 | 94.64 |
| Total current assets | | 7,360.33 | 7,038.94 |
| Total assets | | 33,120.22 | 30,366.08 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 15 | 2,734.64 | 2,734.64 |
| (b) Other equity | 16 | 29,554.12 | 27,263.03 |
| Total equity | | 32,288.76 | 29,997.67 |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 17 | - | 2.97 |
| (ii) Other financial liabilities | 18 | 30.44 | 30.44 |
| (b) Provisions | 19 | 58.33 | 63.14 |
| (c) Other non current liabilities | 20 | 9.62 | 11.20 |
| Total non-current liabilities | | 98.39 | 107.75 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 21 | 2.97 | 4.64 |
| (ii) Trade payables | 22 | | |
| a) Total outstanding dues of micro enterprises and small enterprises | | 0.36 | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 433.20 | 112.13 |
| (iii) Other financial liabilities | 23 | 120.61 | 96.44 |
| (b) Provisions | 24 | 9.70 | 7.70 |
| (c) Other current liabilities | 25 | 164.10 | 39.75 |
| (d) Current tax liabilities (net) | 7b | 2.13 | - |
| Total current liabilities | | 733.07 | 260.66 |
| Total liabilities | | 831.46 | 368.41 |
| Total equity and liabilities | | 33,120.22 | 30,366.08 |
| 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 **Singhi & Co.**
Chartered Accountants
Firm Registration No.:302049E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Gopal Jain
Partner
Membership No.: 059147

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 18th May, 2023

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs unless other wise stated)

| Particulars | Notes | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|-------|--|--|
| INCOME | | | |
| Revenue from operations | 26 | 2,079.88 | 192.21 |
| Other income | 27 | 1,184.74 | 875.32 |
| Total Income | | 3,264.62 | 1,067.53 |
| EXPENSES | | | |
| Cost of materials consumed | 28 | 1,141.08 | 94.73 |
| Changes in inventories of finished goods | 29 | 73.36 | (9.29) |
| Employee benefit expenses | 30 | 843.32 | 656.81 |
| Finance costs | 31 | 1.92 | 0.24 |
| Depreciation and amortisation expenses | 32 | 80.11 | 87.89 |
| Power and Fuel | | 163.73 | 46.53 |
| Freight and Forwarding expenses | 33 | 81.61 | 64.30 |
| Other expenses | 34 | 255.56 | 161.98 |
| Total expenses | | 2,640.69 | 1,103.19 |
| Profit / (Loss) before tax | | 623.93 | (35.66) |
| Tax expenses | 35 | | |
| - Current tax | | 107.47 | - |
| - Deferred tax | | 68.00 | (9.69) |
| - Income tax for earlier years | | 8.47 | 5.73 |
| Total Tax Expenses | | 183.94 | (3.96) |
| Profit / (Loss) for the year | | 439.99 | (31.70) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans | 37 | 16.92 | (9.39) |
| Income tax related to above | | (4.71) | 2.61 |
| Changes in fair value of equity instruments through other comprehensive income | | 1,976.46 | 335.63 |
| Income tax related to above | | (137.57) | (114.80) |
| Other comprehensive income for the year | | 1,851.10 | 214.05 |
| Total comprehensive income for the year | | 2,291.09 | 182.35 |
| Earnings per equity share (Face value of ₹ 10/- each) | 36 | | |
| Basic earning per share (in ₹) | | 1.61 | (0.12) |
| Diluted earning per share (in ₹) | | 1.61 | (0.12) |
| 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 **Singhi & Co.**
Chartered Accountants
Firm Registration No.:302049E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Gopal Jain
Partner
Membership No.: 059147

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 18th May, 2023

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------|---------------------------------|
| | Year ended 31st March, 2023 | Year ended 31 st March, 2022 |
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 623.93 | (35.66) |
| Adjustments for : | | |
| Depreciation & amortisation | 75.59 | 86.27 |
| Amortisation of right-of-use- assets | 4.52 | 1.62 |
| Interest income | (1,056.63) | (875.32) |
| Interest expenses | 1.92 | 0.24 |
| Provision for obsolescence of inventory | 2.97 | - |
| (Profit)/Loss on sale of property, plant and equipment | (0.42) | 3.02 |
| Operating Profit before Working Capital changes | (348.12) | (819.83) |
| Adjustments for : | | |
| (Increase)/Decrease in Trade Receivables | (582.53) | (33.91) |
| (Increase)/Decrease in Inventories | (14.78) | 3.15 |
| (Increase)/Decrease in Other receivables | 33.02 | (115.27) |
| (Increase)/Decrease in Other assets | - | (2,516.05) |
| Increase/(Decrease) in Trade payables | 321.43 | 86.20 |
| Increase/(Decrease) in Other liabilities | 161.05 | 8.98 |
| Cash Generated from Operations | (429.93) | (3,386.73) |
| Direct tax paid (net) | (23.70) | (63.39) |
| Net Cash flow from Operating Activities | (453.63) | (3,450.12) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment (including CWIP) | (4.33) | (10.43) |
| Sale of property, plant and equipment (including CWIP) | 0.54 | 4.50 |
| Interest received | 895.94 | 875.32 |
| Loan Given (Addition)/Repaid | (1,095.00) | 4,815.38 |
| Fixed Deposit/margin money given/matured | 667.00 | (2,180.13) |
| Net Cash flow from Investing Activities | 464.15 | 3,504.64 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (1.58) | - |
| Payment of lease liabilities(including interest there upon) | (4.98) | (0.24) |
| Net Cash flow from Financing Activities | (6.56) | (0.24) |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C) | 3.96 | 54.28 |
| Cash and Cash Equivalents (refer note no. 11) | | |
| Cash and Cash Equivalents at the beginning of the year | 95.53 | 41.25 |
| Cash and Cash Equivalents at the end of the year | 99.49 | 95.53 |

Notes:

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

| Particulars | (₹ in Lakhs) | |
|---------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Cash in hand | 4.09 | 2.88 |
| Cheques in hand | 36.20 | 38.54 |
| Balance with Banks | 59.20 | 54.11 |
| Total Cash and Cash Equivalent | 99.49 | 95.53 |

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 **Singhi & Co.**
Chartered Accountants
Firm Registration No.:302049E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Gopal Jain
Partner
Membership No.: 059147

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 18th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. EQUITY SHARE CAPITAL

| Particulars | (₹ in Lakhs) |
|---------------------------------|-----------------|
| | Amount |
| As at 1st April, 2021 | 2,734.64 |
| Changes in equity share capital | - |
| As at 31st March, 2022 | 2,734.64 |
| Changes in equity share capital | - |
| As at 31st March, 2023 | 2,734.64 |

B. OTHER EQUITY

| Particulars | (₹ in Lakhs) | | Total other equity |
|--|----------------------|---|--------------------|
| | Reserves and surplus | Items of other Comprehensive income | |
| | 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 (net of tax) -Remeasurement of defined benefit plans (b) | (6.78) | | (6.78) |
| Other Comprehensive Income - Change in fair value of equity instruments - through other comprehensive income (c) | | 220.82 | 220.82 |
| Total comprehensive income for the year (a + b+c) | (38.48) | 220.82 | 182.34 |
| Balance as at 31st March, 2022 | 21,843.37 | 5,419.66 | 27,263.03 |
| Balance as at 1st April, 2022 | 21,843.37 | 5,419.66 | 27,263.03 |
| Profit for the year (a) | 439.99 | - | 439.99 |
| Other comprehensive income (net of tax) -Remeasurement of defined benefit plans (b) | 12.21 | | 12.21 |
| Other Comprehensive Income - Change in fair value of equity instruments - through other comprehensive income (c) | | 1,838.89 | 1,838.89 |
| Total comprehensive income for the year (a + b+c) | 452.20 | 1,838.89 | 2,291.09 |
| Balance as at 31st March, 2023 | 22,295.57 | 7,258.55 | 29,554.12 |

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 **Singhi & Co.**
Chartered Accountants
Firm Registration No.:302049E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

Gopal Jain
Partner
Membership No.: 059147

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 18th May, 2023

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2023

Note 1.1 : Significant Accounting Policies for the year ended 31st March, 2023

1.1 (A) 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.

1.1 (B) Statement of compliance

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 thereto 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 18th May, 2023.

1.1 (C) New Accounting Pronouncements

(i) Adoption of New Accounting Pronouncements

(a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

(b) Ind AS 16 – Proceeds Before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property plant and equipment.

(c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

(d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

These amendments are effective from 1st April, 2022 and the effect of these amendments has been incorporated in these financial statements to the extent applicable to the Company. These amendments do not have significant impact on the financial statements of the Company.

(ii) Application of New Amendments Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the above amendments to have any significant impact in its financial statements.

1.1 (D) Significant Accounting Policies

Basis of Preparation

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

(i) 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.

(ii) 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 Ind As 1 'Presentation of Financial Statements' and Schedule III to the Act.

(iii) 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.

1.2 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

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

ii) Defined benefit obligations

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long- term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Refer Note 37 for sensitivity analysis.

iii) Useful life of property, plant and equipment

The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate

iv) **Leases Ind AS 116**

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

v) **Fair Value Measurement of Financial Instruments**

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

vi) **Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilised. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

1.3 **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 (₹), 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.

1.4 **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

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period. 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"

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 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 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.

1.5 Intangible Asset

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

Derecognition of tangible and intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.6 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.

1.7 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

1.8 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 and disclosed as current/ non-current liability are transferred to the Statement of Profit and Loss on a systematic basis over the useful life of remaining assets by deducting from the related expenses for the period for which they are related.

1.9 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.

1.10 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

- **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

- 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.

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

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. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 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.

1.16 (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.

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

(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).

1.17 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 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 offer 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

1.18 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 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 recognised for all taxable temporary differences only if it is obligation to pay the resulting income taxes in future periods.

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.

1.19 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

1.20 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.

1.21 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

2(A): PROPERTY, PLANT AND EQUIPMENT

| Particulars | Land & Site Development | Factory Buildings | Non-Factory Buildings | Plant & Machinery | Furniture & Fixtures | Office Equipments | Computers | Vehicles | Tools & Tackles | Total |
|----------------------------------|-------------------------|-------------------|-----------------------|-------------------|----------------------|-------------------|-----------|----------|-----------------|----------|
| Gross Carrying Value | | | | | | | | | | |
| As at 1st April, 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 |
| Additions | - | - | - | 1.16 | 0.19 | - | 1.44 | - | - | 2.79 |
| Disposals/deductions/adjustments | - | - | - | - | - | - | - | 0.74 | - | 0.74 |
| As at 31st March, 2023 | 384.61 | 718.69 | 801.34 | 647.93 | 9.32 | 4.13 | 8.80 | 9.42 | 1.73 | 2,585.96 |
| Accumulated Depreciation | | | | | | | | | | |
| As at 1st April, 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 | 501.12 | 4.28 | 2.47 | 3.66 | 3.28 | 1.02 | 1,084.23 |
| Charge for the year | - | 37.24 | 28.65 | 7.21 | 1.31 | 0.43 | 1.10 | 1.45 | 0.00 | 77.39 |
| Disposals/deductions/adjustments | - | - | - | - | - | - | - | 0.70 | - | 0.70 |
| As at 31st March, 2023 | - | 366.16 | 268.13 | 508.33 | 5.59 | 2.90 | 4.76 | 4.03 | 1.02 | 1,160.92 |
| Net Carrying Value | | | | | | | | | | |
| As at 31st March, 2022 | 384.61 | 389.77 | 561.86 | 145.65 | 4.85 | 1.66 | 3.70 | 6.88 | 0.71 | 1,499.68 |
| As at 31st March, 2023 | 384.61 | 352.53 | 533.21 | 139.60 | 3.73 | 1.23 | 4.04 | 5.40 | 0.71 | 1,425.04 |

Note:

- During the year, the Company has sold property, plant and equipment amounting to ₹ 0.74 Lakhs (31st March, 2022 ₹ 10.15 Lakhs) and discarded Nil (31st March, 2022 ₹ 11.06 Lakhs)
- Title deed of all immovable property are held in the name of the Company
- The Company does not hold any benami property and there is no proceedings initiated or pending against the Company for holding any benami property under benami transaction (Prohibition) Act 1988 and rules made there under.
- The Company has not revalued its Property, plant and equipment, Right of use assets and Intangible assets during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
2(B): CAPITAL WORK-IN-PROGRESS

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Balance at the beginning of the year included in capital work-in-progress | 37.56 | 39.94 |
| Add : Expenditure during construction for projects | 3.31 | - |
| Less : Capitalised during the year | - | 2.38 |
| Balance at the end of the year included in capital work-in-progress | 40.87 | 37.56 |

Ageing of Capital work-in-progress

| Particulars | (₹ in Lakhs) | | | | |
|--------------------------------|--------------------------------|-------------|-------------|----------------------|-------|
| | 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, 2023 | | | | | |
| Projects in progress | 3.31 | - | - | 37.56 | 40.87 |
| Projects temporarily suspended | - | - | - | - | - |
| As at 31st March, 2022 | | | | | |
| Projects in progress | - | - | - | 37.56 | 37.56 |
| 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

| Particulars | (₹ in Lakhs) |
|---------------------------------|-------------------------|
| | Non-Factory Building |
| Gross Carrying Value | |
| As at 1st April, 2021 | 4.37 |
| Addition | 7.28 |
| Disposals/deductions/adjustment | 0.21 |
| As at 31st March, 2022 | 11.44 |
| Addition | - |
| Disposals/deductions/adjustment | - |
| As at 31st March, 2023 | 11.44 |
| Accumulated Depreciation | |
| At 1st April, 2021 | 2.39 |
| Charge for the year | 1.62 |
| Disposals/deductions/adjustment | - |
| As at 31st March, 2022 | 4.01 |
| Charge for the year | 4.52 |
| Disposals/deductions/adjustment | - |
| As at 31st March, 2023 | 8.53 |
| Net Carrying Value | |
| As at 31st March, 2022 | 7.43 |
| As at 31st March, 2023 | 2.91 |

Note :

a. The Company has taken non factory building on lease ranging from 1- 5 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

2(D): INTANGIBLE ASSETS

| Particulars | (₹ in Lakhs) | |
|----------------------------------|--------------|-------------|
| | Software | |
| Gross Carrying Value | | |
| As at 1st April, 2021 | | 0.57 |
| Additions | | 0.52 |
| Disposals/deductions/adjustments | | 0.35 |
| As at 31st March, 2022 | | 0.74 |
| Additions | | - |
| Disposals/deductions/adjustments | | - |
| As at 31st March, 2023 | | 0.74 |
| Accumulated Amortisation | | |
| As at 1st April, 2021 | | 0.46 |
| Charge for the year | | 0.15 |
| Disposals/deductions/adjustments | | 0.32 |
| As at 31st March, 2022 | | 0.29 |
| Charge for the year | | 0.08 |
| Disposals/deductions/adjustments | | - |
| As at 31st March, 2023 | | 0.37 |
| Net Carrying Value | | |
| As at 31st March, 2022 | | 0.45 |
| As at 31st March, 2023 | | 0.37 |

NOTE: 3 | INVESTMENTS

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Investments in unquoted equity shares (Fair value through OCI) (Fellow subsidiary) | | |
| Star Cement Meghalaya Limited | 11,634.99 | 9,658.53 |
| 37,29,162 equity shares (37,29,162 as at 31st March, 2022) of ₹ 10 each fully paid up | | |
| Total | 11,634.99 | 9,658.53 |

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Aggregate amount of unquoted investments | 11,634.99 | 9,658.53 |
| Aggregate amount of impairment in the value of investments | - | - |

NOTE: 4 | LOANS - NON-CURRENT

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Unsecured, considered good | | |
| - Loans to related parties (refer note no.42) | 8,313.08 | 7,218.08 |
| Total | 8,313.08 | 7,218.08 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
4.1 Disclosure of loans and advances given to group companies as per section 186 of The Companies Act 2013

(₹ in Lakhs)

| Name of the Company | Rate of Interest | Amount outstanding as at | | Maximum balance outstanding during the year ended | |
|--|------------------|--------------------------|------------------------|---|------------------------|
| | | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| Star Cement Limited (Holding Company) | 7.19% | 2,913.08 | 7,218.08 | 7,218.08 | 8,804.08 |
| Star Cement Meghalaya Limited (Fellow subsidiary) | 8.30% | 5,400.00 | - | 5,400.00 | - |
| | | 8,313.08 | 7,218.08 | 12,618.08 | 8,804.08 |

Note 4.2: Terms of loan to related parties is long term in nature which is repayable in 7 Years in case of Star Cement Limited and 8 years in case of Star Cement Meghalaya Limited.

NOTE: 5 | OTHER FINANCIAL ASSETS - NON-CURRENT

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| In Fixed Deposit accounts with original maturity of more than 12 months remaining from balance sheet date | 2,175.00 | 2,555.00 |
| Security deposits | 0.21 | 0.21 |
| Interest accrued on Fixed Deposits | 117.61 | - |
| Total | 2,292.82 | 2,555.21 |

NOTE: 6 | DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| Deferred tax assets | | |
| On Expenditure allowable for tax purposes upon payment | 18.92 | 19.71 |
| On Business Loss | 246.56 | 412.56 |
| MAT credit entitlement | 3,031.23 | 2,923.76 |
| Deferred tax liabilities | | |
| On Property, plant and equipment and intangible assets | (34.32) | (20.93) |
| Fair valuation of equity shares | (1,393.10) | (1,255.53) |
| Deferred tax assets | 1,869.29 | 2,079.57 |

Note : 6.1 Mat Credit Entitlement of ₹ 107.47 (₹ Nil Lakhs as at 31st March, 2022) adjusted with Provision for taxation.

Movement in deferred tax assets and liabilities:

(₹ in Lakhs)

| Particulars | As at 1st April, 2022 | Recognised in Statement of Profit & loss | Recognised in OCI | As at 31st March, 2023 |
|--|-----------------------|--|-------------------|------------------------|
| On Expenditure allowable for tax purposes upon payment | 19.71 | (3.92) | (4.71) | 18.92 |
| On Business Loss | 412.56 | 166.00 | - | 246.56 |
| MAT credit entitlement | 2,923.76 | (107.47) | - | 3,031.23 |
| Deferred tax Assets (Net) | 3,356.03 | 54.61 | (4.71) | 3,296.71 |
| On Property, plant and equipment and intangible assets | (20.93) | 13.39 | - | (34.32) |
| Fair valuation of equity shares | (1,255.53) | - | (137.57) | (1,393.10) |
| Deferred tax Liabilities (Net) | (1,276.46) | 13.39 | (137.57) | (1,427.42) |
| Net deferred tax assets /Liabilities | 2,079.57 | 68.00 | (142.28) | 1,869.29 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

| (₹ in Lakhs) | | | | |
|--|-----------------------|--|-------------------|------------------------|
| Particulars | As at 1st April, 2021 | Recognised in Statement of Profit & loss | Recognised in OCI | As at 31st March, 2022 |
| On Expenditure allowable for tax purposes upon payment | 24.92 | 7.83 | 2.61 | 19.71 |
| On Business Loss | 381.61 | (30.95) | - | 412.56 |
| MAT credit entitlement | 2923.76 | - | - | 2,923.76 |
| Deferred tax Assets (Net) | 3330.29 | (23.12) | 2.61 | 3,356.03 |
| On Property, plant and equipment and intangible assets | (7.50) | 13.43 | - | (20.93) |
| Fair valuation of equity shares | (1,140.73) | - | (114.80) | (1,255.53) |
| Deferred tax Liabilities (Net) | (1,148.23) | 13.43 | (114.80) | (1,276.46) |
| Net deferred tax assets /Liabilities | 2,182.06 | (9.69) | (112.19) | 2,079.57 |

NOTE: 7A | NON-CURRENT TAX ASSETS (NET)

| (₹ in Lakhs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| Advance income tax & TDS Receivables (net) | 154.23 | 244.32 |
| Total | 154.23 | 244.32 |

NOTE: 7B | CURRENT TAX LIABILITIES (NET)

| (₹ in Lakhs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| Provision for taxation (net of advance tax of ₹105.34 Lakhs as at 31st March, 2023 and ₹ NIL as at 31st March, 2022) | 2.13 | - |
| Total | 2.13 | - |

NOTE: 8 | OTHER NON-CURRENT ASSETS

| (₹ in Lakhs) | | |
|-------------------------------------|------------------------|------------------------|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| Unsecured, considered good | | |
| - Deposits with statutory authority | 26.29 | 26.29 |
| - Capital advances | - | 0.02 |
| Total | 26.29 | 26.31 |

NOTE: 9 | INVENTORIES

| (₹ in Lakhs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| (Valued at lower of cost or Net realisable Value) | | |
| Raw materials | 110.54 | 4.03 |
| Finished goods | 15.88 | 89.24 |
| Fuels, packing materials, etc. | 15.07 | 35.78 |
| Stores and spares parts (Net of obsolescence amounting ₹2.97 Lakhs (31st March, 2022 ₹NIL) | 48.85 | 49.48 |
| Total | 190.34 | 178.53 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
NOTE: 10 | TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| a) Secured | | |
| Considered good | 30.44 | 30.44 |
| | 30.44 | 30.44 |
| b) Unsecured | | |
| Considered good | 628.53 | 46.00 |
| Considered doubtful | 74.77 | 74.77 |
| Less: Allowance for expected credit loss | (74.77) | (74.77) |
| | 628.53 | 46.00 |
| Total | 658.97 | 76.44 |

Ageing of outstanding trade receivables as on 31st March, 2023 from due date of payment

(₹ in Lakhs)

| Particulars | Un-billed | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|--|---------------|----------|--------------------|-------------------|-------------|-------------|-------------------|---------------|
| Undisputed - Considered Good | 609.62 | - | 6.73 | 0.08 | - | - | 0.75 | 617.18 |
| 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 | 609.62 | - | 6.73 | 0.08 | - | - | 117.31 | 733.74 |
| Less: Allowance for expected credit loss | - | - | - | - | - | - | (74.77) | (74.77) |
| Total | 609.62 | - | 6.73 | 0.08 | - | - | 42.54 | 658.97 |

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

(₹ in Lakhs)

| Particulars | Un-billed | 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 expected credit loss | - | - | - | - | - | - | (74.77) | (74.77) |
| Total | - | 29.15 | 4.76 | - | - | 0.75 | 41.79 | 76.44 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 11 | CASH AND CASH EQUIVALENTS

| Particulars | (₹ in Lakhs) | |
|---------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Cash in hand | 4.09 | 2.88 |
| Cheques in hand | 36.20 | 38.54 |
| Balances with banks | | |
| - Current accounts | 59.20 | 54.11 |
| Total | 99.49 | 95.53 |

NOTE: 12 | BANK BALANCES (OTHER THAN (NOTE - 11) ABOVE)

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| In Fixed Deposit held with banks with original maturity of more than 3 months but less than 12 months | 6,029.33 | 6,316.30 |
| Total | 6,029.33 | 6,316.30 |

Note : The above Fixed deposit includes ₹26.33 Lakhs (previous year ₹26.30Lakhs) pertaining to fixed deposit held as margin money.

NOTE: 13 | OTHER FINANCIAL ASSETS

| Particulars | (₹ in Lakhs) | |
|-----------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Unsecured, considered good | | |
| Security deposit | 15.40 | 15.43 |
| Interest accrued but not due on | | |
| - Fixed Deposits | 305.15 | 262.07 |
| Total | 320.55 | 277.50 |

NOTE: 14 | OTHER CURRENT ASSETS

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Unsecured, considered doubtful | | |
| - Doubtful advances | 5.93 | 5.93 |
| Less: Allowance for doubtful advances | (5.93) | (5.93) |
| Unsecured, considered good | | |
| Advances for services and expenses | 3.19 | 17.64 |
| Advances to employees | 9.84 | 4.41 |
| Prepaid expenses | 11.14 | 8.55 |
| Balances with statutory/ Government authorities | 37.48 | 64.04 |
| Total | 61.65 | 94.64 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
NOTE: 15 | EQUITY SHARE CAPITAL

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| 1. Authorised capital | | |
| 3,50,00,000 (3,50,00,000 as at 31st March, 2022) 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, 2022) 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 entitled 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 proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of shares outstanding

| Equity Shares | (₹ in Lakhs) | |
|------------------------------------|-----------------------------------|-----------------------------------|
| | 31st March, 2023 No. of Shares | 31st March, 2022 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

| Name of the Holding Company | (₹ in Lakhs) | |
|-----------------------------|-----------------------------------|-----------------------------------|
| | 31st March, 2023 No. of Shares | 31st March, 2022 No. of Shares |
| Star Cement Limited * | 2,73,46,399 | 2,73,46,399 |

* Above table does not include One equity share of ₹10 /- per share is held by nominee share holder on behalf of Star Cement Limited.

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

| Name of the Shareholder | (₹ in Lakhs) | |
|-------------------------|-------------------------------|-------------------------------|
| | No. of Shares % of holding | No. of Shares % of holding |
| Star Cement Limited | 2,73,46,399 | 2,73,46,399 |
| | (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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

(₹ in Lakhs)

| Promoter Name | FY 22-23 | | |
|---------------------|---------------|-------------------|--------------------------|
| | No. of Shares | % of Total Shares | % Change during the year |
| Star Cement Limited | 2,73,46,399 | 100 | - |

(₹ in Lakhs)

| Promoter Name | FY 21-22 | | |
|---------------------|---------------|-------------------|--------------------------|
| | No. of Shares | % of Total Shares | % Change during the year |
| Star Cement Limited | 2,73,46,399 | 100 | - |

NOTE: 16 | OTHER EQUITY

(₹ in Lakhs)

| Reserve and surplus | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Retained earnings | | |
| Opening balance | 21,843.37 | 21,881.85 |
| Profit/(loss) for the year | 439.99 | (31.70) |
| Remeasurements of defined benefit plans (net of tax) | 12.21 | (6.78) |
| Total (a) | 22,295.57 | 21,843.37 |

(₹ in Lakhs)

| Items of other comprehensive income | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Equity Instruments through Other Comprehensive Income | | |
| Opening balance | 5,419.66 | 5,198.84 |
| Change in fair value of equity instruments (FVOCI) | 1,976.46 | 335.62 |
| Deferred tax | (137.57) | (114.80) |
| Total (b) | 7,258.55 | 5,419.66 |
| Total Other Equity (a+b) | 29,554.12 | 27,263.03 |

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 instruments in other comprehensive income. These changes are accumulated within the equity instruments through other comprehensive income reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

NOTE: 17 | LEASE LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Lease Liability Payable (Refer note no- 39) | - | 2.97 |
| Total | - | 2.97 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
NOTE: 18 | OTHER FINANCIAL LIABILITIES

| Particulars | (₹ in Lakhs) | |
|------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Security deposit | 30.44 | 30.44 |
| Total | 30.44 | 30.44 |

NOTE: 19 | PROVISIONS

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Provisions for employee benefit obligations | | |
| - Gratuity(refer note no.37) | 20.06 | 25.85 |
| - Leave | 38.27 | 37.29 |
| Total | 58.33 | 63.14 |

NOTE: 20 | OTHER NON CURRENT LIABILITIES

| Particulars | (₹ in Lakhs) | |
|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Deferred government grant | 9.62 | 11.20 |
| Total | 9.62 | 11.20 |

20.1 Deferred income comprises of Government Grants/Assistance in form of :

| Particulars | (₹ in Lakhs) | | | |
|---|---|----------------------------------|--|---|
| | Opening as on 1st April, 2022(including current portion) | Recognised during the year | Transferred to statement of profit and loss | Closing as on 31st March, 2023 (including current portion) |
| a) Financial Assistance under Capital Investment subsidy clause towards the capital expenditure incurred on procuring & installing property, plant and equipment which is being used in Cement Manufacturing plant for Production of Cement as specified under North-East Industrial and Investment Promotion Policy (NEIPP), 2007. The assistance capitalised as cost of PPE with corresponding credit to depreciation account has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment. | 13.08 | - | (1.88) | 11.20 |

NOTE: 21 | LEASE LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Lease Liability Payable (refer note no.39) | 2.97 | 4.64 |
| Total | 2.97 | 4.64 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 22 | TRADE PAYABLES

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| a) Total outstanding dues of micro enterprises and small enterprises | 0.36 | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 433.20 | 112.13 |
| Total | 433.56 | 112.13 |

(Refer note no .46)

Ageing of outstanding Trade Payables as on 31st March, 2023 from due date of payment

| | | (₹ in Lakhs) | | | | | |
|---------|-----------------------|---------------|------------------|-------------|-------------|-------------------|---------------|
| Sl. No. | Particulars | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) | MSME | - | 0.36 | - | - | - | 0.36 |
| (ii) | Others | 410.08 | 20.13 | - | - | 2.98 | 433.20 |
| (iii) | Disputed dues - MSME | - | - | - | - | - | - |
| (iv) | Disputed dues - Other | - | - | - | - | - | - |
| | | 410.08 | 20.49 | - | - | 2.98 | 433.56 |

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

| | | (₹ in Lakhs) | | | | | |
|---------|-----------------------|---------------|------------------|-------------|-------------|-------------------|---------------|
| Sl. No. | Particulars | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) | MSME | - | - | - | - | - | - |
| (ii) | Others | 100.41 | 8.74 | - | - | 2.98 | 112.13 |
| (iii) | Disputed dues - MSME | - | - | - | - | - | - |
| (iv) | Disputed dues - Other | - | - | - | - | - | - |
| | | 100.41 | 8.74 | - | - | 2.98 | 112.13 |

NOTE: 23 | OTHER FINANCIAL LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Other Payable | | |
| - Retention money | 5.97 | 5.21 |
| - Employee related liabilities | 32.57 | 55.22 |
| - Other liabilities | 82.07 | 36.01 |
| Total | 120.61 | 96.44 |

NOTE: 24 | PROVISIONS

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Provision for employee benefit obligations | | |
| - Leave encashment | 3.17 | 1.87 |
| - Gratuity (refer note no.37) | 6.53 | 5.83 |
| Total | 9.70 | 7.70 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
NOTE: 25 | OTHER CURRENT LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Deferred government grant (refer note no.20.1) | 1.58 | 1.88 |
| Statutory Liabilities | 162.52 | 21.81 |
| Contract liability - Advances from customers | - | 16.06 |
| Total | 164.10 | 39.75 |

NOTE: 26 | REVENUE FROM OPERATIONS

| Particulars | (₹ in Lakhs) | |
|------------------|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Sale of products | 2,079.88 | 192.21 |
| Total | 2,079.88 | 192.21 |

Note 26.1 Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Revenue as per contract price | 2,079.88 | 192.21 |
| Less: Discounts and incentives | - | - |
| Revenue as per Statement of Profit and Loss | 2,079.88 | 192.21 |

Note 26.2 Disaggregation of revenue under IndAs 115 “ Revenue from contract with customers”

- a) Primary business of the Company is manufacturing and sale of cement. All other activities of the Company revolve around its principal business
- b) The Company operates in the geographical areas of India.
- c) During the year ending 31st March, 2023 , 86% of the sale have been made to the Holding Company. For the year ending 31st March, 2023 , there is no other significant customer who contribute 10% or more to the Companies revenue.

NOTE: 27 | OTHER INCOME

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Interest income on financial assets measured at amortised cost | | |
| - Bank Deposit | 572.20 | 409.51 |
| - Interest on Loans | 484.43 | 462.10 |
| Miscellaneous income (refer note no -27.1) | 128.11 | 3.71 |
| Total | 1,184.74 | 875.32 |

Note: 27.1 Includes refund of cement cess amounting to ₹108.22 Lakhs (31st March, 2022 : NIL)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 28 | COST OF MATERIALS CONSUMED

| Particulars | (₹ in Lakhs) | |
|---|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Inventory at the beginning of the year | 4.03 | 4.41 |
| Add : Purchases | 1,247.59 | 94.35 |
| | 1,251.62 | 98.76 |
| Less : Inventory at the end of the year | 110.54 | 4.03 |
| Cost of materials consumed | 1,141.08 | 94.73 |

| Details of Raw materials Consumed | (₹ in Lakhs) | |
|-----------------------------------|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Clinker | 1,105.34 | 92.58 |
| Other | 35.74 | 2.15 |
| Total | 1,141.08 | 94.73 |

NOTE: 29 | CHANGES IN INVENTORIES OF FINISHED GOODS

| Particulars | (₹ in Lakhs) | |
|------------------------------|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Opening stock | 89.24 | 79.95 |
| Closing stock | 15.88 | 89.24 |
| (Increase) / decrease | 73.36 | (9.29) |

NOTE: 30 | EMPLOYEE BENEFIT EXPENSES

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Salaries and wages | 784.81 | 603.95 |
| Contribution to provident fund and other funds | 49.04 | 45.25 |
| Employee Welfare expenses | 9.47 | 7.61 |
| Total | 843.32 | 656.81 |

30.1 Employee cost is inclusive of remuneration paid to key management personnel (refer note no - 42)

NOTE: 31 | FINANCE COSTS

| Particulars | (₹ in Lakhs) | |
|-------------------------|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| - Others borrowing cost | 1.92 | 0.24 |
| Total | 1.92 | 0.24 |

Note 31.1 Other borrowing cost includes ₹0.34 Lakhs (Previous year ₹0.23 Lakhs) towards interest on lease obligation

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
NOTE: 32 | DEPRECIATION AND AMORTISATION EXPENSES

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Depreciation on property, plant and equipment (net of Govt. grant) | 75.51 | 86.12 |
| Depreciation on Right of use assets | 4.52 | 1.62 |
| Amortisation on intangible assets | 0.08 | 0.15 |
| Total | 80.11 | 87.89 |

Note: 32.1 Depreciation is net off amortisation of government grants amounting to ₹ 1.88 Lakhs as at 31st March, 2023 (₹ 2.25 Lakhs as at 31st March, 2022)

NOTE: 33 | FREIGHT AND FORWARDING EXPENSES

| Particulars | (₹ in Lakhs) | |
|---------------------|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| On Finished Product | 81.61 | 64.30 |
| Total | 81.61 | 64.30 |

NOTE: 34 | OTHER EXPENSES

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Consumption of stores & spare parts | 14.28 | 16.71 |
| Packing materials | 86.64 | 6.40 |
| Repairs & maintenance | | |
| - Building | 5.71 | 9.13 |
| - Plant & machinery | 17.47 | 18.57 |
| - Others | 4.54 | 1.70 |
| Insurance | 16.92 | 18.82 |
| Rent | 1.46 | 3.59 |
| Rates & taxes | 11.12 | 9.81 |
| Heavy vehicle / equipment running expenses | 0.74 | 0.70 |
| Research and Development Expenses | 0.01 | 0.01 |
| Charity & donation | 12.28 | 2.13 |
| Corporate social responsibility (refer note no -44) | 9.52 | 1.18 |
| Travelling and conveyance | 33.06 | 24.34 |
| Advertisement & publicity | - | 0.19 |
| Sales promotion expenses | 0.09 | 0.06 |
| Commission & incentives | 10.08 | 8.26 |
| Miscellaneous expenses (includes payment to Auditors, refer note no.45) | 31.64 | 40.38 |
| Total | 255.56 | 161.98 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 35 | INCOME TAX EXPENSE

(a) Amount recognised in Profit or Loss

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| (i) Current tax on profits for the year | 107.47 | - |
| Total Current tax expense | 107.47 | - |
| (ii) Deferred tax expense | 68.00 | (9.69) |
| Total Deferred tax expense | 68.00 | (9.69) |
| (iii) Income tax expense for earlier years | 8.47 | 5.73 |
| Total Income tax for earlier years | 8.47 | 5.73 |
| Income tax expenses | 183.94 | (3.96) |

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

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Profit/(Loss) before tax | 623.93 | (35.66) |
| Tax at the Indian tax rate of 27.82% | 173.58 | - |
| Income tax expense /Tax Credit for earlier years | 8.47 | 5.73 |
| Other adjustments | 1.89 | (9.69) |
| Income tax expenses | 183.94 | (3.96) |

(c) The tax rate used for the financial year 2022-23 and 2021-22 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.

NOTE: 36 | EARNINGS PER SHARE

(a) Basic earnings per share

| Particulars | (₹ in Lakhs) | |
|---|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Basic earnings per share attributable to the equity share holders of the Company (in ₹) | 1.61 | (0.12) |

(b) Diluted earnings per share

| Particulars | (₹ in Lakhs) | |
|---|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Diluted earnings per share attributable to the equity share holders of the Company (in ₹) | 1.61 | (0.12) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
(c) Reconciliations of earnings used in calculating earnings per share

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| Profit attributable to equity share holders of the Company used in calculating basic earnings per share (₹ in Lakhs) | 439.99 | (31.70) |
| Profit attributable to equity share holders of the Company used in calculating diluted earnings per share (₹ in Lakhs) | 439.99 | (31.70) |

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

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
| 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 |

| NOTE: 37 | EMPLOYEE BENEFIT OBLIGATIONS
(a) 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.

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

| Particulars | (₹ in Lakhs) | | |
|--|--------------------------------|------------------------------|--------------|
| | 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 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

| Particulars | (₹ in Lakhs) | | |
|--|-----------------------------|---------------------------|----------------|
| | Present value of obligation | Fair value of plan assets | Net amount |
| 1st April, 2022 | 113.75 | (82.07) | 31.68 |
| Current service cost | 9.53 | - | 9.53 |
| Interest expense/(income) | 8.08 | (5.78) | 2.29 |
| Total amount recognised in profit or loss | 17.61 | (5.78) | 11.83 |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (0.10) | (0.10) |
| Actuarial (gain)/loss from change in financial assumptions | (3.16) | - | (3.16) |
| Actuarial (gain)/loss from unexpected experience | (13.66) | - | (13.66) |
| Total amount recognised in other comprehensive income | (16.82) | (0.10) | (16.92) |
| Employer contributions/ premium paid | - | - | - |
| Benefits paid | (1.26) | 1.26 | - |
| 31st March, 2023 | 113.28 | (86.69) | 26.59 |

Net asset / (liability) recognised in the balance sheet

| Particulars | (₹ in Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Present value of Defined Benefit Obligation | (113.28) | (113.75) |
| Fair Value of Plan Assets | 86.69 | 82.07 |
| Net Asset / (Liability) in the Balance Sheet | (26.59) | (31.68) |
| Current Asset/(liability) | (6.53) | (5.83) |
| Non-Current Asset/(liability) | (20.06) | (25.85) |

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

| Particulars | (₹ in Lakhs) | |
|-------------------------------|------------------------|------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Discount rate | 7.40% | 7.10% |
| Expected return on plan asset | 7.40% | 7.10% |
| Salary growth rate | 6.00% | 6.00% |
| Withdrawal Rate | 1%-8% | 1%-8% |
| Mortality rate | IALM(2012-14) Table | IALM(2012-14) Table |

(iii) Sensitivity analysis

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

| Particulars | (₹ in Lakhs) | | | |
|-----------------------------|--------------------------------------|----------|------------------------|----------|
| | Impact on defined benefit obligation | | | |
| | As at 31st March, 2023 | | As at 31st March, 2022 | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (-/+ 1%) | 103.73 | 124.90 | 104.45 | 124.48 |
| Salary growth rate (-/+ 1%) | 124.60 | 103.75 | 123.72 | 104.79 |
| Withdrawal Rate (-/+ 1%) | 114.76 | 112.21 | 114.68 | 112.73 |

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 sensitivity analysis did not change compared to the previous year .

(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 | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | Gratuity (Funded) | |
| | As at 31st March, 2023 | As at 31st March, 2022 |
| 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.

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, 2024 are ₹ 20.62 Lakhs.

The weighted average duration of the defined benefit obligation is 7.02 years (31st March, 2022 :4.98 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars | (₹ in Lakhs) | | |
|------------------|------------------|--------------------|---------------------|
| | Less than a year | Between 2- 5 years | Between 5- 10 years |
| 31st March, 2023 | 8.32 | 8.23 | 37.67 |
| 31st March, 2022 | 5.83 | 47.70 | 26.86 |

(b) 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 year towards defined contribution plan is ₹ 37.21 Lakhs (31st March, 2022: ₹ 34.79 Lakhs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 38 | FAIR VALUE MEASUREMENT

Financial instruments by category

| Particulars | 31st March, 2023 | | | 31st March, 2022 | | |
|--|------------------|------------------|------------------|------------------|-----------------|------------------|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments in unquoted equity instruments | - | 11,634.99 | - | - | 9,658.53 | - |
| Loans | - | - | 8,313.08 | - | - | 7,218.08 |
| In Fixed Deposit accounts with remaining maturity of more than 12 months | - | - | 2,175.00 | - | - | 2,555.00 |
| Security deposits (current and non current) | - | - | 15.61 | - | - | 15.65 |
| Interest accrued on Fixed Deposits | - | - | 422.76 | - | - | 262.07 |
| Trade receivable | - | - | 658.97 | - | - | 76.44 |
| Cash and cash equivalents | - | - | 99.49 | - | - | 95.53 |
| Bank balances | - | - | 6,029.33 | - | - | 6,316.30 |
| | - | 11,634.99 | 17,714.24 | - | 9,658.53 | 16,539.07 |
| Financial liabilities | | | | | | |
| Lease Liability | - | - | 2.97 | - | - | 7.61 |
| Security deposits | - | - | 30.44 | - | - | 30.44 |
| Trade payable (MSME and Non MSME) | - | - | 433.56 | - | - | 112.13 |
| Retention money | - | - | 5.97 | - | - | 5.21 |
| Employee related liabilities | - | - | 32.57 | - | - | 55.22 |
| Other liabilities | - | - | 82.07 | - | - | 36.01 |
| | - | - | 587.58 | - | - | 246.62 |

(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

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the Company

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

| Particulars | 31st March, 2023 | | | 31st March, 2022 | | |
|----------------------------------|------------------|---------|------------------|------------------|---------|-----------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Investment in equity instruments | - | - | 11,634.99 | - | - | 9,658.53 |
| Total financial assets | - | - | 11,634.99 | - | - | 9,658.53 |

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

(₹ in Lakhs)

| Particulars | 31st March, 2023 | | 31st March, 2022 | |
|--|------------------|------------------|------------------|------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Loans | 8,313.08 | 8,313.08 | 7,218.08 | 7,218.08 |
| In Fixed Deposit accounts with remaining maturity of more than 12 months | 2,175.00 | 2,175.00 | 2,555.00 | 2,555.00 |
| Security deposits (current and non current) | 15.61 | 15.61 | 15.65 | 15.65 |
| Interest accrued on Fixed Deposits | 422.76 | 422.76 | 262.07 | 262.07 |
| Trade receivable | 658.97 | 658.97 | 76.44 | 76.44 |
| Cash and cash equivalents | 99.49 | 99.49 | 95.53 | 95.53 |
| Bank balances | 6,029.33 | 6,029.33 | 6,316.30 | 6,316.30 |
| Total financial assets | 17,714.25 | 17,714.25 | 16,539.07 | 16,539.07 |
| Financial liabilities | | | | |
| Lease Liability | 2.97 | 2.97 | 7.61 | 7.61 |
| Security deposits | 30.44 | 30.44 | 30.44 | 30.44 |
| Trade payable (MSME and Non MSME) | 433.56 | 433.56 | 112.13 | 112.13 |
| Retention money | 5.97 | 5.97 | 5.21 | 5.21 |
| Employee related liabilities | 32.57 | 32.57 | 55.22 | 55.22 |
| Other liabilities | 82.07 | 82.07 | 36.01 | 36.01 |
| Total financial liabilities | 587.58 | 587.58 | 246.63 | 246.63 |

During the year ended 31st March,2023 and 31st March, 2022 ,there were no transfer between Level 1, Level 2 and Level 3. 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 FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 39 | LEASE

Movement of lease liabilities

| Particulars | (₹ in Lakhs) | |
|--|------------------|------------------|
| | 31st March, 2023 | 31st March, 2022 |
| Opening balance | 7.61 | 2.13 |
| Additions | - | 7.28 |
| Deletions | - | (0.21) |
| Add: Interest recognised during the year | 0.34 | 0.24 |
| Less: Payments made during the year | (4.98) | (1.84) |
| Closing balance | 2.97 | 7.61 |
| Current | 2.97 | 2.97 |
| Non-Current | - | 4.64 |
| Total | 2.97 | 7.61 |

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 ₹0.34 Lakhs under Finance Costs (31st March, 2022 ₹ 0.24 Lakhs).

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

NOTE: 40 | CAPITAL 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.

NOTE: 41 | 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 Company is exposed to and how the entity manages the risk:

| Sl. No. | Risk | Exposure arising from | Measurement | Management |
|---------|--------------------------------|--|---|--|
| A | Credit risk | Trade receivables, loans and other 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 (₹). | 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 of the requirement of loan and related cost of borrowing. |
| C (iii) | Market risk – price risk | Investments in equity securities | Sensitivity analysis | Continuous monitoring the performance of investments. |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (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 according 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 | Unbilled | 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 31st March, 2023 | 609.62 | - | 6.73 | 0.08 | 117.31 | (74.77) | 658.97 |
| As on 31st March, 2022 | - | 29.15 | 4.76 | - | 117.31 | (74.77) | 76.44 |

ii) Financial instruments and deposits

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, 2023 and 31st March, 2022 are the carrying amounts as illustrated in Note 38

(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 - 31st March, 2023* | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Trade payable | 433.56 | - | - | - | 433.56 |
| Other liabilities | 120.61 | - | - | - | 120.61 |
| Lease Liabilities | 2.97 | - | - | - | 2.97 |
| Total financial liabilities | 557.14 | - | - | - | 557.14 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

| (₹ in Lakhs) | | | | | |
|---|------------------|-----------------------|-----------------------|-------------------|---------------|
| Contractual maturities of financial liabilities - 31st March, 2022* | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Trade payable | 112.13 | - | - | - | 112.13 |
| Other liabilities | 96.44 | - | - | - | 96.44 |
| Lease Liabilities | 4.64 | 2.97 | - | - | 7.61 |
| Total financial liabilities | 213.21 | 2.97 | - | - | 216.18 |

* 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.

The Company is not exposed to the risk of changes in foreign currency rate as company has not made any transaction in foreign currency.

(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 unquoted 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 equity share prices of the investment in the equity share of the fellow subsidiary :-

| Particulars | (₹ in Lakhs) | |
|---------------------------|---|---------------------------|
| | Impact on total comprehensive income before tax | |
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Increase by 5% (2022: 5%) | 581.75 | 482.93 |
| Decrease by 5% (2022: 5%) | (581.75) | (482.93) |

* Holding all other variables constant

NOTE: 42 | 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 | Fellow Subsidiary |
| | | Star Cement (I) Limited (formerly Star Cement Lumshnong Limited) (SCIL) | Fellow Subsidiary |
| | | Star Cement North East Limited (SCNEL) | Fellow Subsidiary |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

| I. | Sl. No. | Particulars | Nature of relationship |
|----|-----------|-------------------------------------|-------------------------|
| | B. | Other related parties | |
| | | Key Management Personnel | |
| | | Mr. Tushar Bhajanka | Managing Director |
| | | Mr. Pankaj Kejriwal | Director |
| | | Mr. Pramod Kumar Shah | Director |
| | | Mr. Nirmalaya Bhattacharyya | Director |
| | | Ms. Edielanaphika Gabriela Suja War | Director |
| | | Mr. Vivek Lahoti | Chief Financial Officer |
| | | Mr. Mohit Mahana | Company Secretary |

- 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 22-23 | FY 21-22 | FY 22-23 | FY 21-22 | FY 22-23 | FY 21-22 |
| 1 | Purchase Transactions | | | | | | |
| | SCL | 122.36 | 6.51 | - | - | - | - |
| | SCML | - | - | 1,567.67 | 114.95 | - | - |
| | MPL | - | - | 158.61 | 19.50 | - | - |
| 2 | Sale Transactions | | | | | | |
| | SCL | 2,302.71 | 20.49 | - | - | - | - |
| | SCML | - | - | - | 0.15 | - | - |
| | MPL | - | - | - | 0.51 | - | - |
| 3 | Services Received | | | | | | |
| | SCL | 0.10 | 0.04 | - | - | - | - |
| | SCML | - | - | 2.98 | 8.74 | - | - |
| 4 | Loans Received Back | | | | | | |
| | SCL | 5,105.00 | 4,315.37 | - | - | - | - |
| | MPL | - | - | - | 500.00 | - | - |
| 5 | Loans Given | | | | | | |
| | SCL | 800.00 | - | - | - | - | - |
| | SCML | - | - | 5,400.00 | - | - | - |
| 6 | Interest Received | | | | | | |
| | SCL | 459.73 | 439.94 | - | - | - | - |
| | SCML | - | - | 24.70 | - | - | - |
| | MPL | - | - | - | 22.16 | - | - |
| 7 | Sitting Fees | | | | | | |
| | Mr.Pramod Kumar Shah | - | - | - | - | 0.40 | 0.40 |
| | Mr.Nirmalaya Bhattacharyya | - | - | - | - | 0.35 | 0.45 |
| | Ms.Edielanaphika Gabriela Suja War | - | - | - | - | 0.05 | 0.05 |
| 8 | Remuneration Paid | | | | | | |
| | Mr. Pankaj Kejriwal | - | - | - | - | - | 40.25 |
| | Mr. Tushar Bhajanka | - | - | - | - | 174.67 | 8.00 |
| | Mr. Vivek Lahoti | - | - | - | - | 50.85 | 44.55 |
| | Mr. Mohit Mahana | - | - | - | - | 14.08 | 13.30 |

Note :- The above amounts includes goods & service tax and other taxes if any wherever applicable

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(₹ in Lakhs)

| Sl. No. | Type of Transactions | Holding Company | | Fellow Subsidiaries | |
|----------|--------------------------|-----------------|----------|---------------------|----------|
| | | FY 22-23 | FY 21-22 | FY 22-23 | FY 21-22 |
| | Year end balance | | | | |
| A | Sundry Creditors | | | | |
| | SCML | - | - | 302.38 | 77.27 |
| | MPL | - | - | 114.19 | 6.69 |
| | SCL | 3.72 | - | - | - |
| B | Trade Receivables | | | | |
| | SCL | 608.91 | 17.55 | - | - |
| C | Loans Given | | | | |
| | SCL | 2,913.08 | 7,218.08 | - | - |
| | SCML | - | - | 5,400.00 | - |
| D | Share Capital | | | | |
| | SCL | 2,734.64 | 2,734.64 | - | - |
| E | Investments | | | | |
| | SCML* | - | - | 11,634.99 | 9,658.53 |

* Investment measured at fair value.

(₹ in Lakhs)

| III. | Key management personnel compensation | 31st March, 2023 | 31st March, 2022 |
|------|---------------------------------------|------------------|------------------|
| | Short-term employee benefits | 239.60 | 98.10 |
| | Post-employment benefits | - | - |
| | Long-term employee benefits | - | - |
| | Total compensation | 239.60 | 98.10 |

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 in 7 Years in case of Star Cement Limited and 8 years in case of Star Cement Meghalaya Limited, for current year the rate of interest is 7.19% & 8.30% respectively (31st March, 2022 : 4.76% & 6.33%).

- (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.

NOTE: 43 | CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| A. Claims against the Company not acknowledged as debts | | |
| i) Excise duty demand | 256.35 | 256.35 |
| ii) Service Tax demand | 51.31 | 51.31 |
| iii) Income Tax demand | - | 48.26 |
| iv) VAT demand | - | 30.25 |
| v) Various claims of Railways | 24.90 | 24.90 |
| vi) Others | 5.00 | 5.00 |
| Total | 337.56 | 416.07 |
| B. Bank Guarantee issued by Bank | 26.33 | 26.30 |

Note: Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favourable 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 30.08.2018 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 of the case is yet to be 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 has been taken in the books of account.

NOTE: 44 | CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to spend any amount under section 135 of the Companies Act, 2013 for financial year 2022-23 since the Company is not meeting the threshold requirements given under section 135 of the Companies Act, 2013. However, the Company has spent ₹ 9.52 Lakhs on rural & Infrastructure development activities under corporate social responsibility.

NOTE: 45 | PAYMENTS TO AUDITORS

| Particulars | (₹ in Lakhs) | |
|------------------------|--------------|-------------|
| | FY 22-23 | FY 21-22 |
| As Auditor | | |
| - Statutory Audit Fees | 1.00 | 1.00 |
| - Tax Audit Fees | 1.50 | 1.50 |
| Total | 2.50 | 2.50 |

NOTE: 46 | 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:

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| (i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance) | 0.36 | - |
| (ii) Interest due on above | - | - |
| Total of (i) & (ii) | 0.36 | - |
| (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. | - | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

NOTE: 47 | DETAILS OF RATIO ANALYSIS IS GIVEN AS UNDER :

| S I. No. | Name of the Ratios | Numerator | Denominator | FY 22-23 | FY 21-22 | Variance (%) | Remarks |
|----------|---|---|---|----------|----------|--------------|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities | 10.04 | 27.00 | (62.82) | Decrease in current ratio due to increase in current liability. |
| 2 | Debt - Equity Ratio (in times) | Total Debt (Long term + Short term borrowing) | Equity (Share Capital + Other equity) | N.A. | | | |
| 3 | Debt Service Coverage Ratio (in times) | Earning available for debt service | Debt Service | 61.64 | 119.36 | (48.36) | Increase in Debt Service Coverage ratio due to decrease in loss. |
| 4 | Return on Equity Ratio (in %) | Net Profit after Tax | Average Equity Share Capital (incl. other equity) (i) | 0.014 | (0.00) | (1,554.25) | Increase in Return on Equity ratio due to decrease in loss. |
| 5 | Inventory Turnover Ratio (in times) | Sales | Average Inventory (ii) | 11.28 | 1.07 | 956.71 | Increase in Inventory Turnover ratio due to increase in revenue. |
| 6 | Trade Receivables Turnover Ratio (in times) | Sales | Average Trade Receivable (iii) | 5.66 | 3.23 | 75.06 | Increase in Trade Receivable Turnover ratio due to increase in sale. |
| 7 | Trade Payables Turnover Ratio (in times) | Total Purchase | Average Trade Payable (iv) | 4.86 | 1.75 | 178.27 | Increase in Trade Payable Turnover ratio due to increase in Purchase. |
| 8 | Net Capital Turnover Ratio (in times) | Sales | Working Capital | 0.31 | 0.03 | 1,000.65 | Increase in Net Capital Turnover ratio due to increase in revenue. |
| 9 | Net Profit Ratio (in %) | Net Profit after Tax | Sales | 0.21 | (0.16) | (228.27) | Increase in Net Profit ratio due to decrease in loss. |
| 10 | Return on Capital Employed (in %) | Earning Before Interest & Tax (EBIT) | Capital Employed (v) | 0.02 | (0.00) | (1,742.00) | Increase in Return on Capital Employed ratio due to decrease in loss. |
| 11 | Return on Investment (in %) | Gain/(Loss) on Investment | Average Investment (vi) | 0.09 | 0.08 | 18.30 | Increase in Return on Investment ratio due to decrease in loss. |

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

NOTE: 48 |

The Company have not traded or invested in crypto currency or virtual currency during the financial year.

NOTE: 49 | 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 during the financial year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)
| NOTE: 50 | SEGMENT INFORMATION

Manufacturing and sale of cement and cement related product is the only identified operating segment of the Company in consistent with reporting made to Chief Operating Decision Maker (CODM) i.e. Board of Directors. As per IND AS 108 "Operating Segments" specified under Section 133 of the Companies Act 2013, there are no other reportable business applicable to the Company.

| NOTE: 51 | UTILISATION OF BORROWED FUND AND SECURITY PREMIUM

- i** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ii** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

| NOTE: 52 |

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

| NOTE: 53 |

The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

| NOTE: 54 |

The Board of Directors of the Company, in their meeting held on 2nd February, 2023, has approved a proposal of amalgamation of the Company into Star Cement Meghalaya Limited with effect from 1st April, 2023. Necessary actions by the Company for requisite approvals etc in this regard shall be taken in due course.

| NOTE: 55 |

The financial statements are approved by the Audit Committee at its meeting held on 18th May, 2023 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 **Singhi & Co.**
Chartered Accountants
Firm Registration No.:302049E

Vivek Lahoti
Chief Financial Officer

Tushar Bhajanka
Managing Director
DIN : 09179632

(Gopal Jain)
Partner
Membership No.: 059147

Mohit Mahana
Company Secretary

Rajesh Kumar Agarwal
Director
DIN : 00223718

Place : Kolkata
Date : 18th May, 2023

MEGHA TECHNICAL AND ENGINEERS PRIVATE LIMITED

CIN: U27107ML2002PTCOO6976

Registered Office :

Vill.: Lumshnong, P.O.: Khaliehriat

Dist.: East Jaintia Hills, Meghalaya - 793 210