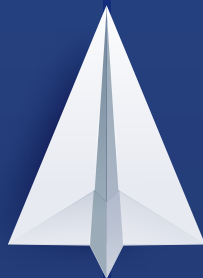
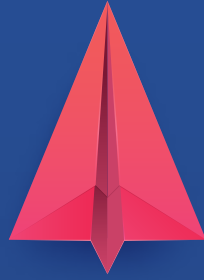


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STAR CEMENT MEGHALAYA LIMITED

ANNUAL REPORT 2022-23

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For more investor-related information, please visit

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

Or simply scan to view the online version of the Report



Disclaimer: This document contains statements about expected future events and financials of Star Cement Meghalaya 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

STAR CEMENT MEGHALAYA LIMITED

CIN: U63090ML2005PLC008011

Board of Directors

Mr. Emlangky Lamare
Executive Director

Mr. Sajjan Bhajanka
Director

Mr. Sanjay Agarwal
Director

Mr. Rajendra Chamaria
Director

Mr. Prem Kumar Bhajanka
Director

Mr. Pankaj Kejriwal
Director

Mr. Tushar Bhajanka
Director

Mrs. Clara Suja
Director

Mr. Pramod Kumar Shah
Independent Director

Mr. Nirmalya Bhattacharyya
Independent Director

Auditors

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

Company Secretary

Mr. Brij Mohan Jha
(w.e.f. 16th May, 2022)

Chief Financial Officer

Mr. Ravi Bharati

Registrars & Share Transfer Agents

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

Registered Office and Works

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

Corporate Office

"Century House", 2nd Floor,
P-15/1, Taratala Main Road, Kolkata - 700088

Delhi Office

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

Bankers

State Bank of India
IndusInd Bank
ICICI Bank Limited



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Eighteenth 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	99,606.24	85,108.09
Profit/(Loss) before Interest, Depreciation and Tax and exceptional items	16,673.59	11,426.84
Finance Cost	113.71	530.87
Depreciation and Amortisation Expenditure	4,181.46	3,710.42
Profit/(Loss) before exceptional items and Tax	12,378.42	7,185.55
Exceptional Items	-	-
Profit / (Loss) before Tax	12,378.42	7,185.55
Provision for taxation:		
- Current Tax	2,161.29	1,035.97
- Income tax for earlier years	5.17	(3.27)
- Deferred Tax	2,361.12	(779.74)
Profit/(Loss) after Tax	7,850.84	6,932.59
Other comprehensive income for the year, net of tax	(7.93)	(8.22)
Total comprehensive income for the year	7,842.91	6,924.37

*Previous year's figures have been regrouped and/or rearranged wherever necessary.

INDIAN ECONOMY – A RETROSPECT AND OUTLOOK

Global economy had witnessed a serious crisis during last three years due to covid. Then continuing political unrest and Russia Ukraine war thrown challenge to the world economy. Such uncertainties seen in performance of global economy and more or less affected every nation.

India became the third-largest economy in the world in terms of Purchasing Power Parity (PPP). India's economic growth in Financial Year 2022-23 has been led by increase in private consumption and capital formation. Country proved its resilience to the shock created due to pandemic and appears to have full recovery from the distressed situation.

The Union Budget for Financial Year 2023-24 has adopted certain measures like education for all, focus on infrastructure development, health sector development, skill development which will support high growth of economy and support new job creation. The Union Budget has allocated 3% and more of GDP to capital expenditures, support for the manufacturing and agricultural sectors, focus on regional connectivity through airports and railways and easing of various compliances, promoting the 'green budget' for climate action. These factors will be key governing factors for inclusive growth of the country in the period to come.

OPERATIONAL PERFORMANCE

During the year under review your Company produced 19,62,393 MT of Cement Clinker as against 16,54,582 MT in the previous year. There has been sharp rise in performance of your Company. On the capacity utilisation front, your Company was able to fully utilized its installed capacity during the FY 22-23 as against 88.01% recorded during the FY 21-22.

During the year your Company has sold 19,64,597 MT. of clinker against 17,65,677 MT. recorded in last year. There has been sharp rise in overall performance of your Company.

During the FY 22-23, your Company has posted EBIDTA of ₹ 16,673.59 Lakhs and profit after tax amounting to ₹ 7,850.84 Lakhs. Your Company expects to increase the operational efficiencies in years to come.

During the year under review your Holding Company M/s. Star Cement Limited continued various marketing initiatives in order to make the brand "Star Cement" more visible and attain top of mind recall. During the year your Holding Company continued with the Brand Television Commercial with Akshay Kumar as brand Ambassador, one of the biggest Stars of Bollywood. Association of Akshay Kumar being the brand ambassador caused an uplift on the brand perceptions.

DIRECTORS' REPORT (Contd.)

The Brand Campaign of your Holding Company has the key message of highest one day strength which makes Star Cement ready for all challenges depicted with the tagline "Hain Tayyar Hum". During this year, your Holding Company also initiated a digital marketing campaign called "Happy Pic Lucky Pic Contest" for Facebook and Instagram users which has increased Facebook likes by 17% and Instagram followers by 2700%.

DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances has decided that it would be prudent, not to recommend any Final Dividend for the Financial Year 2022-23 (Previous year NIL).

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2023 was ₹2,981.78 Lakhs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

ANNUAL RETURN

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

During the year under review Four (4) Board Meetings were convened and held on 16th May, 2022, 1st August, 2022, 11th November, 2022 and 2nd February, 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

Sl. No.	Name of the Director	Category	No. of Meeting	
			Held	Attended
1.	Mr. Prem Kumar Bhajanka	Director	4	1
2.	Mr. Sajjan Bhajanka	Director	4	4
3.	Mr. Sanjay Agarwal	Director	4	4

Sl. No.	Name of the Director	Category	No. of Meeting	
			Held	Attended
4.	Mr. Rajendra Chamaria	Director	4	1
5.	Mr. Pankaj Kejriwal	Director	4	1
6.	Mr. Tushar Bhajanka	Director	4	4
7.	Mrs. Clara Suja	Director	4	1
8.	Mr. Pramod Kumar Shah	Independent Director	4	4
9.	Mr. Emlangky Lamare	Whole-time Director	4	1
10.	Mr. Nirmalya Bhattacharyya	Independent Director	4	3

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

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, if any;
- 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;

DIRECTORS' REPORT (Contd.)

- 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 fulfill the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General management, Accounts & Finance, Audit, Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company. Regarding proficiency, all Independent Directors have registered themselves in the Data Bank maintained with 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. Nirmalya Bhattacharyya and Mr. Pramod Kumar Shah 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 17th 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 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.

DIRECTORS' REPORT (Contd.)

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates (Firm Registration Number: P2010WB042700), a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith and marked as **Annexure-1**. The report is self-explanatory and do not call for any further comments.

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

During the year under review, your Company has not made any investment or provided guarantee or security in connection with a loan to any person exceeding the limit specified in Section 186 of the Companies Act, 2013.

The details of loan given and investment made by your Company to its Fellow Subsidiary falling under ambit of Section 186 (2) of the Companies Act, 2013 were within the limits prescribed. Details of the loans given and investments made 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. In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of the material contract or arrangement entered into by the Company with related parties as referred to in section 188 in Form AOC-2 is attached as **Annexure-2** of this report. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(A) Steps taken toward Conservation of energy:

- VFD installed in VRM bag filter of 55 Kw motor, by which save the power 24 kWh per day.
- Increased clinker production & optimised the running of the different circuits, which reduced the 1.08 kwh/MT clinker.
- Optimised the coal firing system and higher clinker production reduced the specific heat consumption by 7 Kcal/kg Clk.
- HPSV light fitting replaced with LED light fittings resulting saving of 30,000 kwh per year.

(B) Steps taken toward Technical Absorption:

- During the year under review, your Company incurred Revenue Expenditure of ₹ 2.19 Lakhs (P.Y. ₹ 7.80 Lakhs) and there was Capital expenditure of ₹ 3.35 Lakhs (P.Y. NIL) in Research & Development.

(C) Foreign Exchange Earnings And Outgo

- During the period under review, Foreign Exchange Earning was NIL (Previous year Nil) and Foreign Exchange Outgo was Nil (Previous year ₹ 1.21 Lakhs).

CORPORATE SOCIAL RESPONSIBILITY

Your Company has left significant foot prints in various areas towards fulfilling its Corporate Social Responsibility (CSR) objectives.

During the year under review, your Company continued to make substantial contribution towards education, health & sanitation, sports upliftment, livelihood and skill building, disaster relief and rural development. Which contributed a steady transformation of rural society both at social and economic levels.

Your Company has performed several CSR activities throughout the whole financial year for the wellbeing of the surrounding society.

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- 3**.

DIRECTORS' REPORT (Contd.)

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

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Prem Kumar Bhajanka & Mrs. Clara Suja, Director will retire by rotation and being eligible offer themselves for re-appointment. In view of their considerable experience, your Directors recommend their re-appointment.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. Brij Mohan Jha (Membership No. A58108) as a Company Secretary (Key Managerial Personnel) with effect from 16th May, 2022.

The following are Key Managerial Personnel of the Company:

1. Mr. Emlangky Lamare - Whole-time Director
2. Mr. Ravi Bharati - Chief Financial Officer
3. Mr. Brij Mohan Jha – Company Secretary (w.e.f. 16th May, 2022)

HOLDING COMPANY

Your Company continues to remain subsidiary of M/s Star Cement Limited which holds 87.49% equity in the Company.

The Board of Directors of your Company at its meeting dated 2nd February, 2023 and 18th May, 2023 approved draft scheme of amalgamation of the Company (Transferee

Company) with Megha Technical & Engineers Private Limited, 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 does not have any subsidiary and joint venture. During the year under review M/s Star Cement North East Limited and M/s Star Cement (I) Limited became the Associate Company.

DEPOSITS

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

SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

- (i) The Director of Mineral resources, Meghalaya, Shillong vide its Demand notice dated 19th February, 2020 raised a demand against the Company for payment of royalty, MEPRF, VAT/GST for an amount of ₹ 12,346.64 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17th January, 2020 passed in O.A. No. 110 (THC)/2012 against the Company and other Cement and Power Companies in Meghalaya for alleged illegal coal procurement.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government departments. The report of NGT Committee has been founded on the basis of assumptions and not on hard facts. The Company backed by the legal opinions, believed that it has a good case in the matter as the said order was issued on the basis of certain hypothetical assumptions and without giving any opportunity of being heard to the Company. Accordingly, the Company had preferred an appeal before the Apex Court. The Apex court vide its order dated 2nd May, 2023 remand back the file to the NGT, at the stage, at which they stood prior to the passing of the judgement dated 17th January, 2020 and set aside the judgement dated 17th January, 2020. As the matter is pending no provision has been made in the accounts. (Refer Note no.51 (a) of Notes to Accounts).

DIRECTORS' REPORT (Contd.)

- (ii) During the year the Company has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards outstanding dues of royalty & Cess on Coal, Limestone, Clay and Shale procured/consumed by the Company in certain specific periods between FY12-13 to FY 22-23 amounting to ₹ 7,814.14 Lakhs (including ₹ 4,508.00 Lakhs towards Penal Interest).

As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence there is no obligation of the Company to pay royalty/cess in case the minerals are procured from third party vendors. However, as an abundant precaution, the Company has kept liability towards Royalty & Cess on above mineral products amounting to ₹ 1,479.58 Lakhs (after write back of excess liability amounting to ₹ 550.29 Lakhs (net of additional provision during the year). Since the liability to pay royalty & Cess itself is not applicable to the Company, hence provision for differential amount of demand amounting to ₹ 1,826.56 Lakhs and penal interest amounting to ₹ 4,508.00 Lakhs has not been provided as a matter of prudence and shown as contingent liability. The Company shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favor of the Company. Therefore, the Company backed by legal opinions, believe that it has a good case in the matter as the said Demand Notice has been issued without any basis, and, accordingly, no provision has been made in the accounts. (Refer Note no. 51 (b) of Notes to Accounts).

- (iii) During the year, the Commissioner of Customs (Port)-Kolkata issued a demand cum show cause notice (D&SCN) dated 22nd October, 2022 to the Company for differential Custom duty amounting to ₹ 403.82 Lakhs & Interest & penalties thereon (as applicable) for non-fulfilment of export obligations (EO) against Import of Capital goods in the year 2009 to 2011 under four EPCG licenses as per Export Promotion Capital Goods (EPCG) scheme. Earlier during the year on 26th April 2022, the Deputy Director, DRI, Shillong Regional Unit had also seized certain machineries of the Company valuing ₹ 5,027.01 Lakhs alleging non-fulfilment of EO as above and later allowed to continue using the seized machineries. By the said D&SCN, the company has been asked to show cause as to why the seized imported machineries as above should not be confiscated and why differential Custom duty foregone shall not be demanded along with applicable interest & penalties. The D&SCN as above also disputed the EO fulfilled by

the Company against two EPCG licenses either by itself or through its group Company in earlier years. In its reply to the Commissioner of Customs (Port)- Kolkata, the Company has claimed that it has fulfilled all its EO as required against all the four EPCG licenses and further paid the differential custom duty & interest thereon where there was shortfall in fulfilling the EO and hence the said demand is not tenable. The Company has further stated that fulfilment of EO through the group Company was well within the ambit of Foreign Trade Policy. The Company firmly believes that it has a good case in this matter and hence no provision has been made in the books of accounts.

Further in the previous year, Additional Director General of Foreign Trade, Guwahati had imposed a penalty of ₹ 311.56 Lakhs on the similar grounds as above in case of one EPCG license. On its appeal before Director General of Foreign Trade, Delhi (DGFT), DGFT in its order dated 8th August, 2022 has remanded back the matter to Regional Authority, Guwahati for de-novo consideration and the company has not received any further communication in this regard. Refer Note no. 51 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.

CREDIT RATINGS

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. ICRA Limited, has reaffirmed the Company's short term rating to [ICRA]A1+ (pronounced ICRA A one plus) and the long term rating to [ICRA]AA- (pronounced as ICRA double A minus). The outlook on the long term rating is 'Stable'.

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 Auditors 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

DIRECTORS' REPORT (Contd.)

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.

COMMITTEES OF THE BOARD

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

• **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 under review, the Audit Committee met Four (4) times to deliberate on the various matters. The Meetings were held 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 Meeting	
			Held	Attended
Mr. Nirmalya Bhattacharyya	Independent	Chairman	4	3
Mr. Sajjan Bhajanka	Non- Independent	Member	4	4
Mr. Pramod Kumar Shah	Independent	Member	4	4

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. Pursuant to the requirements of the Act, the Company has established vigil mechanism for its directors and employees under the supervision of audit committee. A whistle blower policy setting out the vigil mechanism is already in place in your Company.

• **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.

DETAILS OF DIFFERENCE IN VALUATION

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT

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

RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analyzing 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.

DIRECTORS' REPORT (Contd.)

During the year under review, the Committee met once to deliberate on the various matters. The Meeting held on 16th May, 2022. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Nirmalya Bhattacharyya	Independent	Chairman	1	-
Mr. Sajjan Bhajanka	Non-Independent	Member	1	1
Mr. Pramod Kumar Shah	Independent	Member	1	1

- Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee was constituted as per the requirements of Section 135 of the Companies Act, 2013 at the Board level. During the year, your Company has carried out various activities as part of its CSR initiative. The focus areas have been health care, education, sustainable livelihood, infrastructure and social reform.

During the year, the Committee met 2 (two) times. 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 of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sanjay Agarwal	Non-Independent	Chairman	2	2
Mr. Sajjan Bhajanka	Non-Independent	Member	2	2
Mr. Pramod Kumar Shah	Independent	Member	2	2

- 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 Three (3) times to deliberate on the various matters. The Meetings were held on 12th September, 2022, 2nd February, 2023 and 2nd March, 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 Meeting	
			Held	Attended
Mr. Sajjan Bhajanka	Non-Independent	Chairman	3	3
Mr. Sanjay Agarwal	Non-Independent	Member	3	3
Mr. Rajendra Chamaria	Non-Independent	Member	-	-

HUMAN AND INDUSTRIAL RELATIONS

Employee relationship with your Company continues to remain cordial and harmonious. Your Directors place on record their appreciation for the continued support rendered by the employees of the Company.

The Company is continuing its efforts in induction of local managerial and non-managerial employees and has conducted regular recruitment and training programs for development of required skills at the local level.

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 - 4** 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

The Directors would like to express their grateful appreciation for the assistance and cooperation received from the Banks, financial Institutions, Government Authorities, Local authorities, customers, vendors, business partners/ associates and Holding Company for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 18th May, 2023

Tushar Bhajanka
Director
(DIN: 09179632)

Sajjan Bhajanka
Director
(DIN: 00246043)

ANNEXURE - 1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

STAR CEMENT MEGHALAYA LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STAR CEMENT MEGHALAYA LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder [Not applicable to the Company during the audit period];
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI were not applicable.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
 - a) The Environment (Protection) Act, 1986
 - b) The Water (Prevention and Control of Pollution) Act, 1974
 - c) The Air (Prevention and Control of Pollution) Act, 1981
 - d) The Legal Metrology Act, 2009
 - e) The Petroleum Act, 1934
 - f) The Mines And Minerals (Development And Regulation) Act, 1957

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

ANNEXURE - 1 (Contd.)

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and

operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

Date: 18th May, 2023

Place: Kolkata

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428
UDIN: A017190E000328171

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

ANNEXURE - 1 (Contd.)

ANNEXURE – I

To

The Members,

STAR CEMENT MEGHALAYA LIMITED

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428
UDIN: A017190E000328171

Date: 18th May, 2023
Place: Kolkata

ANNEXURE - 2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – **NIL**
All transactions entered into by the Company during the year with related parties were on arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship –
Star Cement Limited, Holding Company
 - (b) Nature of contracts/arrangements/transactions –
 - (i) Sale, purchase or supply of any goods or materials [Section 188(1)(a) of Companies Act, 2013]
 - (ii) Availing and Rendering of Services [Section 188(1)(d) of Companies Act, 2013]
 - (c) Duration of the contracts/arrangements/transactions –
On-going transaction (Continuous)
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
The transaction with Star Cement Meghalaya Limited includes:
 - (i) Sale of Clinker, Iron Ore, Shale, Coal, Store and Spares Materials, Fixed Asset Items
 - (ii) Purchase of Store and Spare Materials, Cement and Limestone
 - (iii) Services availed and rendered
 The transaction value for the financial year 2022-23 with SCL was ₹ 1,19,740.93 Lakhs.
 - (e) Date(s) of approval by the Board, if any:
Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.
 - (f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

Place: Kolkata
Date: 18th May, 2023

Tushar Bhajanka
Director
(DIN: 09179632)

Sajjan Bhajanka
Director
(DIN: 00246043)

ANNEXURE - 3

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. 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. Sanjay Agarwal	Chairman (Non-Executive Director)	2	2
2	Mr. Sajjan Bhajanka	Member (Non-Executive Director)	2	2
3	Mr. Pramod Kumar Shah	Member (Independent 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): ₹ 5,729 Lakhs
 (b) Two percent of average net profit of the Company as per section 135(5): ₹ 114.59 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): ₹ 114.59 Lakhs
6. (a) Amount spent CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 151.72 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) – ₹ 151.72 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
₹ 151.72 Lakhs	NIL				

(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)	114.59
(ii)	Total amount spent for the Financial Year	151.72
(iii)	Excess amount spent for the financial year [(ii)-(i)]	37.13
(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)]	37.13

ANNEXURE - 3 (Contd.)

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		
1.					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

Place: Kolkata
Date: 18th May, 2023

Tushar Bhajanka
Director
(DIN: 09179632)

Sajjan Bhajanka
Director
(DIN: 00246043)

ANNEXURE - 4

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. Sushil Kumar Kulshrestha	Senior General Manager	47.38	Permanent	M.Sc, PGDC, MBA (Operation)	30	16th October, 2012	53	Loesche India Private Limited	NIL	None
2	Mr. Jyoti Prakash Sinha	Deputy General Manager - Stores & Purchase	32.04	Permanent	Diploma in Materials Management	36	25th May, 2011	57	Buckau Wolf India Limited	NIL	None
3	Mrs. Sumbul Eram	Assistant General Manager- HR	30.85	Permanent	PGPBM	16	14th June, 2021	41	Pepsi Co. Limited	NIL	None
4	Mr. Rakesh Kumar	Assistant General Manager - HR	23.11	Permanent	MBA, B.Sc (H)	22	26th December, 2013	49	Electrical Manufacturing Limited	NIL	None
5	Ms. Sukanya Goswami	Assistant General Manager	22.17	Permanent	MBA	22	29th December, 2015	49	Dalmia Cements Limited	NIL	None
6	Mr. B Tarkeshwar Rao	General Manager-Project	20.54	Permanent	B.E	16	2nd March, 2022	45	Rashmi Group	NIL	None
7	Mr. Ravi Gosain	Deputy Manager-IT	18.80	Permanent	MSC-IT	23	16th April, 2003	42	Amit Computers	NIL	None
8	Mr. Sandeep Kumar Gupta	Senior Manager-HR	16.94	Permanent	MBA	11	28th September, 2021	36	Emami Limited	NIL	None
9	Ms. Bharti Arora	Senior Officer- Steno & Executive Assistant	12.61	Permanent	MBA-HR	20	1st November, 2004	44	Usha Inetnationals	NIL	None
10	Mr. Sunil Verma	Deputy General Manager-Process	12.24	Permanent	Diploma in Chemical	20	19th September, 2022	40	Kanodia Cement Limited	NIL	None

For and on behalf of the Board of Directors

Tushar Bhajanka
Director
(DIN: 09179632)

Sajjan Bhajanka
Director
(DIN: 00246043)

Place: Kolkata
Date: 18th May, 2023

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Star Cement Meghalaya Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **Star Cement Meghalaya 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 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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;
 - (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;

INDEPENDENT AUDITOR'S REPORT (Contd.)

- (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. 51 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 the note no. 58, 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 the note no. 58, 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.
 - 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)

Kolkata
Date: 18th May 2023

Membership No. 059147
UDIN: 23059147BGYQAE2368

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 Star Cement Meghalaya 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) 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 except in case of Clinker & Limestone where discrepancies were observed in excess of 10%. Discrepancies noted in physical verification of such inventories have been properly dealt with in the books of account. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows (Refer note – 57 to the financial statements): -

Name of bank	Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason or variance
State Bank of India	March'23	Net Current Assets	19,192.71	19,716.72	524.01	As explained by the management, the differences are because the statements filed with the lenders are based on financial statements prepared on a provisional basis and also due to audit/ accounting adjustment entries carried out subsequently.
	December'22	Net Current Assets	8,470.66	7,858.93	611.73	
	September'22	Net Current Assets	10,120.40	8,580.18	1,540.23	
	June'22	Net Current Assets	11,957.86	12,936.69	(978.83)	

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

- 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 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 during the year	
- To Fellow Subsidiary	-
- To Others	-
Balance outstanding as at balance sheet date in respect of above	
To Fellow Subsidiary	400.00
- To Others	50.00

- b. The company has made investments in two Associate Company during the year. In our opinion and according to the information and explanation given to us, the terms and conditions of the investment made 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 loan to fellow subsidiary, the schedule of repayment of principal and payment of interest has been stipulated and re payment of principle and payment of interest are regular. Further in case of Loans advanced to other parties in earlier years, the repayment of principal & interest is repayable on demand.
- d. In respect to Loans granted in earlier years and remaining unpaid at the year end, no amounts 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 except for six parties and the details as required as per clause 3(iii)(f) of the Order is as follows.

(Rs. in Lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/advance in nature of loans . Repayable in Demand	50.00	Nil	Nil
Percentage of loans/ advances in nature of loans to the total loans	11.11%	-	-

- 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

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

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 (₹ in Lakhs)	Period to which amount relates	Forum where the dispute is pending
MMDR ACT, 1957, (#) GST ACT, 2017 & VAT ACT	Royalty, MEPR (##), GST/VAT	12,346.64	FY 14-15 & FY 18-19	Director of Mineral Resources, Meghalaya
MMDR ACT, 1957 (#)	Royalty & Cess on Coal, Lime Stone, Clay and Shale	7,814.14	Dec'12 – Dec'22	Divisional Mining Officer, West Jaintia Hills, Jowai
CGST Act, 2017	RCM Liability on Royalty	1,320.00	July'17	Joint/Additional Commissioner of Central Goods & Service Tax, Central GST Commissionerate, Shillong
The Customs Act, 1962	Differential Custom Duty/ Export Obligation	403.82	FY 22-23	Officer of PR. Commissioner of Customs (PORT)

(#) MMDR: Mines And Minerals (Development And Regulation) Act, 1957

(##) Meghalaya Environment Protection & Restoration Fund

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, 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 term loans were applied for the purpose for which the loans were obtained.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. According information and explanations given to us and on the basis of our examination of the records of the Company, we report that the

Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- f. According information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not raised loans during the year on the pledge of securities held in its Associates.
- 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.

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

- 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. a. Bases on the information and explanation provided to us and our audit procedure, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- XV. 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 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 – 56 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 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. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Gopal Jain)
(Partner)

Kolkata
Date: 18th May 2023

Membership No. 059147
UDIN: 23059147BGYQAE2368

ANNEXURE - "B" TO THE 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 Star Cement Meghalaya 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 Star Cement Meghalaya 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)

Kolkata
Date: 18th May 2023

Membership No. 059147
UDIN: 23059147BGYQAE2368

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

BALANCE SHEET

AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	23,508.84	26,266.94
(b) Capital work-in-progress	2.1	16,582.62	4,990.92
(c) Right-of-use assets	2.2	283.46	265.23
(d) Intangible assets	2.3	1.57	2.73
(e) Investment in Associates	3	4.00	-
(f) Financial assets			
(i) Investments	4	10,333.28	3,678.01
(ii) Loans	5	400.00	1,350.00
(iii) Other financial assets	6	3,252.56	3,691.73
(g) Deferred tax assets (net)	7	7,507.53	9,864.39
(h) Non current tax asset (net)	8	469.26	470.64
(i) Other non-current assets	9	1,750.23	3,495.73
Total non-current assets		64,093.35	54,076.32
(2) Current assets			
(a) Inventories	10	19,224.98	9,029.31
(b) Financial assets			
(i) Trade receivables	11	5,972.17	8,118.91
(ii) Cash and cash equivalents	12	190.70	173.19
(iii) Bank balances other than (ii) above	13	3,846.00	8,147.50
(iv) Loans	14	50.00	1,748.71
(v) Other financial assets	15	1,397.54	4,152.44
(c) Other current assets	16	8,934.28	4,387.13
Total current assets		39,615.67	35,757.19
Total assets		1,03,709.02	89,833.51
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	2,981.78	2,981.78
(b) Other equity	18	83,666.23	75,823.32
Total equity		86,648.01	78,805.10
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	5,400.00	-
(ii) Lease liabilities	20	260.14	243.96
(iii) Other financial liabilities	21	8.21	8.21
(b) Provisions	22	111.55	56.96
(c) Other non current liabilities	23	677.61	801.74
Total non-current liabilities		6,457.51	1,110.87
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	1,763.11	132.42
(ii) Lease Liabilities	25	36.98	27.42
(iii) Trade payables	26		
a) Total outstanding dues of micro enterprises and small enterprises		70.49	4.31
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,409.94	7,968.13
(iv) Other financial liabilities	27	581.58	184.13
(b) Provisions	28	13.49	54.06
(c) Other current liabilities	29	2,726.55	1,547.07
(d) Current tax liabilities (net)	30	1.36	-
Total current liabilities		10,603.50	9,917.54
Total liabilities		17,061.01	11,028.41
Total equity and liabilities		1,03,709.02	89,833.51
Significant Accounting Policies and Notes to the Accounts	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**(Gopal Jain)**Partner
Membership No. : 059147**Ravi Bharati**

Chief Financial Officer

Tushar BhajankaDirector
DIN: 09179632**Brij Mohan Jha**

Company Secretary

Sajjan BhajankaDirector
DIN:00246043Place : Kolkata
Date: 18th May, 2023

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs unless other wise sated)

Particulars	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOME			
Revenue from operations	31	97,610.24	84,313.14
Other income	32	1,996.00	794.95
Total income		99,606.24	85,108.09
EXPENSES			
Cost of materials consumed	33	8,369.83	6,464.29
Purchases of Stock-in-Trade	34	3,184.30	8,284.94
Changes in inventories of finished goods and work-in-progress	35	10.70	2,666.13
Employee benefit expenses	36	3,905.97	3,869.87
Finance costs	37	113.71	530.87
Depreciation and amortisation expenses	38	4,181.46	3,710.42
Power & fuel		34,411.04	25,847.26
Freight & Forwarding Expenses	39	29,079.34	23,325.27
Other expenses	40	3,971.47	3,223.48
Total expenses		87,227.82	77,922.54
PROFIT BEFORE TAX		12,378.42	7,185.55
Tax expenses			
-Current tax	41	2,161.29	1,035.97
-Tax for Earlier years		5.17	(3.27)
-Deferred tax		2,361.12	(779.74)
Total tax expense		4,527.58	252.96
Profit for the year		7,850.84	6,932.59
Other comprehensive income			
Remeasurements of Defined Benefit Plans	44	(12.19)	(12.63)
Income Tax related to above		4.26	4.41
Other comprehensive income for the year (net of tax)		(7.93)	(8.22)
Total comprehensive income for the year		7,842.91	6,924.37
Earnings per equity share (face value of ₹ 10/- each)			
Basic earning per share (In ₹)	43	26.33	23.25
Diluted earning per share (In ₹)	43	26.33	23.25
Significant Accounting Policies & Notes on Accounts	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**(Gopal Jain)**Partner
Membership No. : 059147**Ravi Bharati**
Chief Financial Officer**Tushar Bhajanka**
Director
DIN: 09179632Place : Kolkata
Date: 18th May, 2023**Brij Mohan Jha**
Company Secretary**Sajjan Bhajanka**
Director
DIN:00246043

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year ended 31st March, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	12,378.42	7,185.56
Adjustments for :		
Depreciation & Amortisation Expenditure [refer note 38]	4,181.46	3,710.42
(Gain)/ loss on sale /Disposal of property,plant & equipment	(19.28)	(1.34)
Interest Income [refer note 32]	(1,413.49)	(793.61)
Finance Cost [refer note 37]	113.71	530.87
Provision for Obsolescence of Inventory	3.82	-
Liability Written Back	(550.29)	-
Operating Profit before working Capital changes	14,694.35	10,631.90
Adjustments for :		
(Increase)/Decrease in Inventories	(10,199.48)	2,897.63
(Increase)/Decrease in Trade receivables	2,146.74	2,889.65
(Increase)/Decrease in Other receivables	2,648.71	4,375.83
(Increase)/Decrease in Other assets	(5,295.24)	781.58
(Increase)/Decrease in Trade and Other payables	(2,492.02)	1,852.26
(Increase)/Decrease in Other liabilities and provision	4,895.34	(516.66)
Cash Generated form Operations	6,398.40	22,912.19
Direct Tax Paid	(2,158.56)	(1,050.00)
Net Cashflow from Operating Activities	4,239.84	21,862.19
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property ,Plant and Equipment (including CWIP)	(11,339.65)	(12,087.53)
Sale of Property ,Plant and Equipment (including CWIP)	166.83	1.54
Movement in Fixed Deposits with Bank (Net)	5,700.50	(7,440.62)
(Purchase)/ sale of Non-current Investments	(6,655.27)	(3,500.00)
Interest Received	1,039.23	680.22
Net Cash used in Investing Activities	(11,088.36)	(22,346.39)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Long Term Borrowings	5,400.00	-
Repayment of Long Term Borrowings	-	(18.74)
Proceeds /(Repayment) of Short Term Borrowings	1,630.68	(657.55)
Interest paid	(113.57)	(520.25)
Payment for Lease Liability (Including interest thereon)	(51.08)	(24.69)
Net Cash used in Financing Activities	6,866.03	(1,221.23)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	17.51	(1,705.43)
Cash and Cash Equivalents [refer note 12]		
Opening Balance	173.19	1,878.62
Closing Balance	190.70	173.19

Notes:

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".
3. For the purpose of Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

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

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year ended 31st March, 2022
Cash on hand	33.38	30.06
Cheques on hand	74.95	20.80
Balance with Banks	82.37	122.33
Total	190.70	173.19

As per our report of even date

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

(Gopal Jain)
Partner
Membership No. : 059147

Place : Kolkata
Date: 18th May, 2023

For and on behalf of the Board of Directors

Ravi Bharati
Chief Financial Officer

Brij Mohan Jha
Company Secretary

Tushar Bhajanka
Director
DIN: 09179632

Sajjan Bhajanka
Director
DIN:00246043

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
As at 1st April, 2021	2,981.78
Changes in equity share capital	-
As at 31st March, 2022	2,981.78
Changes in equity share capital	-
As at 31st March, 2023	2,981.78

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 1st April, 2021	17,416.22	51,482.72	68,898.94
Profit for the year (a)	-	6,932.60	6,932.60
Other comprehensive income /(loss) for the year (net of tax)-remeasurement of defined benefit plans (b)	-	(8.22)	(8.22)
Total comprehensive income for the year (a + b)	-	6,924.38	6,924.38
Balance as at 31st March, 2022	17,416.22	58,407.10	75,823.32
Profit for the year (a)	-	7,850.84	7,850.84
Other comprehensive income /(loss) for the year (net of tax)-remeasurement of defined benefit plans (b)	-	(7.93)	(7.93)
Total comprehensive income for the year (a + b)	-	7,842.91	7,842.91
Balance as at 31st March, 2023	17,416.22	66,250.01	83,666.23

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

(Gopal Jain)

Partner
Membership No. : 059147

Ravi Bharati

Chief Financial Officer

Tushar Bhajanka

Director
DIN: 09179632

Brij Mohan Jha

Company Secretary

Sajjan Bhajanka

Director
DIN:00246043

Place : Kolkata
Date: 18th May, 2023

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2023

1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2023

(A) Corporate Information

Star Cement Meghalaya Limited ("the Company") is a Public Limited Company domiciled in India and incorporated on 22nd December, 2005 as per the provisions of Companies Act 1956. The Company is engaged in manufacturing of Cement Clinker and providing Fleet Services. The manufacturing unit of the Company is located at Lumshnong, Meghalaya. The Company is selling its product across North Eastern and Eastern states of India.

(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 standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 18th May, 2023.

(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 that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid the borrower includes amounts paid by the borrower to or on behalf of the lender, and fees received include amounts paid by the lender to or on behalf of the borrower.

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.

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.

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

(D) Significant Accounting Policies

Basis of Preparation & Presentation

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 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 44 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 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 non-cancellable 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 implicit rate 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,

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

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 rupee (₹), which is Star Cement Meghalaya Limited'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 and losses are presented in the statement of profit or 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"

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 and amortisation

Depreciation on Property, plant and equipment is provided on Written Down Value (WDV) method 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

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

for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Mines development expenses incurred on free hold mining land are depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.

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 amortisation 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 Leases

As a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The

Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

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

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

As a Lessor:

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership

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

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 and 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 the remaining assets by deducting from the related expenses for the period for which they are related.

1.9 Inventories

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity.

Cost of inventories (excluding finished good and WIP) is computed 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.

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.

Fair value through other comprehensive income (FVOCI): Assets that are held for collections of contractual

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

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 associate) 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 entity 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 Trade receivables

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

1.12 Cash and 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.

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

1.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the

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

proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.15 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 for its intended use to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

1.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.17 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.

1.18 (A) Revenue Recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations in sales contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services.

The Company does not expect to have any contracts where the period between transfer of promised goods or services to the customer and payment by customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(B) Other Income

Interest income is recognised using the effective interest rate (EIR) method.

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

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 dividend 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).

1.19 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

Employees 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 for the year when the contributions to the respective funds are due.

(iii) Defined Benefit Plan

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

(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 Balance Sheet date.

1.20 Tax Expenses

Tax expense comprises current tax and deferred tax. Provision for 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 tax is 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 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 tax asset is realised or the deferred 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.

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

Current and deferred taxes are recognised in the statement of profit and loss, except to the extent that they relate 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.

1.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss before other comprehensive income 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 before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.22 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.

1.23 Segment reporting

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

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. PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)											Total
	Land & Site Development	Mines Development	Factory Building	Non Factory Building	Plant & Machinery *	Furniture & Fixtures	Office Equipments	Computers	Vehicles & Equipments	Tools & Tackles		
Gross carrying Value												
As at 1st April, 2021	3,347.08	297.53	7,066.81	2,207.72	29,986.28	75.99	15.30	57.11	2,195.60	166.81	45,416.23	
Addition	124.79	44.75	36.70	131.68	1,569.56	26.38	5.54	31.58	6,703.35	148.33	8,822.66	
Disposals/deductions/adjustment	-	-	-	-	0.56	1.91	-	-	16.91	-	19.38	
As at 1st April, 2022	3,471.87	342.28	7,103.51	2,339.40	31,555.28	100.46	20.84	88.69	8,882.04	315.14	54,219.51	
Addition	528.12	107.70	6.43	108.01	24.76	12.85	0.11	15.28	904.02	32.46	1,739.74	
Disposals/deductions/adjustment	-	-	-	-	352.00	-	-	-	182.51	6.42	540.93	
As at 31st March, 2023	3,999.99	449.98	7,109.94	2,447.41	31,228.04	113.31	20.95	103.97	9,603.55	341.18	55,418.32	
Accumulated Depreciation												
As at 1st April, 2021	-	-	2,757.27	978.12	18,895.76	49.67	8.55	40.87	1,244.99	113.39	24,088.62	
charge for the year	-	-	412.47	137.32	1,925.42	9.20	3.12	15.76	1,356.70	22.44	3,882.43	
Disposals/deductions/adjustment	-	-	-	-	0.51	1.91	-	-	16.06	-	18.48	
As at 1st April, 2022	-	-	3,169.74	1,115.44	20,820.67	56.96	11.67	56.63	2,585.63	135.83	27,952.57	
charge for the year	-	9.04	374.15	125.72	1,644.66	11.84	2.84	19.87	2,101.43	60.74	4,350.29	
Disposals/deductions/adjustment	-	-	-	-	281.92	-	-	-	108.89	2.57	393.38	
As at 31st March, 2023	-	9.04	3,543.89	1,241.16	22,183.41	68.80	14.51	76.50	4,578.17	194.00	31,909.48	
Net Carrying Value												
As at 31st March, 2022	3,471.87	342.28	3,933.76	1,223.96	10,734.61	43.50	9.17	32.06	6,296.41	179.31	26,266.94	
As at 31st March, 2023	3,999.99	440.94	3,566.05	1,206.25	9,044.63	44.49	6.44	27.47	5,025.38	147.18	23,508.84	

* Refer note no. 51(c)

2. a. Title deeds of all immovable properties are held in the name of the Company
2. b. The Company doesn't hold any benami property and there is no proceeding initiated for pending against the Company for holding any benami property under Benami Transaction (Prohibition) Act 1988 and rules made their under
2. c. The Company has not revalued its property plant & equipment, right of use assets and intangible assets during the year.
2. d. During the year company has discarded /sold property, plant & equipment amounting to ₹ 540.93 Lakhs (₹ 19.37 Lakhs as on 31st March, 2022).

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

2.1 Movement in Capital work in progress

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Balance at the beginning of the year included in capital work-in-progress	4,990.92	1,552.02
Add : Expenditure during construction for projects	12,723.56	9,666.08
Less : Capitalised during the year	1,131.86	6,227.18
Balance at the end of the year included in capital work-in-progress	16,582.62	4,990.92

Ageing of Capital work-in-progress as at 31st March, 2023

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	15,503.16	806.41	-	273.05	16,582.62
Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as at 31st March, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	4,540.43	165.84	129.27	155.38	4,990.92
Projects temporarily suspended	-	-	-	-	-

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

2.2 Right-of-use assets

(₹ in Lakhs)

Particulars	Land	Non Factory Building	Total
Gross Carrying Value			
As at 1st April, 2021	-	9.22	9.22
Additions	-	280.65	280.65
Disposals	-	-	-
As at 1st April, 2022	-	289.87	289.87
Additions	49.88	6.61	56.49
Disposals	-	-	-
As at 31st March, 2023	49.88	296.48	346.36
Accumulated Depreciation			
As at 1st April, 2021	-	4.63	4.63
charge for the year	-	20.01	20.01
Disposals/deductions/adjustment	-	-	-
As at 1st April, 2022	-	24.64	24.64
charge for the year	1.66	36.60	38.26
Disposals/deductions/adjustment	-	-	-
As at 31st March, 2023	1.66	61.24	62.90
Net Carrying Value			
As at 31st March, 2022	-	265.23	265.23
As at 31st March, 2023	48.22	235.24	283.46

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

2.3- Intangible Assets

(₹ in Lakhs)

Particulars	Software
Gross carrying Value	
As at 1st April, 2021	11.34
Additions	1.64
Disposals/deductions/adjustment	-
As at 1st April, 2022	12.98
Additions	0.21
Disposals/deductions/adjustment	-
As at 31st March, 2023	13.19
Accumulated Deprecation	
As at 1st April, 2021	7.31
charge for the year	2.94
Disposals/deductions/adjustment	-
As at 1st April, 2022	10.25
charge for the year	1.37
Disposals/deductions/adjustment	-
As at 31st March, 2023	11.62
Net Carrying Value	
As at 31st March, 2022	2.73
As at 31st March, 2023	1.57

2.2 (a) Amortisation amounting to ₹ 1.66 Lakhs have been capitalised as pre-operative expenditure and transfer to CWIP

2.3.(a) Amortization amounting to ₹ 0.39 Lakhs have been capitalised as pre-operative expenditure and transfer to CWIP

3. INVESTMENT IN ASSOCIATES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment in Equity Instrument at cost		
Investment in unquoted shares		
Star Cement North East Limited	2.00	-
20,000 (Nil as on 31st March, 2022) equity share of ₹ 10 each fully paid-up		
Star Cement (I) Limited (formerly known as Star Cement Lumshnong Limited)	2.00	-
20,000 (Nil as on 31st March, 2022) equity share of ₹ 10 each fully paid-up		
	4.00	-

3.1 Refer note no.50

3.2 Details of Associates in accordance with INDAS 112 "Disclosures of Interest in other entity"

(₹ in Lakhs)

Name of the Associates	Country of Incorporation	Proportion of ownership interest/ voting right held by the Company	
		As at 31st March, 2023	As at 31st March, 2022
Star Cement North East Limited	India	40%	-
Star Cement (I) Limited (formerly known as Star Cement Lumshnong Limited)	India	40%	-

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

4. INVESTMENTS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment in Bond -quoted at Amortised Cost		
9.56 % State Bank of India Series 1 NCD Perpetual Bond, 350 units (FV ₹ 10 Lakhs)	3,571.84	3,678.01
9.37 % State Bank of India Series 1 NCD Perpetual Bond, 150 units (FV ₹ 10 Lakhs)	1,527.83	-
9.45 % State Bank of India Series 1 NCD Perpetual Bond, 70 units (FV ₹ 10 Lakhs)	715.12	-
9.15 % ICICI Bank Series 1 NCD Perpetual Bond, 450 units (FV ₹ 10 Lakhs)	4,518.49	-
	10,333.28	3,678.01

4.1 Refer Note No. 46

5. LOANS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans (unsecured- considered good)		
Loan to a related party (refer note no. 50)	400.00	1,350.00
	400.00	1,350.00

5.1 Disclosure of Loans & Advances given to subsidiaries in terms of Section 186 of the Companies Act, 2013

(₹ in Lakhs)

Name of the Company	Amount outstanding		Maximum Balance outstanding during the year ended		Rate of Interest	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Meghalaya Power Limited	400.00	1,350.00	400.00	1,350.00	7.54%	6.45%

5.2 Term loan to a related party (fellow subsidiary) is long term in nature which is receivable in 9 years.

6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
In Fixed deposits with banks held as Margin money deposits with original maturity of more than 12 months (refer note 6.1)	177.09	176.59
Interest on Margin money with original maturity of more than 12 months	12.57	3.72
In Fixed Deposit accounts with original maturity of more than 12 months	2,100.00	3,500.00
Interest accrued on Fixed Deposit accounts with original maturity of more than 12 months	135.26	3.82
Application money for Subscription of Equity Shares of Associate Company (refer note 6.2)	800.00	-
Security deposits	27.64	7.60
	3,252.56	3,691.73

6.1 Fixed Deposits with Bank disclosed above represents margin money against bank guarantee.

6.2 Equity shares has been allotted to the Company on 26th April, 2023.

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

7. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets		
MAT credit entitlement	7,483.09	9,864.39
On Expenditure allowable for tax purposes	29.21	-
Deferred tax liability		
On Lease Liabilities	(4.77)	-
	7,507.53	9,864.39

7.1 Mat Credit entitlement of ₹ 2,381.30 (Nil as at 31st March, 2022) adjusted with provision for taxes

7.2 Movement of Deferred Tax Assets (net)

(₹ 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	-	(24.95)	4.26	29.21
MAT credit entitlement	9,864.39	2,381.30	-	7,483.09
Deferred tax Assets (Net)	9,864.39	2,356.35	4.26	7,512.30
On Lease Liabilities	-	(4.77)	-	(4.77)
Deferred tax Liabilities (Net)	-	(4.77)	-	(4.77)
Net deferred tax assets /(Liabilities)	9,864.39	2,361.12	4.26	7,507.53

(₹ 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	-	4.41	4.41	-
MAT credit entitlement	9,080.24	(784.15)	-	9,864.39
Deferred tax Assets (Net)	9,080.24	(779.74)	4.41	9,864.39
On Lease Liabilities	-	-	-	-
Deferred tax Liabilities (Net)	-	-	-	-
Net deferred tax assets /(Liabilities)	9,080.24	(779.74)	4.41	9,864.39

8. NON CURRENT TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance income tax & TDS Receivable (net of provision for taxation of ₹ Nil, as on 31st March, 2023 and ₹ 1,506.61 Lakhs as on 31st March, 2022)	469.26	470.64
	469.26	470.64

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

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, considered good		
Capital advances	-	1,187.74
Unsecured, considered good		
Capital advances (refer note no. 9.1)	1,741.96	2,299.72
Deposit with statutory Authority	8.27	8.27
	1,750.23	3,495.73

9.1 Capital Advances includes advance against land of ₹ 1,741.96 Lakhs. The Company is in the process of getting registration in its name.

10. INVENTORIES (Valued at Lower of Cost or Net Realisable Value)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials (including in transit as at 31st March, 2023 - ₹ Nil & 31st March 2022 ₹ Nil)	481.06	1,615.49
Work - in - process	229.76	278.17
Finished goods (including in transit as at 31st March, 2023 - ₹ 426.51 Lakhs & 31st March, 2022 ₹ Nil)	1,083.47	1,045.76
Fuels & lubricants	14,771.62	3,514.73
Store & spare parts	2,659.07	2,575.16
	19,224.98	9,029.31

10.1. Store & spares is after providing obsolescence amounting to ₹ 3.82 Lakhs (31st March, 2022 ₹ Nil)

11. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good	5,972.17	8,118.91
Receivable which have significant increase in credit risk	14.72	14.72
Less : Allowance for Expected credit loss	(14.72)	(14.72)
	5,972.17	8,118.91

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

(₹ in Lakhs)

Particulars	Not Yet Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	5,966.49	5.68	-	-	-	-	5,972.17
Disputed- Trade Receivable which have significant increase in credit risk	-	-	-	14.72	-	-	14.72
Less : Allowance for Expected credit loss	-	-	-	(14.72)	-	-	(14.72)

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

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

(₹ in Lakhs)

Particulars	Not Yet Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	5,447.24	2,658.19	13.48	-	-	-	8,118.91
Disputed- Trade Receivable which have significant increase in credit risk	-	14.72	-	-	-	-	14.72
Less : Allowance for Expected credit loss	-	(14.72)	-	-	-	-	(14.72)

11.1 Movement of allowances for expected credit loss.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	14.72	-
Add: Provision made during the year	-	14.72
Less : Reversal during the year	-	-
Closing Balance	14.72	14.72

11.2 There are no unbilled receivable at each reporting date.

12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	33.38	30.06
Cheques on hand	74.95	20.80
Balances With Banks:		
- In Current Accounts	82.37	122.33
	190.70	173.19

13. BANK BALANCES (other than note 12 above)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
In Fixed Deposits with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months [Refer note 13.1 below]	-	0.50
In Fixed Deposit accounts with remaining maturity of less than 12 months	3,846.00	8,147.00
	3,846.00	8,147.50

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

14. LOANS- CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
- Loans to a Body Corporate	50.00	1,748.71
	50.00	1,748.71

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

14.1 Disclosure of Loans & Advances given to parties in terms of Section 186 of the Companies Act, 2013

(₹ in Lakhs)

Name of the Company	Amount outstanding as at		Maximum Balance outstanding during the year ended		Rate of Interest	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Goodview Agencies Private Limited	50.00	63.71	63.71	63.71	10.00%	10.00%
Lalwani Ferro Alloys Limited	-	200.00	200.00	200.00	-	10.00%
Saburi Panels Private Limited	-	100.00	100.00	100.00	-	10.00%
Subham Capital Pvt Limited	-	1,000.00	1,000.00	1,900.00	-	8.50%
Suhag Overseas Trading Private Limited	-	135.00	135.00	135.00	-	8.50%
Tiru Complex LLP	-	250.00	250.00	266.22	-	10.00%
	50.00	1,748.71				

15. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
- Security Deposit	2.17	0.59
- Interest Accrued but not due		
Fixed Deposit	175.65	215.10
Bond	470.38	108.17
Others	63.04	151.83
- Subsidies/ incentives receivable from central/State government	686.30	3,676.75
	1,397.54	4,152.44

16. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
-Stamp Papers in Hand	-	0.40
-Advances to suppliers for goods	8,358.19	3,834.98
-Advances against services & Expenses	81.96	245.30
-Advances to employee	10.02	15.50
-Balances with statutory/Government authorities	230.97	77.78
-Prepaid expenses	253.14	196.51
-Interest/Claim Receivable	-	16.66
Unsecured, considered doubtful		
-Advance to supplier	4.35	4.35
Less: Allowance for bad & doubtful advances	(4.35)	(4.35)
	8,934.28	4,387.13

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

17. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised Capital		
3,00,00,000 (3,00,00,000 as at 31st March, 2022) Equity Shares fully paid up	3,000.00	3,000.00
Issued, subscribed & paid up		
2,98,17,818 (2,98,17,818 as at 31st March, 2022) Equity Shares fully paid up	2,981.78	2,981.78
	2,981.78	2,981.78

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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 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 the shares outstanding at the beginning and at the end of the reporting date.

(₹ in Lakhs)

Equity Share Capital	No. of Shares	No. of Shares
At the beginning of the year	2,98,17,818	2,98,17,818
Buyback during the Year	-	-
Outstanding at the end of the year	2,98,17,818	2,98,17,818

c) Shares held by holding company

(₹ in Lakhs)

Star Cement Limited	No. of Shares	No. of Shares
Equity shares of ₹ 10/- each fully paid	2,60,88,656	2,60,88,656
(All the shares are held by M/s Star Cement Limited, the Holding Company and its nominees)		

d) Details of shareholders holding more than 5% of Equity Shares in the Company

(₹ in Lakhs)

Name of the Shareholders	No. of Shares (% of holding)	No. of Shares (% of holding)
Star Cement Limited, holding company (Including nominee share holders)	2,60,88,656	2,60,88,656
	87.49%	87.49%
Megha Technical & Engineers Private Limited, subsidiary of Holding Comapnay	37,29,162	37,29,162
	12.51%	(12.51%)

The following table shows the change in promoter holding during the year

Promoter Name	FY 22-23		% Change during the FY 22-23
	No. of Shares	% of Total Shares	
Star Cement Limited	2,60,88,656	87.49%	-
Megha Technical & Engineers Private Limited	37,29,162	12.51%	-

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

The following table shows the change in promoter holding during the year

Promoter Name	FY 21-22		% Change during the FY 21-22
	No. of Shares	% of Total Shares	
Star Cement Limited	2,60,88,656	87.49%	-
Megha Technical & Engineers Private Limited	37,29,162	12.51%	-

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

18. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities premium		
Opening balance	17,416.22	17,416.22
Addition/ (deduction) during the year	-	-
Closing Balance	17,416.22	17,416.22
Retained earnings		
Opening balance	58,407.10	51,482.72
Profit for the year	7,850.84	6,932.60
	66,257.94	58,415.31
Other comprehensive income		
Remeasurements of Defined Benefit plans (Net of tax)	(7.93)	(8.22)
	66,250.01	58,407.10
Total	83,666.23	75,823.32

Securities premium reserve

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

Retained earnings

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit plans.

19. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans from a related party (unsecured)	-	-
- From a Fellow subsidiary [Refer note no. 50 & 19.1]	5,400.00	-
Other loans (secured)		
- Hire purchase finance from banks	-	18.74
	5,400.00	18.74
Less:- Current maturities of long term borrowings	-	(18.74)
	5,400.00	-

19.1 Term Loan from related party is long term in nature which is repayable within 8 years in 3 equal annual installments starting from 6th year and rate of interest is @ 8.30% (P.Y Nil)

19.2 The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

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

20. LEASE LIABILITIES (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities (Refer Note 47)	260.14	243.96
	260.14	243.96

21. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits	8.21	8.21
	8.21	8.21

22. PROVISIONS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Mines Restoration expenditure (Refer Note No.22.1)	41.45	-
Provision for employees benefits		
- Gratuity (Refer Note 44)	33.68	12.85
- Leave encashment	36.42	44.11
	111.55	56.96

22.1 Movement of provision during the year as required by Ins AS 37 "Provision, Contingent Liability & Contingent Assets" specified u/s 133 of The Companies Act 2013

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	-	-
Add: Provision made during the year	38.38	-
Add: Unwinding discount of Mines restoration provision	3.07	-
Less : Utilisation during the year	-	-
Closing Balance	41.45	-

23. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred government grant	677.61	801.74
	677.61	801.74

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

23.1 Deferred Income comprises of Government Grants/Assistance in form of:

(₹ in Lakhs)

Particulars	Opening as on 1st April, 2022 (Including current portion)	Recognised during the year	Transfer 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 Clinker plant for manufacturing of clinker 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.	954.06		152.32	801.74

24. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Working capital facilities from banks (Secured - Repayable on demand)		
- Cash credit (secured)	1,763.11	113.68
- Current maturities of long term borrowings	-	18.74
	1,763.11	132.42

24.1 Working capital facilities of ₹ 1,763.11 Lakhs (31st March, 2022 ₹ 113.68) from banks are secured by pari passu first charge on current assets of the Company.

24.2 The Rate of interest for the above loan ranges from 7.07% to 8.40% (31st March, 2022 from 4.58% to 9.91%)

25. LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Lease Liabilities (Refer Note 47)	36.98	27.42
	36.98	27.42

26. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Outstanding dues of Micro enterprise and Small enterprise (Refer note no. 55)	70.49	4.31
Total Outstanding dues of Creditors other than Micro enterprise and Small enterprise	5,409.94	7,968.13
	5,480.43	7,972.44

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

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

(₹ in Lakhs)

Sr No.	Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	MSME	-	-	70.49	-	-	-	70.49
(ii)	Others	131.72	3,461.76	334.49	1.97	0.21	0.21	3,930.36
(iii)	Disputed dues - MSMEs	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	17.34	111.16	-	1,351.08	1,479.58
	Total	131.72	3,461.76	422.32	113.13	0.21	1,351.29	5,480.43

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

(₹ in Lakhs)

Sr No.	Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	MSME	-	-	4.31	-	-	-	4.31
(ii)	Others	145.34	2,817.45	2,973.82	2.00	6.83	10.16	5,955.60
(iii)	Disputed dues - MSMEs	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	111.16	-	-	1,901.37	2,012.53
	Total	145.34	2,817.45	3,089.29	2.00	6.83	1,911.53	7,972.44

27. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Interest accrued but not due on borrowings	-	0.14
- Employee related liability	23.03	96.76
- Retention money	273.00	27.74
- Creditors for Capital Goods	246.51	-
- Other payable	39.04	59.49
	581.58	184.13

28. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employees benefits (Refer Note 44)		
- Gratuity	10.51	41.22
- Leave encashment	2.98	12.84
	13.49	54.06

29. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory liabilities	2,602.18	1,394.30
Advances from customers	0.24	0.45
Current portion deferred government grant (refer note no.23.1)	124.13	152.32
	2,726.55	1,547.07

30. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for taxation(net of advance income tax as at 31st March, 2023 ₹ 4,542.41 Lakhs, as at 31st March, 2022 ₹ NIL)	1.36	-
	1.36	-

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

31. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of finished goods	87,563.45	71,117.18
Freight Income	2,680.52	999.70
	90,243.97	72,116.88
Other operating income		
Incentive and Subsidies (Under Incentive Scheme of Central Government)	4,053.54	3,861.63
Sale of Other products (refer note no. 31.d)	3,221.05	8,284.95
Sale of Scrap	91.68	49.68
Revenue from operations	97,610.24	84,313.14

Note:

- Primary business of the Company is Manufacturing and sale of Clinker and providing Fleet Services . All other activities of the Company revolve around its principal business.
- The Company operates in the geographical areas of India.
- The Company's primary customers are its holding Company and fellow subsidiary companies refer note 50.
- Sale of other products includes sale of Coal & miscellaneous store items.
- Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue as per contract price	90,243.97	72,116.88
Less: Discounts and incentives	-	-
Revenue as per statement of profit and loss	90,243.97	72,116.88

32. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income on		
-Bank deposits	1,330.93	432.16
-Other Loans	82.57	361.45
Liability no longer required written back [refer note no. 51 (b)]	550.29	-
Gain/(loss) on sale /Disposal of Property, Plant & Equipment	19.28	1.34
Miscellaneous Receipts	12.93	-
	1,996.00	794.95

33. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Inventory at the beginning of the year	1,615.49	831.08
Add: Purchases	7,235.40	7,248.70
	8,850.89	8,079.78
Less : Inventory at the end of the year	481.06	1,615.49
(Refer note no. 52)	8,369.83	6,464.29

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

Details of Raw Material Consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Lime Stone	7,179.15	5,489.94
Shale	686.54	570.78
Others	504.14	403.57
	8,369.83	6,464.29

34. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Coal	2,817.34	8,127.33
Stores & Others	366.96	157.61
	3,184.30	8,284.94

35. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Finished goods		
Opening stock	1,045.76	3,807.06
Closing stock	1,083.47	1,045.76
	(37.71)	2,761.30
Work in process		
Opening stock	278.17	183.00
Closing stock	229.76	278.17
	48.41	(95.17)
	10.70	2,666.13

36. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries & wages	3,776.18	3,673.21
Contribution to provident fund and other funds	45.15	101.89
Employees Welfare expenses	84.64	94.77
	3,905.97	3,869.87

36.1 Employee Cost is inclusive of remuneration paid to Directors and Key management personnel (refer note no.50)

36.2 The above amounts included in Salary & Wages are excluding the amounts capitalised in CWIP project during year is ₹ 72.03 Lakhs (previous year ₹ 36.88 Lakhs)

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

37. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Expenses	53.83	32.43
Other borrowing costs	59.88	498.44
	113.71	530.87

37.1 Borrowing cost capitalised during year is ₹ 47.41 Lakhs (31st March,2022 Nil) , capitalisation rate has been considered at 7.52% p.a.

37.2 Interest expenses includes ₹ 19.70 Lakhs (31st March, 2022 ₹ 10.63 Lakhs) towards lease obligation of Right of use assets

37.3 Interest on Right of Use assets amounts to ₹ 0.62 Lakhs (31st March, 2022 ₹ Nil) transfer to CWIP.

38. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment	4,143.88	3,687.47
Depreciation on Right of use assets	36.60	20.01
Amortisation of intangible assets	0.98	2.94
Total	4,181.46	3,710.42

38.1 Depreciation is net off amortisation of Government Grant of ₹ 152.32 Lakhs as at 31st March, 2023 and ₹ 188.88 Lakhs as at 31st March, 2022

38.2 Depreciation for the year ₹ 54.08 Lakhs (31st March, 2022 ₹ 6.08 Lakhs) capitalised as pre-operative expenses.

38.3 Amortization of Intangible assets for the year ₹ 0.39 Lakhs (31st March, 2022 ₹ Nil) capitalised as pre-operative expenses.

38.4 Depreciation on Right to use assets for the year ₹ 1.66 Lakhs (31st March, 2022 ₹ Nil) capitalised as pre-operative expenses.

39. FREIGHT & FORWARDING EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Carriage outward (Including Fleet operating expenses)	29,079.34	23,325.27
	29,079.34	23,325.27

40. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Consumption of stores & spares	105.90	153.79
Repairs & maintenance		
- Buildings	122.28	166.87
- Plant & machinery	1,529.34	1,227.20
- Others	233.47	85.14
Heavy vehicle / equipment running expenses	755.78	458.95
Travelling and conveyance	67.63	111.73
Insurance	98.04	58.80
Rates & taxes	15.04	23.88
Rent	1.59	32.09

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Research & development expenses	1.51	7.80
Charity & donation [**]	178.77	72.75
CSR expenses [refer note 53]	151.72	188.91
Miscellaneous expenses [*]	682.93	595.39
Advertisement & publicity	0.13	0.03
Sales promotion expenses	26.19	38.68
Commission/ incentives	1.15	1.47
	3,971.47	3,223.48

* Miscellaneous expenses include expenses paid to auditors (refer note no. 45)

** Charity & Donation includes ₹ Nil (31st March, 2022: ₹ Nil) paid to political parties.

41. INCOME TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Tax expense charge in the Profit or loss		
(a) Current tax		
Current tax on profits for the year	2,161.29	1,035.97
Total current tax expense	2,161.29	1,035.97
(b) Deferred tax		
Deferred tax expenses/ (credit)	2,361.12	(779.74)
Total deferred tax expenses/ (credit)	2,361.12	(779.74)
(c) Income tax for earlier years	5.17	(3.27)
Tax expense	4,527.58	252.96

42. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S TAX RATE:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax	12,378.42	7,185.55
Tax at the Indian tax rate of 34.944% (FY 21-22 - 34.944%)	4,325.51	2,510.92
Items not deductible/taxable under tax	53.02	(86.86)
Effect of allowances/ tax holidays for tax purpose	-	(2,171.64)
Income Tax of Earlier Years	5.17	(3.27)
Other Adjustment	143.88	3.81
Income tax expense	4,527.58	252.96

42.1: The Tax rate used for the year 2022-23 and 2021-22 reconciliation above is the Corporation tax rate of 34.944% (30% +surcharge @12% +education cess @ 4%) payable on taxable profit under the Income Tax Act 1961.

42.2: 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.

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

43. EARNINGS PER SHARE

(a) Basic earnings per share

(₹ in Lakhs unless other wise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Basic earnings per share attributable to the equity holders of the Company (in ₹)	26.33	23.25

(b) Diluted earnings per share

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	26.33	23.25

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basic earnings per share	7,850.84	6,932.59
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	7,850.84	6,932.59

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,98,17,818	2,98,17,818
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,98,17,818	2,98,17,818

44. EMPLOYEES BENEFIT OBLIGATIONS

(a) Post-employment obligations

(i) Gratuity

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

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

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2021	170.99	(32.42)	138.57
Current service cost	17.13	-	17.13
Interest expense/(income)	11.80	(6.06)	5.74
Total amount recognised in profit or loss	28.93	(6.06)	22.87
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.74	1.74
Actuarial (gain)/loss from change in financial assumptions	(2.30)	-	(2.30)
Actuarial (gain)/loss from unexpected experience	13.18	-	13.18
Total amount recognised in other comprehensive income	10.88	1.74	12.63
Employer contributions/ premium paid		(120.00)	(120.00)
Benefit payments	(9.27)	9.27	-
31st March, 2022	201.53	(147.47)	54.07

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2022	201.53	(147.47)	54.07
Current service cost	1.91	-	1.91
Interest expense/(income)	9.31	(8.91)	0.39
Total amount recognised in profit or loss	11.22	(8.91)	2.30
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.02)	(0.02)
Actuarial (gain)/loss from change in financial assumptions	(3.88)	-	(3.88)
Actuarial (gain)/loss from unexpected experience	(8.29)	-	(8.29)
Total amount recognised in other comprehensive income	(12.17)	(0.02)	(12.19)
Employer contributions/ premium paid		-	-
Benefit payments	(43.81)	43.81	-
31st March, 2023	156.77	(112.58)	44.18

Net asset / (liability) recognised in the balance sheet

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Present value of Defined Benefit Obligation	(156.77)	(201.53)
Fair Value of Plan Assets	112.58	147.47
Net Asset / (Liability) in the Balance Sheet	(44.19)	(54.07)
Current Asset/(liability)	(10.51)	(41.22)
Non-Current Asset/(liability)	(33.68)	(12.85)

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

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2023	31st March, 2022
Discount rate	7.40%	7.10%
Expected return on plan asset	7.40%	7.10%
Salary growth rate	6.00%	6.90%
Withdrawal rate	1% to 8%	1% to 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:

(₹ in Lakhs)

Particulars	Impact on defined benefit obligation			
	As at 31st March, 2023		As at 31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(143.74)	172.64	(187.19)	218.08
Salary growth rate (-/+ 1%)	172.90	(143.09)	217.27	(187.51)
Withdrawal rate (-/+ 1%)	158.60	(155.39)	202.97	(199.93)

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(iv) The major categories of plans assets

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.

(₹ in Lakhs)

Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	Year ended 31st March, 2023	Year ended 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.

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

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 ₹ 23.26 Lakhs.

The weighted average duration of the defined benefit obligation is 5.40 (31st March, 2022: 5.10 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	Less than a year	Between 2- 5 years	Over 5 years
31st March, 2023			
Defined benefit obligation (gratuity)	10.51	25.90	30.04
Total	10.51	25.90	30.04
31st March, 2022			
Defined benefit obligation (gratuity)	41.22	64.38	78.06
Total	41.22	64.38	78.06

c) Provident Fund:

Contribution towards provident fund are charged 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 ₹ 67.22 Lakhs (31st March, 2022: ₹ 66.39 Lakhs)

45. PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory Auditors		
Statutory Audit Fees	7.00	6.90
Tax Audit Fees	2.25	1.50
Certification and Other Service	0.50	0.30
Total	9.75	8.70

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

46. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Margin money deposits	-	-	177.09	-	-	176.59
Fixed Deposit	-	-	2,100.00	-	-	3,500.00
Security deposits	-	-	29.81	-	-	8.19
Interest on Fixed Deposits, Bond & Others	-	-	856.90	-	-	482.64
Subsidies/ incentives receivable	-	-	686.30	-	-	3,676.75
Loan to related party	-	-	400.00	-	-	1,350.00
Loan to others	-	-	50.00	-	-	1,748.71
Advance for subscription of Shares	-	-	800.00	-	-	-
Trade receivables	-	-	5,972.17	-	-	8,118.91
Cash and cash equivalent	-	-	190.70	-	-	173.19
Bank Balance & others	-	-	3,846.00	-	-	8,147.50
Investment-Bond	-	-	10,333.28	-	-	3,678.01
	-	-	25,442.25	-	-	31,060.49
Financial liabilities						
Borrowings	-	-	1,763.11	-	-	132.42
Loan from Related Party	-	-	5,400.00	-	-	-
Creditors for Capital Goods	-	-	246.51	-	-	-
Lease Liability	-	-	297.11	-	-	271.39
Trade payable	-	-	5,480.42	-	-	7,972.44
Interest accrued but not due on borrowings	-	-	-	-	-	0.14
Other payables	-	-	62.07	-	-	156.26
Security deposits	-	-	8.21	-	-	8.21
Retention money	-	-	273.00	-	-	27.74
	-	-	13,530.43	-	-	8,568.60

(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 the 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:

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

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.

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

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Margin money deposits	177.09	177.09	176.59	176.59
Fixed Deposit	2,100.00	2,100.00	3,500.00	3,500.00
Security deposits	29.81	29.81	8.19	8.19
Interest on Fixed Deposits, Bond & Others	856.90	856.90	482.64	482.64
Subsidies/ incentives receivable	686.30	686.30	3,676.75	3,676.75
Loan to related party	400.00	400.00	1,350.00	1,350.00
Loan to others	50.00	50.00	1,748.71	1,748.71
Advance for subscription of Shares	800.00	800.00	-	-
Trade receivables	5,972.17	5,972.17	8,118.91	8,118.91
Cash and cash equivalent	190.70	190.70	173.19	173.19
Bank Balance & others	3,846.00	3,846.00	8,147.50	8,147.50
Investment-Bond	10,333.28	10,355.61	3,678.01	3,734.98
Total financial assets	25,442.25	25,464.58	31,060.49	31,117.46
Financial liabilities				
Borrowings	1,763.11	1,763.11	132.42	132.42
Loan from Related Party	5,400.00	5,400.00	-	-
Creditors for Capital Goods	246.51	246.51	-	-
Lease Liability	297.11	297.11	271.39	271.39
Trade payable	5,480.42	5,480.42	7,972.44	7,972.44
Interest accrued but not due on borrowings	-	-	0.14	0.14
Other payables	62.07	62.07	156.26	156.26
Security deposits	8.21	8.21	8.21	8.21
Retention money	273.00	273.00	27.74	27.74
Total financial liabilities	13,530.43	13,530.43	8,568.60	8,568.60

The fair values of borrowings and loans are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings and loans with floating rate of interest 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.)**

47. LEASE

- a. The Unit 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.
- b. Lease liabilities are recognised at weighted average incremental borrowing rate of 7.52% . Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the year
- c. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- d. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

e. Movement of lease liabilities

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening balance	271.38	4.79
Additions	56.49	280.65
Deletions	-	-
Add: Interest recognised during the year	19.70	10.63
Add: Amount transfer to Capital work in progress	0.62	-
Less: Payments made	(51.08)	(24.69)
Closing balance	297.12	271.38

f. Amount recognised in Profit or Loss

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on lease liabilities	19.70	10.63
Depreciation expense of right-of-use assets	36.60	20.01

g. Amount transferred to CWIP

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on lease liabilities	0.62	-
Depreciation expense of right-of-use assets	1.66	-

h. Future payment of lease liabilities on an undiscounted basis

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Less than one year	58.06	46.88
One to two years	55.82	42.51
Two to five years	161.54	127.54
More than five years	108.05	150.56
Total undiscounted Lease Liabilities	383.47	367.49
Lease liabilities included in the statement of financial position		
Current Lease liabilities	36.98	27.42
Non - Current Lease liabilities	260.14	243.96

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

48. CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to:

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

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

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Long term borrowings	5,400.00	-
Short term borrowings	1,763.11	132.42
Less : Cash and cash equivalents	190.70	173.19
Less : Bank balances other than cash and cash equivalents	3,846.00	8,147.50
Net debt	3,126.41	(8,188.27)
Total Equity	86,648.01	78,805.10
Gearing ratio	3.61%	-10.39%

49. FINANCIAL RISK MANAGEMENT

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

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

Risk	Exposure arising from	Measurement	Management
<i>Credit risk</i>	Trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
<i>Liquidity risk</i>	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities
<i>Market risk – foreign exchange</i>	Future commercial transactions and recognised financial liabilities not denominated in Indian rupee (₹)	"Cash flow forecasting Sensitivity analysis"	Projecting cash flows and considering the forecast of fluctuation in exchange rates
<i>Market risk – interest rate</i>	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

(A) Credit risk

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

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lakhs)

Particulars	Not due	Less than 6 months	6 months to 1 year	More than 1 Years	Total
Trade receivable as on 31st March, 2023	5,966.49	5.68	-	-	5,972.17
Trade receivable as on 31st March, 2022	5,447.24	2,658.19	13.48	-	8,118.91

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

ii) Financial instruments and deposits

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

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2023 and 31st March, 2022 is the carrying amounts as illustrated in Note 46.

(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 (comprising the undrawn borrowing facilities below) 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 had access to the following undrawn borrowing facilities at the end of the reporting date:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	4,736.89	7,386.32
	4,736.89	7,386.32

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹.

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	1 - 2 years	2 - 5 years	More than 5 years	Total
Trade payables	5,480.43	-	-	-	5,480.43
Borrowings	1,763.11	-	-	5,400.00	7,163.11
Other financial liabilities	581.58	260.14	-	-	841.72
Lease Liabilities	58.06	55.82	161.54	108.05	383.47
Total financial liabilities	7,883.18	315.96	161.54	5,508.05	13,868.72

(₹ in Lakhs)

Contractual maturities of financial liabilities - 31st March, 2022	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Trade payables	7,972.44	-	-	-	7,972.44
Borrowings	132.42	-	-	-	132.42
Other financial liabilities	2,226.86	8.21	-	-	2,235.07
Lease Liabilities	46.88	42.51	127.54	150.56	367.50
Total financial liabilities	10,378.60	50.72	127.54	150.56	10,707.43

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

(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 deals with an international vendors with respect to stores/coal procurement and is therefore exposed to foreign exchange risk (primarily with respect to USD) arising from this foreign currency transactions. In view of low proportion of export/import, as compared to the overall operations, the exposure of the Company to foreign exchange risk is also not considered to be material. Further foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company does not have any exposure to foreign currency at each reporting date.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2023, 31st March, 2022 the Company's borrowings at variable rate were denominated in ₹ .

The Company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

(₹ in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
Variable rate borrowings	7,163.11	113.68
Fixed rate borrowings	-	18.74
Total borrowings	7,163.11	132.42

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	As at 31st March, 2023	As at 31st March, 2022
Interest expense rates – increase by 50 basis points	(35.82)	(0.57)
Interest expense rates – decrease by 50 basis points	35.82	0.57

* Holding all other variables constant

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

50. RELATED PARTY DISCLOSURES

I.	A	Names of the related parties where control exists	Nature of relationship
		Star Cement Limited (SCL)	Holding Company
		Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
		Meghalaya Power Limited (MPL)	Fellow Subsidiary
		NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
		Star Century Global Cement Private Limited (SCGCPL)	Fellow Subsidiary
		Star Cement (I) Limited (Formerly known as Star Cement Lumshnong Limited)(SCIL)	Associate Company
		Star Cement North East Limited (SCNEL)	Associate Company
	B	Other related parties	Nature of relationship
	1	Key Management Personnel	
		Mr. Sajjan Bhajanka	Director
		Mr. Sanjay Agarwal	Director
		Mr. Prem Kumar Bhajanka	Director
		Mr. Tushar Bhajanka	Director
		Mr. Pankaj Kejriwal	Director
		Mr. Rajendra Chamaria	Director
		Mr. Emlangky Lamare	Whole Time Director
		Mr. Clara Suja	Independent Director
		Mr. Nirmalaya Bhattacharyya	Independent Director
		Mr. Pramod Kumar Shah	Independent Director
		Mr. Ravi Bharti	Chief Financial Officer
		Mr. Brij Mohan Jha (w.e.f. 16th May, 2022)	Company Secretary
	2	Entities controlled by Key Managerial Person	
		Rahul Chamaria (HUF)	HUF of Mr. Rahul Chamaria, Son of Mr. Rajendra Chamaria
		Rajendra Udyog (HUF)	HUF of Mr. Rajendra Chamaria

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2023

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Key Management Personnel & entities controlled by them	
		FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22
1	Purchase Transactions						
	SCL	4,993.33	3,182.64	-	-	-	-
	MTEPL	-	-	-	0.15	-	-
	MPL	-	-	7,312.62	7,794.07	-	-
2	Sales Transactions						
	SCL	1,12,086.02	94,956.90	-	-	-	-
	MTEPL	-	-	1,567.67	114.95	-	-
	MPL	-	-	1,744.74	3,909.15	-	-
3	Sales of Capital Goods						
	SCL	177.01	-	-	-	-	-
	MPL	-	-	-	0.82	-	-
4	Purchase of Capital Goods						
	SCL	-	86.84	-	-	-	-
5	Services Rendered						
	SCL	2,480.57	940.39	-	-	-	-
	METPL	-	-	2.98	8.74	-	-
	MPL	-	-	87.72	88.51	-	-

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

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Key Management Personnel & entities controlled by them	
		FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22
6	Services Received						
	SCL	-	6.60	-	-	-	-
	MPL	-	-	-	8.53	-	-
	Rahul Chamaria(HUF)	-	-	-	-	18.64	8.54
	Rajendra Udyog(HUF)	-	-	-	-	21.85	10.02
7	Loan Taken						
	MTEPL	-	-	5,400.00	-	-	-
8	Loan & advances Received Back						
	MPL	-	-	950.00	3,500.00	-	-
9	Application Monies paid to Associates						
	SCNEL	-	-	800.00	-	-	-
10	Remuneration Paid						
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	72.60
	Mr. Tushar Bhajanka	-	-	-	-	-	22.58
	Mr. Emlangky Lamare	-	-	-	-	37.98	5.99
	Mr. Chandan Sharma (upto 28th February, 2022)	-	-	-	-	-	5.77
	Mr. Amit Kumar Singh (upto 15th February, 2022)	-	-	-	-	-	9.89
	Mr. Ravi Bharti	-	-	-	-	10.78	0.81
	Mr. Brij Mohan Jha (w.e.f. 16th May, 2022)	-	-	-	-	5.82	-
11	Interest Received						
	MPL	-	-	46.64	180.45	-	-
12	Interest Paid						
	MTEPL	-	-	24.70	-	-	-
13	Purchase of Equity Shares						
	SCL	4.00	-	-	-	-	-
14	Director Sitting Fees						
	Clara Suja	-	-	-	-	0.05	0.05
	Nirmalaya Bhattacharyya	-	-	-	-	0.28	0.43
	Pramod Kumar Shah	-	-	-	-	0.43	0.48
15	Balance outstanding as on 31st March, 2023						
A	Advances/Loan Given						
	MPL	-	-	400.00	1,350.00	-	-
B	Loan Taken						
	MTEPL	-	-	5,400.00	-	-	-
C	Trade & Others Payable						
	MPL	-	-	-	256.47	-	-

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

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Key Management Personnel & entities controlled by them	
		FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22
	Rahul Chamaria (HUF)	-	-	-	-	-	7.69
	Rajendra Udyog (HUF)	-	-	-	-	-	9.01
D	Trade Receivable						
	SCL	5,353.94	7,748.18	-	-	-	-
	MTEPL	-	-	303.56	77.27	-	-
	MPL	-	-	288.21	-	-	-
E	Remuneration Payable						
	Mr. Emlangky Lamare (w.e.f. 1st February, 2022)	-	-	-	-	3.52	3.23
	Mr. Ravi Bharti (w.e.f. 1st March, 2022)	-	-	-	-	0.78	0.76
	Mr. Brij Mohan Jha	-	-	-	-	0.47	-
F	Share Capital (Including Securities Premium)						
	SCL	17,414.67	17,414.67	-	-	-	-
	MTEPL	-	-	2,983.33	2,983.33	-	-

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

(₹ in Lakhs)

III.	Key management personnel compensation	As at	As at
		31st March, 2023	31st March, 2022
	Short-term employee benefits	54.58	117.64
	Post-employment benefits	-	-
	Long-term employee benefits	-	-
	Total compensation	54.58	117.64

Notes:

- 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 year, the Company has provided inter corporate loan to its fellow subsidiary which is repayable in 8 years, for current year the rate of interest is 7.54% (31st March, 2022: 6.63%)
- 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.

51. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

a) Contingent Liability

(₹ in Lakhs)

Sl. No.	Particulars	As at	As at
		31st March, 2023	31st March, 2022
1	Claims against the Company not acknowledged as debts		
	- Income Tax demand	-	2,952.57
	- Royalty & Cess (Refer note "a" below)	12,346.64	12,346.64
	- Royalty & Cess (Refer note "b" below)	6,334.55	-
	- Demand for Custom Duty (Refer note "c" below)	403.82	368.88
	- Goods & Service Tax	1,320.00	1,320.00
		20,405.01	16,988.09

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

b) Commitments

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	7,662.53
2	Bank Guarantees issued by Bank	3,742.98	4,743.94
3	Letter of Credit issued by Bank	387.44	387.44

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 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) In respect of demand notice dated 19th February, 2020 received by the Company from Director of Mineral Resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹ 12,346.64 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17th January, 2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the Recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Company has neither been issued a show-cause nor any opportunity of being heard was given to the Company before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Company before passing the impugned order dated 17th January, 2020 which is clear violation of principles of natural justice.

The Company backed by the legal opinions, believes that it has a good case in the matter as the said order was issued based on certain hypothetical assumptions and views and not on hard facts. No opportunity of being heard was provided to the Company either by NGT committee or by NGT itself which passed order without going into the merits & facts and accepted the recommendations of 5th Interim Report. Therefore, there is every likelihood of the Demand Notice and the order of the NGT being set aside. The Company has preferred an appeal before the Supreme Court of India against the NGT Order. The Hon'ble Supreme Court in its order dated 2nd May, 2023 has set aside the order of the NGT and remanded back the same to NGT for its further consideration and accordingly, no provisions has been made in the accounts.

- b) During the year the Company has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards outstanding dues of royalty & Cess on Coal, Limestone, Clay and Shale procured/consumed by the Company in certain specific periods between FY 12-13 to FY 22-23 amounting to ₹ 7,814.14 Lakhs (including ₹ 4,508.00 Lakhs towards Penal Interest).

As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/ consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence there is no obligation of the Company to pay royalty/cess in case the minerals are procured from third party vendors. However, as an abundant precaution, the Company has kept liability towards Royalty & Cess on above mineral products amounting to ₹ 1,479.58 Lakhs (after write back of excess liability amounting to ₹ 550.29 Lakhs (net of additional provision during the year). Since the liability to pay royalty & Cess itself is not applicable to the Company, hence provision for differential amount of demand amounting to ₹ 1,826.56 Lakhs and penal interest amounting to ₹ 4,508.00 Lakhs has not been provided as a matter of prudence and shown as contingent liability. The Company shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favor of the Company.

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

- c) During the year, the Commissioner of Customs (Port)- Kolkata issued a demand cum show cause notice (D&SCN) dated 22nd October, 2022 to the Company for differential Custom duty amounting to ₹ 403.82 Lakhs & Interest & penalties thereon (as applicable) for non-fulfilment of export obligations (EO) against Import of Capital goods in the year 2009 to 2011 under four EPCG licenses as per Export Promotion Capital Goods (EPCG) scheme. Earlier during the year on 26th April, 2022, the Deputy Director, DRI, Shillong Regional Unit had also seized certain machineries of the Company valuing ₹ 5,027.01 Lakhs alleging non-fulfilment of EO as above and later allowed to continue using the seized machineries. By the said D&SCN, the Company has been asked to show cause as to why the seized imported machineries as above should not be confiscated and why differential Custom duty foregone shall not be demanded along with applicable interest & penalties. The D&SCN as above also disputed the EO fulfilled by the Company against two EPCG licenses either by itself or through its group Company in earlier years. In its reply to the Commissioner of Customs (Port)- Kolkata, the Company has claimed that it has fulfilled all its EO as required against all the four EPCG licenses and further paid the differential custom duty & interest thereon where there was shortfall in fulfilling the EO and hence the said demand is not tenable. The Company has further stated that fulfilment of EO through the group Company was well within the ambit of Foreign Trade Policy. The Company firmly believes that it has a good case in this matter and hence no provision has been made in the books of accounts.

Further in the previous year, Additional Director General of Foreign Trade, Guwahati had imposed a penalty of ₹ 311.56 Lakhs on the similar grounds as above in case of one EPCG license. On its appeal before Director General of Foreign Trade, Delhi (DGFT), DGFT in its order dated 8th August, 2022 has remanded back the matter to Regional Authority, Guwahati for de-novo consideration and the Company has not received any further communication in this regard.

52. THE COMPANY HAS DEBITED DIRECT EXPENSES RELATING TO LIMESTONE MINING TO COST OF RAW MATERIAL CONSUMED EXPENSES AS UNDER:

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(i)	Cost of materials consumed	867.83	-
	Total	867.83	-

These expenses if reclassified on 'nature of expense' basis will be as follows:

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(i)	Consumption of stores & spares	78.88	-
(ii)	Power & fuel	190.33	-
(iii)	Royalty	598.62	-
	Total	867.83	-

53. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

a) Nature of CSR Activities

The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, sports upliftment and rural developments projects. A CSR Committee has been formed by Company as per the Act. The funds were primarily allocated to a corpus and utilised throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- b) During the year, the Company has incurred ₹ 151.72 Lakhs (previous year: ₹ 188.91 Lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.**

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

c) Amount spent during the year on:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Gross amount required to be spent by the Company during the year	114.59	111.17
(b) Carry forward amount from previous year (shortfall)/ Surplus	-	-
(c) Amount spent during the year on :		
(i) Construction/acquisition of any asset		
(ii) On purpose other than above -:		
(a) Education	57.42	86.69
(b) Health & Sanitation	8.60	31.13
(c) Livelihood & Skill Building	4.50	26.65
(d) Disaster Relief	7.60	-
(e) Sports Upliftment	14.71	-
(f) Rural & Infrastructure Development	58.89	44.44
	151.72	188.91
(d) Short fall/(Surplus) (if any)	(37.13)	(77.74)
Payment in cash	151.72	188.91
Yet to be paid in cash	-	-

54. SEGMENT INFORMATION

The Company is primarily engaged in the manufacture and sale of cement clinker . There is no separate reportable segment as per Ind AS 108, 'Operating Segments'.

Geographical information is given below:

(₹ in Lakhs)

Sl. No.	Geographical Location	As at 31st March, 2023	As at 31st March, 2022
	Revenue from Operations		
(i)	Within India	97,610.24	84,313.14
(ii)	Outside India	-	-
	Total	97,610.24	84,313.14

All the non-current assets (Property, plant and equipment, capital work-in-progress, intangible assets, right of use assets and other non-current assets) of the Company are within India.

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year other than below :

(₹ in Lakhs)

Sl. No.	Party Name	As at 31st March, 2023	As at 31st March, 2022
(i)	STAR CEMENT LTD.	94.25%	94.03%
	Total	94.25%	94.03%

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
55. BASED ON THE INFORMATION/DOCUMENTS AVAILABLE WITH THE COMPANY, INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE AS UNDER:

(₹ in Lakhs)

Particulars		As at 31st March, 2023	As at 31st March, 2022
(i)	Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	70.49	4.31
(ii)	Interest due on above	4.03	-
	Total of (i) & (ii)	74.52	4.31
(iii)	Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	-	0.48
(iv)	Amount paid to the suppliers beyond the respective appointed date.	84.78	42.28
(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.	4.03	-
(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.	-	-

56. RATIOS

(₹ in Lakhs)

Sl. No.	Ratios	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	Variance	Remarks
1	Current Ratio (in times)	Current Assets	Current Liability	3.74	3.61	3.62%	
2	Debt- Equity Ratio (in times)	Total Debt (Long term + Short term borrowing)	Equity (Share Capital + Other equity)	0.08	0.00	4819.84%	Due to increase in working capital loan and long term loan.
3	Debt Service Coverage Ratio (in times)	Earning available for debt service	Debt Service	73.77	21.04	250.63%	Due to higher profit after tax during the year and reduction in payment of Debt Service.
4	Return on Equity Ratio (%)	Net Profit	Average Equity Share Capital (incl. other equity) (5)	9.49%	10.20%	(6.96%)	
5	Inventory Turnover Ratio (in times)	Sales	Average Inventory (1)	6.39	6.88	(7.19%)	
6	Trade Receivables Turnover Ratio (in times)	Sales	Average Trade receivable (2)	6.40	3.77	69.86%	Increase in Trade Receivable Turnover ratio because of increase in turnover.
7	Trade Payables Turnover Ratio (in times)	Purchase	Average Trade Payable (3)	7.89	5.74	(0.37)	
8	Net Capital Turnover Ratio (in times)	Sales	Working Capital	3.11	2.79	11.45%	
9	Net Profit Ratio (%)	Net Profit	Sales	8.70%	9.61%	(9.50%)	
10	Return on Capital Employed (%)	Earning Before Interest & Tax (EBIT)	Capital Employed (4)	13.32%	9.78%	36.22%	Higher return on capital employed is on account of improved profitability represented by higher Earning before interest and tax
11	Return on Investment (%)	Gain/(Loss) on Investment	Average Investment (6)	10.06%	13.20%	(23.81%)	

(1) ' Average Inventory -: (Opening Inventory+Closing Inventory)/2

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

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

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

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

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

57. BORROWING

The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

(₹ in Lakhs)

Quarter ended	Name of the Bank	Particulars	Amount disclosed as per quarterly return/ statements	Amount as per books of account #	Difference	Reason for variance
March'23	State Bank of India	Trade Receivable	2,439.51	5,972.17	(3,532.65)	The differences are because the statements filed with the lenders are based on financial statements prepared on a provisional basis and also due to audit/accounting adjustment entries carried out subsequently.
		Inventory	18,872.16	19,224.98	(352.82)	
		Trade Payable	2,118.96	5,480.42	(3,361.46)	
		Total Eligible Current Assets	19,192.71	19,716.72	(524.01)	
December'22		Trade Receivable	2,088.70	2,599.52	(510.81)	
		Inventory	17,039.77	17,425.32	(385.54)	
		Trade Payable	10,657.82	12,165.90	(1,508.08)	
		Total Eligible Current Assets	8,470.66	7,858.93	611.73	
September'22		Trade Receivable	6,008.15	7,746.09	(1,737.94)	
		Inventory	7,962.36	8,287.67	(325.31)	
		Trade Payable	3,850.10	7,453.58	(3,603.48)	
		Total Eligible Current Assets	10,120.40	8,580.18	1,540.23	
June'22		Trade Receivable	9,976.23	11,203.76	-1,227.52	
		Inventory	6,140.91	5,612.46	528.46	
		Trade Payable	4,159.29	3,879.52	279.77	
		Total Eligible Current Assets	11,957.86	12,936.69	(978.83)	
March'22	Trade Receivable	8,014.61	8,118.91	(104.30)		
	Inventory	8,434.72	9,029.31	(594.59)		
	Trade Payable	1,693.55	7,972.44	(6,278.89)		
	Total Eligible Current Assets	14,755.78	9,175.78	5,580.00		
December'21	Trade Receivable	3,899.19	4,161.74	(262.54)		
	Inventory	7,594.29	9,960.76	(2,366.47)		
	Trade Payable	841.62	1,878.89	(1,037.27)		
	Total Eligible Current Assets	10,651.86	12,243.61	(1,591.74)		
September'21	Trade Receivable	5,048.95	5,675.38	(626.43)		
	Inventory	9,338.71	9,735.60	(396.89)		
	Trade Payable	747.07	1,344.30	(597.23)		
	Total Eligible Current Assets	13,640.59	14,066.68	(426.09)		
June'21	Trade Receivable	5,330.33	4,923.22	407.11		
	Inventory	12,710.35	12,566.03	144.32		
	Trade Payable	1,951.53	2,113.00	(161.46)		
	Total Eligible Current Assets	16,089.14	15,376.25	712.89		

Computed and disclosed as per the requirements of sanction letters of the lenders.

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

58. 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:
- 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 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:
- 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.

59. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

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

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

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

62. The Board of Directors of the Company, in their meeting held on 2nd February, 2023 has approved the proposal of amalgamation of Megha Technical and Engineers Private Limited, Meghalaya Power Limited and NE Hills Hydro Limited with the Company with effect from 1st April,2023. Necessary actions by the the Company for requisite approvals in this regard shall be taken in due course.

63. 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.

64. Previous year's figures have been regrouped and/or rearranged wherever necessary to conform to current year Classification.

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

(Gopal Jain)

Partner
Membership No. : 059147

Ravi Bharati

Chief Financial Officer

Tushar Bhajanka

Director
DIN: 09179632

Brij Mohan Jha

Company Secretary

Sajjan Bhajanka

Director
DIN:00246043

Place : Kolkata
Date: 18th May, 2023

STAR CEMENT MEGHALAYA LIMITED

CIN: U63090ML2005PLC008011

Registered Office & Works :

Vill.: Lumshnong, P.O.: Khaliehriat

Dist.: East Jaintia Hills

Meghalaya - 793 210