

Ref: B/SCL/SE/37/2023-24

July 19, 2023

To,
Corporate Relationship Manager,
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Bldg, P.J.Tower,
Dalal Street, Mumbai 400001.

Scrip Code: 502175

Dear Sir/Madam,

Sub: Notice of the 65th Annual General Meeting ('AGM') and Annual Report of the Company for FY 2022-23 under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

The 65th Annual General Meeting ('AGM') of Saurashtra Cement Limited will be held on **Thursday, August 17, 2023 at 3.15 p.m. (IST) via two-way Video Conference (VC)/ Other Audio-Visual Means (OAVM).**

Pursuant to Regulation 34 and Regulation 30 read with Para A, Part A of Schedule III of the Listing Regulations, please find attached herewith the Notice to the 65th AGM and Annual Report of the Company for the Financial year 2022-23.

The Notice of the 65th AGM of the Company is available on the website of the Company at <https://scl.mehtagroup.com/investors/agm-notice>.

The Annual Report for FY 2022-23 of the Company is available on the website of the Company at <https://scl.mehtagroup.com/investors/financials/annual-reports>.

This is for your information and records.

Thanking you,

Yours faithfully,
For Saurashtra Cement Limited

Sonali Sanas
Chief Legal Officer, CS & Strategy

Encl: as above



SAURASHTRA CEMENT LIMITED

(CIN: L26941GJ1956PLC000840)

Registered Office: Near Railway Station, Ranavav 360560 (Gujarat)**E-Mail:** sclinvestorquery@mehtagroup.com**Website:** <http://scl.mehtagroup.com>**Phone:** 02801-234200 | **Corporate Office Phone:** 022-66365444**NOTICE**

Notice is hereby given that the **65th Annual General Meeting** of the Shareholders of the Company (AGM) will be held on **Thursday the 17th day of August 2023 at 3.15 p.m.** through Video Conferencing (VC)/Other Audio-Visual Means (OVAM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2023 and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Hemnabh Ranvir Khatau (DIN:02390064), Non-Executive, Non-Independent Director who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution for the appointment and remuneration of the Cost Auditors for the Financial Year ending March 31, 2024 as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s. V.J.Talati & Co, Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024, at a remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus Goods and Services Tax (GST) and reimbursement of out of pocket expenses incurred by them during the course of Audit, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Mr. M. N. Sarma (DIN:06734357) as Non-Executive, Independent Director of the Company as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rules, 2014 and Regulations 16, 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Articles of Association of the Company; Mr. M. N. Sarma (DIN:06734357) who was appointed by the Board of Directors as an Additional Director of the Company categorized as 'Non-Executive, Independent Director' on 25th May, 2023 and who holds office of Independent Director upto the conclusion of the ensuing Annual General Meeting and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold a term of five (5) consecutive years from 25th May, 2023 to 24th May 2028."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Mr. Aman Pradeepchand Khanna (DIN: 10211441) as Non-Executive, Independent Director of the Company as a **Special Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rules, 2014 and Regulations 16, 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Articles of Association of the Company; Mr. Aman Pradeepchand Khanna (DIN:10211441) who was appointed by the Board of Directors as an Additional Director of the Company categorized as ‘Non-Executive, Independent Director’ on 30th June 2023 and who holds office of Independent Director upto the conclusion of the ensuing Annual General Meeting and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold a term of five (5) consecutive years from 30th June 2023 to 29th June 2028.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Mrs. Radhika Samarjitsinh Gaekwad (DIN: 05129326) as Non-Executive, Independent Director of the Company as a **Special Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rules, 2014 and Regulations 16, 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Articles of Association of the Company; Mrs.Radhika Samarjitsinh Gaekwad (DIN:05129326) who was appointed by the Board of Directors as an Additional Director of the Company categorized as ‘Non-Executive Independent Director’ on 30th June 2023 and who holds office of Independent Director upto the conclusion of the ensuing Annual General Meeting and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold a term of five (5) consecutive years from 30th June 2023 to 29th June 2028.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution for re-appointment of Mr. Ashwani Kumar (DIN: 02870681) as Non-Executive, Independent Director of the Company as a **Special Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Articles of Association of the Company; Mr. Ashwani Kumar (DIN: 02870681), Independent Director of the Company who has given his consent for re-appointment and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of five (5) consecutive years with effect from 13th February 2024 to 12th February 2029.”
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution for re-appointment of Mr. Jay Mehta (DIN:00152072), Executive Vice Chairman from 1st January 2024 till 31st December 2026 and payment of remuneration as a **Special Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, consent of the Shareholders be and is hereby accorded to re-appoint Mr. Jay Mehta as the Executive Vice Chairman of the Company for a period of 3 (three) years from 1st January 2024 upto 31st December 2026 at a basic salary of ₹33,00,000/- per month

with 12% increase per annum (year over year for the tenure) plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement and as has been provided in the explanatory statement."

"RESOLVED FURTHER THAT in addition to the above; authority is delegated to the Board of Directors to consider/evaluate payment of commission to Mr. Jay Mehta, Executive Vice Chairman, during his tenure (on year over year basis) subject to the profitability/and in accordance with Section 197 of the Act."

"RESOLVED FURTHER THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended from time to time and in accordance with all other applicable provisions of the Companies Act, 2013, in case of loss or inadequacy of profits and pursuant to proviso to Schedule V (Part II) (Section II) of the Companies Act, 2013, the remuneration as approved by the Shareholders herewith shall be the minimum remuneration."

"RESOLVED FURTHER THAT during his tenure upto 31st December 2026, if the compensation payable to Mr. Jay Mehta exceed the limits as provided under the Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time, then the same can be paid as per the above approvals even if the same exceeds the said limits."

"RESOLVED FURTHER THAT the Board of Directors of the Company/Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions as may be agreed to between the Board of Directors and Mr. Jay Mehta within such guidelines or amendments as may be prescribed under the Companies Act, 2013 or subject to such approval as may be required."

"RESOLVED FURTHER THAT any Director of the Company / Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolutions".

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution for reappointment of Mr. M. S. Gilotra (DIN:00152190), Managing Director from 1st January 2024 till 31st December 2026 and payment of remuneration as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, consent of the Shareholders be and is hereby accorded to re-appoint Mr. M.S. Gilotra as the Managing Director of the Company for a further period of 3 (three) years from 1st January 2024 upto 31st December 2026 at a basic salary of Rs. 23,00,000/- per month with 12% increase per annum (year over year for the tenure) plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement and as has been provided in the explanatory statement."

"RESOLVED FURTHER THAT in addition to the above; authority is delegated to the Board of Directors to consider/evaluate payment of commission to Mr. M. S. Gilotra, Managing Director, during his tenure (on year over year basis) subject to the profitability/and in accordance with Section 197 of the Act."

"RESOLVED FURTHER THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended from time to time and all other applicable provisions of the Companies Act, 2013, in case of loss or inadequacy of profits and pursuant to proviso to Schedule V (Part II) (Section II) of the Companies Act, 2013, the remuneration as approved by the shareholders herewith shall be the minimum remuneration."

“RESOLVED FURTHER THAT the Board of Directors of the Company/Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions as may be agreed to between the Board of Directors and Mr. M. S. Gilotra within such guidelines or amendments as may be prescribed under the Companies Act, 2013 or subject to such approval as may be required.”

“RESOLVED FURTHER THAT any Director of the Company / Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolutions”.

10. To consider and, if thought fit, to pass, with or without modification, the following resolution for Alteration of the Company’s Articles of Association as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered by insertion of Article 176A under a new Clause XXVA immediately after Article 176 under Clause XXV with new heading reading “Appointment of Chairman Emeritus” as follows:

Article No.	APPOINTMENT OF CHAIRMAN EMERITUS
176A	(i) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the Industry to which the Company’s business relates or in the public field, as the Chairman Emeritus of the Company.
	(ii) The Chairman Emeritus shall hold office until he resigns office or a resolution to that effect is passed by the Board.
	(iii) The Chairman Emeritus may be invited to attend any meetings of the Board or Committee thereof, but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.
	(iv) The Chairman Emeritus shall not be deemed to be a Director for any purposes of the Act or any other statute or Rules made thereunder or these Articles including for the purpose of determining maximum number of Directors which the Company can appoint.
	(v) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.
	(vi) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to consider the appointment of ‘Chairman Emeritus’ a non-board position as and when deemed fit.”

By the Order of the Board of the Directors

Sonali Sanas
President (CS, Legal & Strategy)

Place : Mumbai
Dated : 30th June 2023

Registered Office:
Near Railway Station
Ranavav, 360560
Gujarat

NOTES:

1. Explanatory Statement pursuant to the provisions of Section 102 (1) of the Companies Act, 2013 ("the Act") in respect of special business to be transacted at the AGM is annexed to this Notice.
2. During the year, the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 16th March 2023 approved the Scheme of Amalgamation for merger of Gujarat Sidhee Cement Limited with Saurashtra Cement Limited. Gujarat Sidhee Cement Limited was also a Mehta Group company. The scheme became effective from 30th March 2023. The scheme shall have the benefits and synergies as envisaged on the objectives like:-
 - Better competitive positioning in market in view of similar product and geography of operations.
 - Common management with aligned vision and high promoter stake.
 - Greater expansion capabilities.
 - Higher market capitalization.
 - Proximity between manufacturing presence.
 - Cost and operational optimization by eliminating redundancies.

The Allotment Committee of the Board at its meeting held on 26th April 2023, in accordance with the approved scheme, have issued and allotted 5,40,09,641 new equity shares of Rs.10/- each fully paid up of the Company to the shareholders of erstwhile Gujarat Sidhee Cement Limited (GSCL) who were the shareholders as on 21st April, 2023 (Record Date). The shares have been credited to the demat account of the shareholders. Listing and trading approvals have been received from BSE Limited.

New Equity shares of the Company allotted to those shareholders of GSCL who held shares in physical form have been credited to Unclaimed Escrow Account. The shareholders shall be required to claim the new shares from Unclaimed Escrow Account after submitting required details to the Registrar & Transfer Agent.

New Equity shares of the Company have been credited in Investor Education and Protection Fund (IEPF) on behalf of those shareholders of GSCL who had not claimed/encashed dividend declared during the Financial Year 2012-13. The shareholders shall be required to claim the shares from IEPF by submitting requisite forms with IEPF.

New Equity shares of the Company have been credited to an Unclaimed Suspense Securities Account opened by the Company of those shares held by the shareholders in physical/demat form which was transferred by GSCL to an Unclaimed Suspense Account under Regulation 39(4) of SEBI (LODR) Regulations, 2015.

The fractional shares have been transferred to Escrow Account held by a Trustee. These shares will be sold by the Trustee and the proceeds will be paid to the eligible shareholders in accordance with the approved scheme.

3. The relevant details of Director seeking appointment/re-appointment under Item Nos. 4 to 9 of the Notice, as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2 issued by the Institute of Company Secretaries of India on General Meetings is also annexed.
4. The Ministry of Corporate Affairs ('MCA') vide General Circular No.10/2022 dated December 28, 2022 and the Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 has allowed the Companies to conduct AGMs through Video Conference (VC) and Other Audio Visual Means (OAVM). Accordingly, the 65th AGM of the Company is being conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility, which does not require physical attendance of the Shareholders at a common venue.

5. The meeting shall be deemed to be conducted at the Registered Office of the Company and as the AGM is held through virtual mode, the Attendance Slip and venue map is not required to be annexed to this Notice.
6. Pursuant to the Circular No.14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Shareholders is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Shareholders intending to authorize their representatives to participate and vote at the meeting are requested to email certified copy of the Board resolution/authorization letter to the Company at sclinvestorquery@mehtagroup.com.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Ministry of Corporate Affairs (MCA) vide its General Circular No.10/2022 dated December 28, 2022 and the Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 has allowed the companies to conduct their AGMs on or before September 30, 2023 through audio visual means and in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No.20/2020 dated May 05, 2020 and Securities and Exchange Board of India's (SEBI) circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Company is providing facility of remote e-voting, as well as e-voting during the AGM, to its Shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue for voting on the date of the AGM will be provided by NSDL.
8. The attendance of the Shareholders attending the AGM through VC /OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").
9. The Shareholders who have exercised their right to vote by remote e-voting may attend the AGM through VC/OVAM but cannot vote during the AGM.
10. Facility of joining the AGM through VC or OAVM shall be open 30 minutes before the time scheduled for the AGM and will be available for Shareholders on first come first serve basis. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Shareholders on first come first served basis.
The large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship and Grievances Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first come first served basis.
11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 10/2022 dated December 28, 2022 and Securities and Exchange Board of India's (SEBI) Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, the Notice calling the AGM and Annual Report for the year 2022-23 is being sent to only those Shareholders who have registered their email address with the Company and depositories and the Notice and the Annual Report is also uploaded on the website of the Company at <https://scl.mehtagroup.com/investors/agm-notice> and <https://scl.mehtagroup.com/investors/financials/annual-reports>. The Notice and the Annual Report for the year 2022-23 can also be accessed at the website of BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10.00 a.m. to 12.00 noon on any working day till the date of the ensuing AGM. For any communication, the Shareholders may also send requests to the Company's investor email id: sclinvestorquery@mehtagroup.com.

12. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with General Circular No.10/2022 dated December 28, 2022 and in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No.20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs.
13. The Share Transfer Books and Register of Shareholders of the Company shall remain closed from **Friday, the 11th August, 2023 to Thursday, the 17th August, 2023 (both days inclusive)** in connection with the Annual General Meeting. The voting rights of Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company held by them as on the cut-off date i.e. **10th August 2023**.
14. Shareholders are requested to notify immediately any change of address:
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii) To the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083 in respect of their physical share folios, if any.
15. **Shares of the Company are compulsorily required to be traded in demat form. If you have not dematerialized your shares, you are requested to get the shares dematerialized at the earliest in your own interest.**
16. Non-resident Indian Shareholders are requested to inform the Registrar immediately of the change in their residential status, if any.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN), Bank details and other KYC details by every participant in the securities market. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
18. Mr. Sachin Ahuja, Chartered Accountant (Membership No.109019) and Proprietor of M/s. Sachin Ahuja & Associates, Chartered Accountants (Membership No.133448W) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer after scrutinizing the votes cast during the AGM and through remote e-voting will prepare a consolidated scrutinizer's report, not later than 48 hours of the conclusion of AGM and submit the same to the Chairman.
19. The results of the voting declared at the AGM along with the scrutinizer's report shall be placed on the Company's website <https://scl.mehtagroup.com/investors/e-voting-reports> on the Stock Exchange website at www.bseindia.com and on the website of NSDL www.evoting.nsdl.com.
20. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **10th August 2023** may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **10th August 2023** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
21. **INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE AGM THROUGH VIDEO CONFERENCE (VC)/ OTHER AUDIO VISUAL MEANS (OAVM):**
 - a) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting**

system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/AVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Members are requested to submit their questions if any, in advance with regard to the financial statements or any other matter to be placed at the AGM from their registered email address, mentioning their name, DP ID/ Client ID/folio number, mobile number to reach the Company’s email address at sclinvestorquery@mehtagroup.com latest by **16th August 2023** before 3.00 p.m. (IST). The same will be replied by the Company suitably.
- f) Members as on the cut-off date who would like to express their views/ask questions as a speaker at the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at sclinvestorquery@mehtagroup.com between **Thursday, 10th August, 2023 (9.00 a.m. IST) and Wednesday, 16th August 2023 (5.00 p.m. IST)**. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.
Further, those Members who have not registered themselves as a speaker, but desirous of expressing their views/ask questions during the AGM, may be allowed to do so, through the chat box option. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or 1800 1020 990/1800 22 44 30 or contact Mr. Amit Vishal, Assistant Vice President on evoting@nsdl.co.in or 1800 1020 990/1800 22 44 30.

22. Only those members who have not casted their vote through the remote e- voting (prior to the AGM) as per below are entitled to vote at the AGM.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING BEFORE /DURING THE EQUITY SHAREHOLDERS MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, 14th August 2023 at 9.00 A.M. (IST) and ends on Wednesday, 16th August 2023 at 5.00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on 10th August 2023 (Cut-off date) may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 10th August 2023.

How do I vote electronically using the NSDL e-Voting system?



The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 20px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

C) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sclinvestorquery@mehtagroup.com
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to sclinvestorquery@mehtagroup.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- c. Alternatively, Shareholders/Members may send a request to evoting@nsdl.co.in for procuring user id and password by providing above mentioned documents.
- d. In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

D) GENERAL GUIDELINES FOR MEMBERS:

- a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sachinca.associates@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.
- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Mr. Amit Vishal) at evoting@nsdl.co.in.
- d. Any further queries can be addressed to Ms. Jhanvi Matani (Asst. Manager – Legal) at sclinvestorquery@mehtagroup.com

E) Declaration of Results on the Resolution:

- i. The Scrutinizer shall, immediately after and not later than 48 (forty eight) hours from conclusion of the meeting, make a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the meeting or a person authorized by him in writing who shall countersign the same.
- ii. The result of the voting shall be announced by the Chairman of the meeting or a person authorized by him in writing on or before **19th August 2023** upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be placed on the Company's website viz. <https://scl.mehtagroup.com/investors/e-voting-reports> and on the website of NSDL viz. www.evoting.nsdl.com immediately after declaration.
The results shall also be immediately forwarded to the stock exchange where the Company's equity shares are listed i.e. BSE Limited at www.bseindia.com and shall also be displayed on the Notice Board at the Registered office of the Company.
- iii. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the meeting i.e. on **17th August 2023**.

Equity Shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote through remote e-Voting or voting at the Meeting.

Any further queries can be addressed to Mr. Satyan Desai (Associate-Client Relations), Link Intime India Pvt. Ltd (Unit: Saurashtra Cement Limited), C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, E-mail ID: rnt.helpdesk@linkintime.co.in.

By the Order of the Board of the Directors

**Sonali Sanas
President (CS, Legal & Strategy)**

Place : Mumbai
Dated : 30th June 2023

Registered Office:
Near Railway Station
Ranavav, 360560
Gujarat

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")**Items No. 3**

The Board has on the recommendation of the Audit Committee, approved the appointment of M/s. V. J. Talati & Co, Cost Accountants as Cost Auditor of the Company at a remuneration of ₹ 1,25,000/- plus applicable tax and reimbursement of travelling and out of pocket expenses incurred to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024.

The remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors needs to be ratified by the Members of the Company.

Accordingly, the consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for appointment and remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2024.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Accordingly, the Board recommends the resolution as set out in item No.3 of the Notice for approval of the Shareholders.

Item No. 4

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. M. N. Sarma (DIN:06734357) as an Additional Director of the Company (categorized as Non-Executive, Independent Director) effective from 25th May, 2023. Mr. M. N. Sarma also submitted a declaration of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Mr. M. N. Sarma, aged 64 years, is a Post Graduate in Economics, LL.B and he is Associate Member of the Insurance Institute of India. Mr. Sarma has experience in insurance sector of around 36 years serving in New India Assurance Company Ltd, Oriental Insurance Company Limited, The Ken India Assurance Company Ltd, Nairobi and Government of India owned Health Insurance TPA of India Limited. He retired as Chairman-cum-Managing Director of United India Insurance Company Ltd. Presently he is Secretary General of General Insurance Council.

Mr. M. N. Sarma is not disqualified from being appointed as Director in terms of Section 164 and has given his consent to act as Director.

The Board of Directors have effectively evaluated the performance candidature of Mr. M.N. Sarma as per the requirement of the Companies Act, 2013 and confirmed that he has also fulfilled the independence criteria as specified under the SEBI (LODR) Regulations, 2015 and the Board has recommended his appointed as an Independent Director of the Company.

It is proposed to appoint Mr. M.N. Sarma as an Independent Director under Section 149 of the Act for a period of 5 (five) years computed effective from 25th May, 2023 to 24th May 2028 and his appointment is placed before the Shareholders for their approval.

Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Director seeking appointment at the Annual General Meeting is attached hereto as **Annexure A**.

Except Mr. M. N. Sarma, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.4 of the Notice.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the item no.4 for the approval of the Shareholders.

Item No.5

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Aman Pradeepchand Khanna (DIN:10211441) as an Additional Director of the Company (categorized as Non-Executive, Independent Director) effective from 30th June 2023. Mr. Aman Pradeepchand Khanna also submitted a declaration of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Mr. Aman Pradeepchand Khanna, aged 51 years, has done B.Sc (Hons) Economics (Accounting and Finance Management) from London School of Economics, UK and is a UK qualified Chartered Accountant. Presently he is a Board Member at MindMaze Group, Dubai since November 2020. Mr. Khanna has experience in finance of around 26 years serving with Ernst & Young, Deloitte in UK and Louis Dreyfus Company, UK and Dubai. He has vast experience in Corporate Governance and has handled various roles such as Group Chief Operating Officer, Group Chief Financial Officer, etc.

Mr. Aman Pradeepchand Khanna is not disqualified from being appointed as Director in terms of Section 164 and has given his consent to act as Director.

The Board of Directors have effectively evaluated the performance candidature of Mr. Aman Pradeepchand Khanna as per the requirement of the Companies Act, 2013 and confirmed that he has also fulfilled the independence criteria as specified under the SEBI (LODR) Regulations, 2015 and the Board has recommended his appointed as an Independent Director of the Company.

It is proposed to appoint Mr. Aman Pradeepchand Khanna as an Independent Director under Section 149 of the Act for a period of 5 (five) years computed effective from 30th June 2023 to 29th June 2028 and his appointment is placed before the Shareholders for their approval.

Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Director seeking appointment at the Annual General Meeting is attached hereto as **Annexure A**.

Except Mr. Aman Pradeepchand Khanna, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the item no. 5 for the approval of the Shareholders.

Item No.6

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Radhika Samarhitsinh Gaekwad (DIN:05129326) as an Additional Director of the Company (categorized as Non-Executive, Independent Director) effective from 30th June 2023 to 29th June 2028. Mrs. Gaekwad also submitted a declaration of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Mrs. Radhika Samarjitsinh Gaekwad, aged 45 years, is a philanthropist, social entrepreneur and has provided credible contribution towards Arts, Culture and Heritage. She has completed her Masters in Medieval Indian history and has worked as a journalist with Indian Express, New Delhi. She is a director of CDS Art Foundation, Ahmedabad (Non-profit organization) where her roles include aligning artisans with designers and bridging gaps with the end consumers. She has also been jury member on several global platforms including the International Crafts awards.

Mrs. Gaekwad was conferred the prestigious Aspen Global Leadership Fellowship, recognized as one of 'India's Top 50 Women in Luxury' by Luzebook and was bestowed the Social Entrepreneurship, Heritage Revivalist and other awards by several prestigious bodies and publications.

She is patron of the Heritage Trust, an independent organization instrumental in bringing the monumental complex of Champaner on the World Heritage Sites list and is actively involved in preventing the city's heritage structures from being obliterated. Mrs. Gaekwad has been researching and archiving the rich history and culture of royal India and has presented her research on prestigious platforms such as Saffron art and Robb Report and India Today Conclave.

Mrs. Gaekwad is not disqualified from being appointed as Director in terms of Section 164 and has given her consent to act as Director.

The Board of Directors have effectively evaluated the performance candidature of Mrs. Radhika Samarjitsinh Gaekwad as per the requirement of the Companies Act, 2013 and confirmed that she has also fulfilled the independence criteria as specified under the SEBI (LODR) Regulations, 2015 and the Board has recommended her appointed as an Independent Director of the Company.

Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Director seeking appointment at the Annual General Meeting is attached hereto as **Annexure A**.

It is proposed to appoint Mrs. Radhika Samarjitsinh Gaekwad as an Independent Director under Section 149 of the Act for a period of 5 (five) years computed effective from 30th June 2023 to 29th June 2028 and her appointment is placed before the Shareholders for their approval.

Except Mrs. Radhika Samarjitsinh Gaekwad, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the Notice.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the item no. 6 for the approval of the Shareholders.

Item No.7

In accordance with the provisions of Section 149 sub-section 10 read along with sub-section 11 of the Companies Act, 2013; an independent director can be appointed for two consecutive terms of 5 years each wherein a Special Resolution is required to be passed at the Shareholders meeting for the second consecutive term.

The Board at its meeting held on 25th May 2023, on the recommendation of Nomination & Remuneration Committee has approved and recommends to the Shareholders for consideration with regard to the re-appointment of Mr. Ashwani Kumar (DIN: 02870681), Independent Director of the Company for another term of (5) five consecutive years with effect from 13th February 2024 to 12th February 2029.

Mr. Ashwani Kumar is a Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers. Mr. Ashwani Kumar has a rich banking experience of over 37 years serving in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank.

Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Director seeking re-appointment at the Annual General Meeting is attached hereto as **Annexure A**.

Accordingly, the consent of the Shareholders is sought for the re-appointment of Mr. Ashwani Kumar as an Independent Director of the Company for another term of 5 (five) consecutive years with effect from 13th February 2024 to 12th February 2029.

Except Mr. Ashwani Kumar, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice.

Accordingly the Board recommends the passing of the Special Resolution as set out in the item no. 7 for the approval of the Shareholders.

Item No. 8

The term of Mr. Jay Mehta as Executive Vice Chairman of the Company is liable for completion on 31st December 2023.

The Board of Directors at its meeting held on 25th May 2023 on the recommendation of Nomination & Remuneration Committee and subject to the approval of the Shareholders; approved re-appointment of Mr. Jay Mehta as Executive Vice Chairman for a further period of 3 (three) years with effect from 1st January 2024 to 31st December, 2026

at a basic salary of ₹ 33,00,000/- per month with 12% increase per annum (year over year for the tenure) plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.

Sr. No.	Particulars	Proposed remuneration from 1.1.2024 to 31.12.2024 with 12% increase p.a. (In ₹)	Proposed remuneration from 1.1.2025 to 31.12.2025 with 12% increase p.a. (In ₹)	Proposed remuneration from 1.1.2026 to 31.12.2026 with 12% increase p.a. (In ₹)
A	Salary (Per month)	33,00,000	36,96,000	41,39,520
	HRA @ 50% or Company owned/ leased accommodation	16,50,000	18,48,000	20,69,760
	Medical @ 8.33%	2,74,890	3,07,877	3,44,822
	LTA @ 12.5%	4,12,500	4,62,000	5,17,440
	Soft Furnishing	1,166	1,166	1,166
	Magazine	600	600	600
	Servant	1,800	1,800	1,800
	Electricity & Gas	0	0	0
	Superannuation (to the extent Taxable)	4,82,500	5,41,900	6,08,428
		61,23,456	68,59,343	76,83,536
B	Provident Fund @ 12%	3,96,000	4,43,520	4,96,742
	Superannuation (to the extent not taxable)	12,500	12,500	12,500
	Gratuity	1,58,654	1,77,692	1,99,015
		5,67,154	6,33,712	7,08,258
	Total Remuneration per month	66,90,610	74,93,055	83,91,794
Total Remuneration per annum	8,02,87,318	8,99,16,661	10,07,01,526	

In addition to the above, Mr. Jay Mehta is also entitled to the following by way of reimbursement as per Company's rules.

1. Personal Accident Insurance and Medi-claim insurance for self and family.
2. Encashment of unavailed leave at the end of the tenure.
3. Reimbursement of gas, electricity, water charges etc., at actual.
4. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of Rs. 50,000 per month on submission of supporting/declaration.
5. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
6. Car with driver and communication facilities at residence for the business of the Company.
7. Reimbursement of expenses incurred in respect of books and periodicals at actual against submission of supporting/s.
8. Entrance Fees / Subscription or reimbursement of Club Fees on actual basis.

In addition to the above, it is also proposed to delegate powers to the Board of Directors to consider/evaluate payment of commission on year over year basis to Mr. Jay Mehta, Executive Vice Chairman, subject to the profitability/and in accordance with Section 197 of the Act during his tenure and subject to the approval of the Board of Directors in the relevant years.

The appointment can be terminated from either side by giving three months' notice in writing. However, the Company can determine the same by giving three months' salary in lieu thereof.

In accordance with the provisions of Section 197 of the Companies Act, 2013 as amended from time to time and all other applicable provisions of the Companies Act, 2013, in case of loss or inadequacy of profits and pursuant to proviso to Schedule V (Part II) (Section II) of the Companies Act, 2013, the remuneration as approved by the Shareholders under this resolution, shall be the minimum remuneration.

Statement of particulars as prescribed under Schedule V of the Companies Act, 2013 forms part of this Notice as **Annexure A.**

Accordingly, the consent of the Shareholders is sought to approve the re-appointment of Mr. Jay Mehta as Executive Vice Chairman for the period from 1st January 2024 till 31st December 2026 and remuneration payable to him.

Mr. Jay Mehta is interested in his own re-appointment and remuneration. Mr. M. N. Mehta being related to Mr. Jay Mehta, may be deemed to be concerned or interested in the re-appointment and remuneration of Mr. Jay Mehta. Save and except them, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.8 of the Notice.

Accordingly, the Board recommends passing of the Special Resolution as set out in the item no.8 for the approval of the Shareholders.

Item No. 9

The term of Mr. M. S. Gilotra as Managing Director of the Company is liable for completion on 31st December 2023.

The Board of Directors at its meeting held on 25th May 2023, on the recommendation of Nomination & Remuneration Committee and subject to the approval of the Shareholders; approved re-appointment of Mr. M. S. Gilotra, as Managing Director for a period of 3 (three) years with effect from 1st January 2024 to 31st December, 2026 at a basic salary of ₹ 23,00,000/- per month with 12% increase per annum (year over year for the tenure) on the total remuneration drawn as on 31.12.2023 as provided herein below plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.

Sr. No.	Particulars	Proposed remuneration from 1.1.2024 to 31.12.2024 with 12% increase p.a. (in ₹)	Proposed remuneration from 1.1.2025 to 31.12.2025 with 12% increase p.a. (In ₹)	Proposed remuneration from 1.1.2026 to 31.12.2026 with 12% increase p.a. (in ₹)
A	Salary (Per month)	23,00,000	25,76,000	28,85,120
	HRA @ 62.5%	14,37,500	16,10,000	18,03,200
	Medical @ 8.33%	1,91,590	2,14,581	2,40,330
	LTA @ 12.5%	2,87,500	3,22,000	3,60,640
	Soft Furnishing	1,166	1,166	1,166
	Magazine	600	600	600
	Servant	1,800	1,800	1,800

Sr. No.	Particulars	Proposed remuneration from 1.1.2024 to 31.12.2024 with 12% increase p.a. (in ₹)	Proposed remuneration from 1.1.2025 to 31.12.2025 with 12% increase p.a. (In ₹)	Proposed remuneration from 1.1.2026 to 31.12.2026 with 12% increase p.a. (in ₹)
B	Special Allowance	1,66,000	1,66,000	1,66,000
	Superannuation (to the extent taxable)	3,32,500	3,73,900	4,20,268
		47,18,656	52,66,047	58,79,124
	Provident Fund @ 12%	2,76,000	3,09,120	3,46,214
	Superannuation @15%	12,500	12,500	12,500
	Gratuity	1,10,577	1,23,846	1,38,708
		3,99,077	4,45,466	4,97,422
	Total Remuneration per month	51,17,733	57,11,513	6,37,6547
Total Remuneration per annum	6,14,12,795	6,85,38,155	7,65,18,559	

In addition to the above, Mr. M. S. Gilotra is also entitled to the following by way of reimbursement as per Company's rules.

1. Reimbursement for gas, electricity, water charges, etc. at actual.
2. Personal Accident Insurance and Medi-claim insurance for self and family.
3. Medical reimbursement for self and family.
4. Reimbursement of Leave Travel Expenses for self and family.
5. Encashment of unavailed leave at the end of the tenure.
6. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of ₹ 50,000 per month on submission of supporting/declaration.
7. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
8. Car with driver and communication facilities at residence for the business of the Company.
9. Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
10. Entrance Fees / Subscription or reimbursement of Club Fees on actual basis.

In addition to the above, it is also proposed to delegate powers to the Board of Directors to consider/evaluate payment of commission on year over year basis to Mr. M. S. Gilotra, Managing Director, subject to the profitability/ and in accordance with Section 197 of the Act during his tenure and subject to the approval of the Board of Directors in the relevant years.

The appointment can be terminated by either side by giving three months' notice in writing. However, the Company can determine the same by giving three months' salary in lieu thereof.

In accordance with the provisions of Section 197 of the Companies Act, 2013 as amended from time to time and all other applicable provisions of the Companies Act, 2013, in case of loss or inadequacy of profits and pursuant to proviso to Schedule V (Part II) (Section II) of the Companies Act, 2013, the remuneration as approved by the Shareholders under this resolution, shall be the minimum remuneration.

Statement of particulars as prescribed under Schedule V of the Companies Act, 2013 forms part of this Notice as **Annexure A**.

Accordingly, the consent of the Shareholders is sought to approve re-appointment of Mr. M. S. Gilotra as Managing Director for the period from 1st January 2024 till 31st December 2026 and remuneration payable to him.

Save and except Mr. M. S. Gilotra, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.9 of the Notice.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the item no.9 for the approval of the Shareholders.

Item No. 10

It is proposed that any of the Director whose contributions have largely benefitted the Company and/or persons of repute, may be appointed as 'Chairman Emeritus' so that the Company could benefit from their knowledge and experience. Such Chairman Emeritus, however, shall not be a member of the Board. Presently, the Articles of Association of the Company do not contain any provision for appointment of a person as 'Chairman Emeritus.'

Therefore, the Board of Directors at the meeting held on 25th May 2023 had decided to alter the Articles of Association of the Company by inserting an enabling provision for appointment of Chairman Emeritus in order to have enabling powers to appoint 'Chairman Emeritus' as and when the Board of Directors deem fit.

Accordingly, Article No.176A under a new Clause XXVA under a new heading "APPOINTMENT OF CHAIRMAN EMERITUS", as set out in the resolution, is proposed to be incorporated after the existing Article No. 176 under Clause XXV.

A copy of the Articles containing the amendments will be available for inspection by the Shareholders during the business hours at the Registered Office of the Company upto the date of the Annual General Meeting and also at the Annual General Meeting.

The Articles of a Company may be altered by the Shareholders at a General Meeting by passing a Special Resolution.

The Board recommends adoption of the articles as mentioned in the Special Resolution and seek the consent of the Shareholders to Special Resolution as set out in Item No.10 of the Notice.

No Director of the Company or Key Managerial Personnel or their relatives shall be deemed to be concerned or interested in this Special Resolution.

The Board recommends Resolution No.10 as a Special Resolution for approval of the Shareholders.

By the Order of the Board of the Directors

Sonali Sanas
President (CS, Legal & Strategy)

Place : Mumbai
Dated : 30th June 2023

Registered Office:
Near Railway Station
Ranavav, 360560
Gujarat

Annexure A

Details required under Section 102 of the Companies Act, 2013 in respect of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting (AGM) and their Brief Resume have been provided under the Explanatory Statement annexed to this Notice. The other Information/Disclosure in compliance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India have been provided herein below:

Name of Director	Mr. Hemnabh Khatau	Mr. M.N. Sarma	Mr. Aman Pradeepchand Khanna	Mrs. Radhika Samarjitsinh Gaekwad	Mr. Ashwani Kumar
DIN	02390064	06734357	10211441	05129326	02870681
Item No	2	4	5	6	7
Date of Birth	27 th February 1961	20 th May 1958	12 th April 1972	19 th July 1978	28 th February 1958
Date of first Appointment	Initially joined the Board on 25.10.2008 and was reappointed in the current term on 21.9.2021.	25 th May 2023	30 th June 2023	30 th June 2023	13 th February 2019.
Qualification	B.A. (Engg) from Cambridge, M.Sc (UMIST)	M.A. (Economics), LL.B	B.Sc Economics (Accounting & Finance), London School of Economics, UK and FCCA, UK-Chartered certified Accountant	Masters in medieval Indian History	Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers.
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance	He is Associate Member of the Insurance Institute of India. Mr. M. N. Sarma has experience in insurance sector of around 36 years serving in New India Assurance Company Ltd, Oriental Insurance Company Limited, The Ken India Assurance Company Ltd, Nairobi and Government of India owned Health Insurance TPA of India Limited.	Presently he is a Board Member at MindMaze Group, Dubai since November 2020. Mr. Khanna has experience in finance of around 26 years serving with Ernst & Young, Deloitte in UK and Louis Dreyfus Company, UK and Dubai.	<ul style="list-style-type: none"> ➤ Mrs. Gaekwad is a philanthropist, social entrepreneur and has provided credible contribution towards Arts, Culture and Heritage. ➤ She is a director of CDS Art Foundation, Ahmedabad (Non-profit organization) where her roles include aligning artisans with designers and bridging gaps with the end consumers. 	A versatile banker, Mr. Ashwani Kumar has a rich banking experience of over 37 years in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank.

Name of Director	Mr. Hemnabh Khatau	Mr. M.N. Sarma	Mr. Aman Pradeepchand Khanna	Mrs. Radhika Samarjitsinh Gaekwad	Mr. Ashwani Kumar
		He retired as Chairman-cum-Managing Director of United India Insurance Company Ltd. Presently he is Secretary General of General Insurance Council.	He has vast experience in Corporate Governance and has handled various roles such as Group Chief Operating Officer, Group Chief Financial Officer, etc.	<ul style="list-style-type: none"> ➤ She has also been a jury member on several global platforms including the International Crafts awards. ➤ She is a patron of the Heritage Trust, an independent organization instrumental in bringing the monumental complex of Champaner on the World Heritage sites list. ➤ She is actively involved in preventing the city's heritage structures from being obliterated. ➤ She has also been researching and archiving the rich history and culture of royal India and has presented her research on prestigious platforms such as Saffron Art, Robb Report and India Today Conclave. 	
Terms and conditions of appointment or re-appointment	Nil	The details are provided in the explanatory statement at item no.4 of this Notice.	The details are provided in the explanatory statement at item no.5 of this Notice.	The details are provided in the explanatory statement at item no.6 of this Notice.	The details are provided in the explanatory statement at item no.7 of this Notice.

Name of Director	Mr. Hemnabh Khatau	Mr. M.N. Sarma	Mr. Aman Pradeepchand Khanna	Mrs. Radhika Samarjitsinh Gaekwad	Mr. Ashwani Kumar
Details of remuneration last drawn (FY 2022-23)	Details of sitting fees paid is provided in the report of Corporate Governance forming part of the Annual Report for the FY 2022-23.	Nil	Nil	Nil	Details of sitting fees paid is provided in the report of Corporate Governance forming part of the Annual Report for the FY 2022-23.
List of outside Directorships held in Listed Entities	Nil	Nil	Nil	Nil	Macrotech Developers Limited.
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil	Nil	Nil	Nil	Member of Nomination & Remuneration Committee and Finance Committee
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director					
a) Audit Committee	Nil	Nil	Nil	Nil	Chairman, Member
b) Shareholders Committee	Nil	Nil	Nil	Nil	Chairman, Member
Relation with other Directors & Key Managerial Personnel (KMP) of the Company	None	None	None	None	None
Shares held by the Directors in the Company	Nil	Nil	Nil	Nil	Nil

Annexure A (contd.)

Name of Director	Mr. Jay Mahendra Mehta	Mr. M. S. Gilotra
DIN	00152072	00152190
Item No	8	9
Date of Birth	18 th January 1961	17 th September, 1950
Date of first Appointment	Initially, he joined the Board in December 1987 and was re-appointed in the current term with effect from 1.1.2021.	Initially, he joined the Board in June 1995 and was re-appointed in the current term with effect from 1.1.2021.
Qualification	Graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland.	Mechanical Engineer from BITS, Pilani.
Expertise in specific General Functional area	Has about 3 decades of experience in overall management of the Company.	A technocrat having over 40 years of experience in Cement Industry & held senior management positions, a large part of which includes 19 years tenure with ACC Ltd. During his career, he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management. He is responsible for production, marketing and overall management of the Company.
Terms and conditions of appointment or re-appointment	As provided in the statement of particulars relating to explanatory statement pursuant to Schedule V of the Companies Act, 2013.	
Details of remuneration last drawn (FY 2022-23)	As provided in the statement of particulars relating to explanatory statement pursuant to Schedule V of the Companies Act, 2013.	
List of outside Directorships held Listed Entities	ADF Foods Limited.	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman of CSR Committee and Member of Stakeholders Relationships & Grievances Committee and also of Finance Committee	Member of Audit Committee, CSR Committee, Stakeholders Relationships & Grievances Committee, Allotment Committee and Finance Committee
Chairman/Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director		
a) Audit Committee	Nil	Nil
b) Shareholders Committee	Nil	Nil
	Member of Nomination & Remuneration Committee and CSR Committee of ADF Foods Limited	
Relation with other Directors & Key Managerial Personnel (KMP of the Company)	Mr. Jay Mahendra Mehta is the son of Mr. Mahendra N. Mehta	None
Shares held by the Directors in the Company	43,730 Equity Shares	3,00,293 Equity Shares

SAURASHTRA CEMENT LIMITED
STATEMENT OF PARTICULARS RELATING TO EXPLANATORY STATEMENT (Item No. 8 and 9)
(Pursuant to Schedule-V of the Companies Act, 2013)

I. GENERAL INFORMATION

Sr. No.	Particulars/Subject	Information
1.	Nature of Industry	Manufacturers of Ordinary Portland Cement, Portland Pozzalona Cement and Cement Clinker.
2.	Date or expected date of commencement of commercial production	August, 1960
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.
4.	Financial performance based on given indicators	In the Financial Year 2022-23, the Company made a turnover of ₹1658.38 crores (including other income) and Net Loss of ₹ 22.16 crores after tax. (The figures are of merged entity i.e. Gujarat Sidhee Cement Limited with Saurashtra Cement Limited)
5.	Export performance and net foreign exchange collections	During the Financial Year 2022-23, Export of Goods: ₹ 8.54 lakhs.
6.	Foreign Investments or collaborators, if any	No such investment or collaboration during the year.

II. INFORMATION ABOUT THE APPOINTEE

1.	Background details:	
	Mr. Jay Mehta	Mr. M.S. Gilotra
	<p>Mr. Jay Mehta, aged 62 years is presently designated as Executive Vice Chairman of the Company. Mr. Jay Mehta has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland.</p> <p>Mr. Jay Mehta is Executive Vice Chairman since 1.10.1995 and continued to be appointed as the Executive Vice Chairman. He was inducted as Additional Director on the Board effective from 23.12.1987. Prior to this, he was Vice President (Technical) in the Company. Since then the Company has been taking the advantage of his guidance and supervision. Because of his continued efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the cement industry. He is responsible for overall management of the Company.</p>	<p>Mr. M. S. Gilotra, aged 73 years is presently designated as Managing Director of the Company. Mr. Gilotra is a Mechanical Engineer from BITS, Pilani. Mr. Gilotra is Managing Director since 27.6.1996 and continued to be appointed as the Managing Director. Prior to this, Mr. Gilotra was holding the position of Joint Managing Director from 1.2.1995.</p> <p>He has more than 4 decades of total experience which includes 19 years tenure with ACC Ltd. During his career, he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management.</p> <p>Because of his effortless contribution, the growth of the Company increased substantially and achieved a brand image in the cement industry. He is responsible for production, marketing and overall management of the Company along with</p>

		a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.
2.	Past remuneration	
	Salary and perquisites drawn for the FY 2022-23 are given in the Corporate Governance Report.	Salary and perquisites drawn for the FY 2022-23 are given in the Corporate Governance Report.
3.	Job profile & his suitability	
	Mr. Jay Mehta, as Executive Vice Chairman is responsible for overall management of the company and is a promoter director.	Mr. M.S. Gilotra, as Managing Director is responsible for Production, Marketing and Overall management.
4.	Remuneration proposed	
	Salary, other perquisites and other terms as fully set out in the explanatory statement of Item No. 8 of the Notice.	Salary, other perquisites and other terms as fully set out in the explanatory statement of Item No. 9 of the Notice.
5.	Comparative remuneration profile with respects to industry, size of the Company, profile of the position and person	
	The remuneration has been benchmarked with similar companies in building industry and the profile of the appointee is in accordance with the industry standards. The appointees are all residents of India.	
6.	Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any	
	Mr. Jay Mehta, Executive Vice Chairman is the Whole-time Director in the Company and Promoter Director. He is the son of Mr. Mahendra N. Mehta, Chairman and Promoter of the Company.	Mr. M. S. Gilotra, Managing Director is the Whole-time Director in the Company. Mr. M. S. Gilotra is not related to any Director or Promoter of the Company.

III OTHER INFORMATION

1 Reasons of loss or inadequate profits

Steep increase and volatility in the international energy costs coupled with currency depreciation led to a runaway increase in the costs of coal, pet coke, power and the limestone procurement cost.

2 Steps taken or proposed to be taken for improvement

Restructuring of business through amalgamation. The same will help to optimize utilization of resources during the long run.

3 Expected increase in productivity and profits in measurable terms

Capacity utilization will be maintained above 100 percent. Further, efforts are being made towards reduction in cost and improvement in market realization.

By the Order of the Board of the Directors

Sonali Sanas
President (CS, Legal & Strategy)

Place : Mumbai

Dated : 30th June 2023

Registered Office:

Near Railway Station

Ranavav, 360560

Gujarat

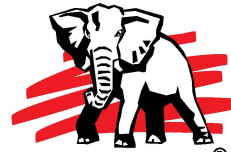
65th Annual Report

2022-23



Saurashtra Cement Limited

Saurashtra Cement Limited



HATHI
CEMENT

SINCE



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**STRONG
INTENTION
SOLID
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GENERAL INFORMATION

BOARD OF DIRECTORS

Mr. M. N. Mehta
Chairman

Mr. Jay M. Mehta
Executive Vice Chairman

Mr. Hemang D. Mehta
Non-Executive Director

Mr. Hemnabh Khatau
Non-Executive Director

Mr. M. N. Rao
Non-Executive
Independent Director

Mr. B. P. Deshmukh
Non-Executive
Independent Director

Mr. K. N. Bhandari
Non-Executive
Independent Director

Mr. Bimal Thakkar
Non-Executive
Independent Director

Mrs. Bhagyam Ramani
Non-Executive
Independent Director

Mr. Ashwani Kumar
Non-Executive
Independent Director

Mr. M. S. Gilotra
Managing Director

Chief Financial Officer
Mr. V. R. Mohnot

President (CS, Legal & Strategy)
Ms. Sonali Sanas

Auditors

M/s. Manubhai & Shah LLP Chartered Accountants

Bankers

HDFC Bank Ltd.

Registered Office

Near Railway Station, Ranavav 360560 (Gujarat)

Tel.: 02801 - 234200

Fax: 02801 - 234376

CIN: L26941GJ1956PLC000840

Registrars & Transfer Agent

M/s. Link Intime India Pvt Ltd

(Unit: Saurashtra Cement Limited)

C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083

Tel.: 022- 49186000

Fax : 022-49186060

Corporate Office

N. K. Mehta International House, 2nd Floor,
178, Backbay Reclamation, Mumbai 400020.

Tel.: 022- 66365444, Fax : 022-66365445

Website

<https://scl.mehtagroup.com>

www.snowcempaints.com

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the annual report of your Company for the Financial Year ended 31st March 2023.

It is our pleasure to inform that the National Company Law Tribunal (NCLT), Ahmedabad Bench vide its Order dated 16th March 2023 approved the Scheme of Amalgamation of Gujarat Sidhee Cement Limited (Transferor Company/GSCL) with Saurashtra Cement Limited (Transferee Company/SCL) under Section 230 to 232 of the Companies Act, 2013. The Appointed Date of the Amalgamation Scheme was 1st January 2022. The scheme became effective from 30th March 2023 (hereinafter referred to as the 'approved scheme').

The scheme shall have the benefits and synergies as envisaged on the objectives like:-

- Better competitive positioning in market in view of similar product and geography of operations.
- Common management with aligned vision and high promoter stake.
- Higher market capitalization.
- Flexibility for supply chain optimization.
- Cost and operational optimization by eliminating redundancies.

In view of the amalgamation, the accounts for the last two years have been recasted as the appointed date of merger is 1st January 2022. The financial results of the merged entity for the Financial Year ended March 31, 2023 are as under:

PERFORMANCE REVIEW AND THE STATE OF COMPANY'S AFFAIRS

(₹ in million)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operation (Net of GST) and Other Income	16583.76	14669.41	16583.80	14669.44
Profit before Interest, Depreciation, Exceptional items and Tax	188.06	795.97	190.36	798.601
Finance Cost	92.91	92.27	92.91	92.27
Profit before Depreciation, Exceptional Items and Tax	95.15	703.70	97.45	706.33
Depreciation & Amortization	388.69	331.65	388.69	331.65
Exceptional Items	0.00	(14.17)	0.00	0.00
Profit/(Loss) before Tax	(293.54)	357.88	(291.24)	374.68
Current Tax Expense	0.00	107.21	0.57	107.46
Deferred Tax Adjustment	(71.88)	36.13	(71.88)	36.13
Profit for the year	(221.66)	214.54	(219.93)	231.09
Total Other Comprehensive Income (net of tax)	(2.68)	1.30	(2.68)	1.30
Total Comprehensive Income	(224.34)	215.84	(222.61)	232.39
Retained Earnings – Opening Balance Add/(Less)	5678.38	5504.83	5681.89	5491.79
Profit for the Year	(221.66)	214.54	(219.93)	231.09
Re-measurement of Defined Benefit Plans Benefit Plan (Net of Tax)	(2.53)	1.30	(2.53)	1.30

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Transfer from Equity Instruments through OCI on Investments write off	(103.51)	0.00	(103.51)	0.00
Less : Equity Dividend	0.00	42.29	0.00	42.29
Retained Earnings – Closing Balance	5350.68	5678.38	5355.92	5681.89

The cement production for the year under review was 3.3% higher than that in the previous financial year. The clinker production was about 7.7% lower compared to the previous year in view of the inventory availability. The costs of all inputs viz. fuel, raw materials and additives like gypsum and fly ash were higher than the previous year due to lesser availability, high demand and the prevailing geo-political situation. The increase in costs could not be fully passed on to the customers through increase in cement prices; due to supply overhang, fragmented nature of industry and intense competition. The said factors resulted in lower EBIDTA in the Financial Year 2022-23.

The Company has initiated long term measures to strengthen the paints business by incurring higher expenses on brand building, sales promotions and building a sustainable organization by recruiting competent manpower. This has resulted in higher spend and has impacted the profitability of the paints business.

AMOUNT TRANSFERRED TO RESERVES

No amount is being transferred to the reserves in view of the losses.

DIVIDEND

The Board of Directors have not recommended any dividend for the year in view of the losses.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on the Management Discussion and Analysis as required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure A**.

CORPORATE GOVERNANCE

Corporate Governance Report along with Auditor's Certificate on its compliance pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure B**. A declaration by the Managing Director that Board and Senior Executives having complied with the Code of Conduct of the Company form part of the report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION AND CHANGE IN BUSINESS

No material change(s) and commitment(s) have occurred between the end of the Financial Year and the date of this Report, which has affected the Financial Statements of the Company with respect to the reporting year. There has been no change in the nature of business.

FINANCIAL STATEMENTS

The amalgamation has been accounted for in the books of account of the Company pursuant to the pooling of interest method prescribed for business combinations of entities under common control in Appendix C of Indian Accounting Standard (Ind AS) 103 notified under the Companies (Indian Accounting Standards) Rules, 2015, to the extent applicable.

Accordingly on and from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may and except to the extent required otherwise by law, all assets and liabilities of the erstwhile Gujarat Sidhee Cement Limited (GSCL) has been transferred to the Company under the Scheme and have been recorded in the books of account of the Company at the book values as recorded in the books of account of erstwhile GSCL.

All reserves of the GSCL forms part in the books of account of the Company in the same form in which they appear in the books of GSCL.

The difference between the amount recorded as share capital issued by the Company and the amount of Share Capital of GSCL has been adjusted in capital reserves in the books of the Company.

In case of any difference in accounting policy between GSCL and the Company, the impact of the same till the Appointed Date has been quantified and adjusted in the Capital Reserves of the Company to ensure that the financial statements of the Company reflect the financial position on the basis of consistent accounting policy.

Accordingly, as per the approved scheme, the accounts of GSCL have been merged with the Company.

The Audited Standalone and Consolidated Financial Statements of the Company which form a part of this Annual Report have been prepared pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in accordance with the provisions of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015 on Consolidated Financial Statements.

The Consolidated Net Loss of the Company is ₹ 219.93 million for the Financial Year ended 31st of March 2023.

AUTHORISED SHARE CAPITAL

In accordance with the approved scheme, the Authorised Shares Capital of the Company stands increased from ₹229,60,00,000/- divided into 22,96,00,000 Equity shares of ₹10/- (Rupees Ten only) fully paid-up to ₹ 772,70,00,000/- divided into 77,27,00,000 Equity shares of ₹ 10/- each (Rupees Ten only) fully paid up.

PAID UP SHARE CAPITAL

The paid up Equity Share Capital of the Company excluding the forfeited shares as on 31st March 2022 was ₹703.138 million.

During the year; 64,381 Equity Shares of ₹ 10/- each fully paid up were allotted to the employees in accordance with Saurashtra Employee Stock Option Scheme 2017 and listed at BSE Limited.

The paid up Equity Share Capital of the Company as on 31st March 2023 excluding the forfeited shares was ₹ 703.78 million.

The Allotment Committee of the Board at its meeting held on 26th April 2023, in accordance with the approved scheme, has issued and allotted 5,40,09,641 new equity shares of ₹10/- each fully paid up of the Company to the shareholders of erstwhile Gujarat Sidhee Cement Limited who were the shareholders as on 21st April, 2023 (i.e. Record Date). The listing approval from BSE Limited has been received on 24th May, 2023 and pending for trading approval from the Stock Exchange. The paid up share capital of the Company post allotment of the above shares is ₹ 110,72,95,430/- divided into 11,07,29,543 equity shares of ₹ 10/- each fully paid up.

New Equity shares of the Company allotted to those shareholders of GSCL who held shares in physical form shall be credited to Unclaimed Escrow Account. The Shareholders shall be required to claim the new shares from Unclaimed Escrow Account after submitting required details to the Registrar & Transfer Agent.

New Equity shares of the Company will be credited in Investor Education and Protection Fund (IEPF) on behalf of those Shareholders of GSCL who had not claimed/encashed dividends declared during the Financial Year 2012-13. The Shareholders shall be required to claim the shares from IEPF by submitting requisite forms with IEPF.

New Equity shares of the Company allotted to those Shareholders whose shares were transferred to an Unclaimed Suspense Account under Regulation 39(4) of SEBI (LODR) Regulations, 2015 in physical/demat form which was transferred by GSCL, will be credited to an Unclaimed Suspense Securities Account opened by the Company.

The fractional shares will be transferred to Escrow Account held by a Trustee. These shares will be sold by the Trustee and the proceeds will be paid to the eligible Shareholders in accordance with the approved scheme.

In accordance with the approved scheme, 22,85,912 Equity shares of ₹10/- each fully paid-up held by Saurashtra Cement Limited in the paid up share capital of Gujarat Sidhee Cement Limited and 1,36,58,267 Equity Shares of ₹10/- each held by Gujarat Sidhee Cement Limited in the paid up share capital of Saurashtra Cement Limited have been cancelled pursuant to cross holding.

EMPLOYEE STOCK OPTION SCHEME

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share

Capital and Debentures) Rules, 2014 is enclosed as **Annexure C** to this Report. Auditor's certificate on Saurashtra Employee Stock Option Plan in compliance with Regulations 13 of Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 is enclosed as **Annexure D**.

SECRETARIAL AUDIT REPORT

Section 204 of the Companies Act, 2013, inter-alia requires every listed Company to undertake a Secretarial Audit and shall annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form.

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Ragini Chokshi & Co, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditors of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2022-23. The report of the Secretarial Auditor in form MR-3 is enclosed as **Annexure E**. The report does not contain any qualification, reservation nor adverse remarks. Your Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ('ICSI').

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Keeping in view the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Stock Exchanges; a Secretarial Audit by the Practicing Company Secretaries is carried out on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said auditor confirms that the total issued/paid-up capital/any change in the capital in all the quarters during the year under review tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DEPOSITS

During the year under review, your Company has not accepted/received any deposits falling within the ambit of Section 73 of the Companies Act, 2013 and not under the exceptions provided under Rule 2 of the Companies (Acceptance of Deposits) Rules, 2014.

RELATED PARTY TRANSACTIONS

All transactions entered into with the related parties are approved by the Shareholders periodically and in accordance with the requirements of Section 188 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there is an omnibus approval taken from the Board of Directors and the Audit Committee on an annual basis and further as and when required. The other details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3) of the Companies Act, 2013 are mentioned in the Corporate Governance Report.

The particulars of every contract or 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 is enclosed in Form No. AOC-2 as **Annexure F**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Notes to the Standalone Financial Statements.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Not Applicable.

INTERNAL CONTROL SYSTEMS AND INTERNAL AUDIT

The Internal Control Systems of the Company are robust and commensurate with the nature, size and complexity of its business. Adequate internal financial control mechanism as laid down and adopted continue to be followed by the Company. Policies and procedures, as approved by the Board have been adopted by the Management of the Company for ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The control activities continue to incorporate, among others, continuous monitoring, routine reporting, digital business environment with minimum possible manual intervention, checks and balances, purchase policies, authorization and delegation procedures, audits including compliance audits, which are periodically reviewed by the Audit Committee. Based on the report of Internal Auditors, the Audit Committee / Board initiates corrective action in respective areas and thereby strengthens the controls.

Your Company has a Code of Conduct for all employees and also takes prompt action on any violations of the Code of Conduct by its employees.

INSURANCE

All the properties including buildings, plant, machinery and stocks have been adequately insured.

SUBSIDIARY COMPANIES

Your Company has one subsidiary Company; viz. Agrima Consultants International Limited. Section 136 of the Companies Act, 2013 has exempted the listed companies from attaching the financial statements of their Subsidiary Company to the Annual Report of the Company. In accordance with the proviso to sub-section (1) of Section 136; a copy of the audited annual accounts of Agrima Consultants International Limited is provided at the following link: <https://scl.mehtagroup.com/subsidiary-companies/agrima-consultants-international-ltd-finance-reports>

In accordance with Section 129(3) of the Companies Act, 2013 read with the rules made there under; a statement containing the salient features of the Financial Statements of the Company's Subsidiary is disclosed separately in this Annual Report under Form AOC-1.

Your Company will make available the Annual Accounts of the subsidiary Company to any Shareholder on their request and the same shall also be kept open for inspection by any Shareholder at the registered office of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Independent Director

Mr. M. N. Sarma (DIN:06734357) was appointed as Additional Director (categorized as Non-Executive, Independent Director) on the Board of Directors of the Company with effect from 25th May 2023 and he shall hold office upto the date of the ensuing Annual General Meeting and eligible for appointment for a period of 5 years from 25th May 2023. Mr. M. N. Sarma, is a Post Graduate in Economics, LL.B, having over 36 years of experience in the insurance sector.

The Board recommends the appointment.

Re-appointment of Directors

Non-Independent Director

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Hemnabh Khatau (DIN: 02390064) Non-Executive, Non-Independent Director, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Independent Director

In accordance with the provisions of Section 149 sub-section 10 read along with sub-section 11 of the Companies Act, 2013; an Independent Director can be appointed for two consecutive terms of 5 years each wherein a Special Resolution is required to be passed at the Shareholders meeting for the second consecutive term. Mr. Ashwani Kumar (DIN: 02870681) an Independent Director whose first term expires on 12th February 2024 and who has consented to act as an Independent Director was re-appointed as an Independent Director of the Company at the Board Meeting

held on 25.5.2023 to hold office for second term of 5 (five) consecutive years from 13.2.2024 to 12.2.2029 subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting. Mr. Ashwani Kumar is a Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers. Mr. Ashwani Kumar has a rich banking experience of over 37 years.

Executive Vice Chairman

The tenure of Mr. Jay Mehta as the Executive Vice Chairman is upto 31st December, 2023. The Nomination & Remuneration Committee at its meeting held on 23rd May 2023 approved re-appointment of Mr. Jay Mehta as the Executive Vice Chairman for a further period of 3 (Three) years with effect from 1st January 2024 to 31st December, 2026 and recommended to the Board for its approval. The Board at its meeting held on 25th May 2023 considered the recommendation of Nomination & Remuneration Committee and approved the said re-appointment and recommended to the Shareholders for its approval.

Managing Director

The tenure of Mr. M. S. Gilotra as the Managing Director is upto 31st December, 2023. The Nomination & Remuneration Committee at its meeting held on 23rd May 2023 approved re-appointment of Mr. M. S. Gilotra as the Managing Director for a further period of 3 (Three) years with effect from 1st January 2024 to 31st December, 2026 and recommended to the Board for its approval. The Board at its meeting held on 25th May 2023 considered the recommendation of Nomination & Remuneration Committee and approved the said re-appointment and recommended to the Shareholders for its approval.

Resume of the Directors

Brief resume of the Directors seeking appointment/re-appointment along with other details as stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in **Annexure G**.

The Board recommends the re-appointment.

Appointment / Change in Other Key Managerial Personnel

During the year under review, Mr. Rakesh Mehta stepped down as Chief Financial Officer of the Company with effect from 30th March 2023 and Mr. V. R. Mohnot was appointed as Chief Financial Officer of the Company effective from 30th March 2023.

INDEPENDENT DIRECTORS' DECLARATION

Your Company has received declarations from each of the Independent Directors stating that they meet the criteria of the independence prescribed under Section 149 read with Schedule IV of the Companies Act, 2013 and rules made there-under, as well as Regulation 25 & 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the declarations received, the Board considered the independence of each of the Independent Directors in terms of above provisions and is of the view that they possess integrity, relevant expertise, experience, proficiency and fulfill/meet the criteria of independence and are independent from the management.

DISCLOSURE PERTAINING TO DISQUALIFICATION OF DIRECTORS

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; a certificate has been received from M/s Ragini Chokshi & Co. Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been disqualified to act as Director which is enclosed as **Annexure H**.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have put in place a mechanism for evaluation of its own performance, Committees, Independent Directors and Individual Directors. The evaluation process considers attendance of Directors at the Board and Committee meetings, participation at the meetings,

domain knowledge in the Board Meeting, awareness and observation of Governance etc. Accordingly, evaluation sheet gets circulated to the Board and the Board carries out annual performance evaluation. The responses being received are evaluated by the Board.

MEETINGS OF THE BOARD AND COMMITTEES

During the year under review, five (5) Board Meetings were held. These meetings were held on the 23rd May 2022, 12th August 2022, 1st November 2022, 9th February 2023 and 30th March 2023. The details of the number of meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report, which forms part of this report.

SECRETARIAL STANDARDS

Your Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards i.e. SS-1 and SS-2, issued by The Institute of Company Secretaries of India.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

The constitution of the Committee along with the terms of reference to the Committee is set out in the Corporate Governance Report. The Nomination and Remuneration Charter and Compensation Policy is available at the following links: <https://scl.mehtagroup.com/policy/nomination-and-remuneration-charter> and <https://scl.mehtagroup.com/policy/compensation-policy>

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is enclosed as **Annexure I**.

As per Clause 5 of the approved scheme, effective from 30th March, 2023, all the employees of erstwhile GSCL became employees of the Company without any interruption in service and on terms and conditions no less favourable than those on which they were engaged by GSCL.

Accordingly, there were 817 permanent employees of the Company as on 31st day of March 2023.

A statement showing names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and 5(3) and other details as required of the aforesaid Rules, shall form part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Shareholders and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by Shareholders at the Registered Office of the Company, during business hours on working days upto the date of the ensuing Annual General Meeting. If any Shareholder is interested in obtaining a copy thereof, such Shareholder may write to the Company Secretary, whereupon a copy would be sent. Further, the details are also available on the Company's website: <https://scl.mehtagroup.com/investors>

The employees holding options in GSCL were granted options in SCL in the ratio of 100:62 and in accordance with the approved scheme and ESOS of SCL.

AUDITORS:

STATUTORY AUDITORS AND THEIR REPORT

Pursuant to Section 139 of the Companies Act, 2013 and Rules made there under, the Company at its 64th Annual General Meeting held on 26th July 2022 appointed M/s. Manubhai & Shah LLP, Chartered Accountants, (Firm Registration No. 106041W / W100136) as Statutory Auditors of the Company, to audit the accounts of the Company up to the Financial Year 2026-27.

The Auditor's Report issued by M/s. Manubhai & Shah LLP, Chartered Accountants on the financial statements of the Company for the Financial Year 2022-23 to the Shareholders forms part of the Annual Report and does not contain any qualification/reservation/disclaimer.

SECRETARIAL AUDITORS

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the Financial Year 2023-24.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has made and maintained the cost accounts and records for the year 2022-23. The Board of Directors on the recommendation of the Audit Committee appointed M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23. The Cost Audit Report for the financial year ended 31st March, 2022 was filed with the Central Government on 10th September 2022 vide SRN No. F24479719.

Further, the Board of Directors, on the recommendation of Audit Committee, has appointed M/s V. J. Talati & Co, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2023-24 and fixed their remuneration, subject to the ratification by the Shareholders at the ensuing Annual General Meeting of the Company. M/s V. J. Talati & Co, have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Necessary resolution seeking Shareholders approval for ratification of remuneration payable to the Cost Auditor for the Financial Year 2023-24, is included in the Notice convening the 65th Annual General Meeting.

COST RECORDS

The Cost accounts and records as required to be maintained under Section 148(1) of Act are duly made and maintained by the Company.

TAX AUDITORS

The Board of Directors, on the recommendation of the Audit Committee reappointed M/s Manubhai & Shah LLP, Chartered Accountants to carry out the Tax Audit for the Assessment Year 2023-24.

INTERNAL AUDITORS

The Board of Directors on the recommendation of the Audit Committee reappointed M/s. Haribhakti & Co., LLP, Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2022-23. During the year under review, Audit observations of Internal Auditors and corrective actions thereto were periodically presented to the Audit Committee of the Board.

The Board of Directors on the recommendation of Audit Committee has now assigned the Internal Audit to an in-house internal audit department handled by professionals for the Financial Year 2023-24.

REPORTING OF FRAUDS BY AUDITORS

Your Board has the pleasure in confirming that no qualification, reservation, adverse remark or disclaimer has been made by the Statutory Auditors and the Company Secretaries in Practice in their Audit Reports issued to the Shareholders of the Company. The Statutory Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013.

OTHER DISCLOSURES UNDER COMPANIES ACT, 2013 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**AUDIT COMMITTEE**

Your Company has an Audit Committee and details of its constitution, terms of reference are set out in the Corporate Governance Report.

RISK MANAGEMENT

Your Company has in place a robust risk management framework which identifies and evaluates business risks and opportunities. Your Company recognizes that these risks need to be managed and mitigated to protect the interest of the shareholders and stakeholders, to achieve business objectives and enable sustainable growth. The risk

management framework is aimed at effectively mitigating Company's various business and operational risks, through strategic actions. Risk management is embedded in critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been serving the society towards improving the quality of life of the communities at large well before the provisions were embedded under Section 135 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations), 2015.

Your Company's CSR vision clearly states to strengthen community relationship and to bring sustainable change in the quality of life of people of nearby villages of the factory through innovative solutions in Education, Health, Water & Sanitation, Skills Development, Livelihood Promotion and Rural Development. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

Your Company has been persistent and relentless in their efforts towards conservation of the environment and time and again, have been actively engaged in supporting their local communities and fulfilling its commitments towards the steady progress of society at large.

Your Company has in place the Corporate Social Responsibility Policy for welfare of the society, which is in consonance with Section 135 of the Companies Act, 2013 on CSR and in accordance with CSR rules amended under the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs. The policy is available on the website of the Company at the following link: <https://scl.mehtagroup.com/policy/csr-policy>
The constitution and functions of the Corporate Social Responsibility Committee is provided under the Corporate Governance Report.

The annual report on CSR activities and expenditure required under Section 134 & 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure J**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant / material orders passed by the regulators, any court or tribunal impacting the going concern status of the Company and its operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

- (a) that in the preparation of the annual financial statements for the year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- (b) that the accounting policies as mentioned in Note No.1(B) to the Financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were laid down and that such internal financial controls were adequate and were operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

OTHER INFORMATION**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 is enclosed as **Annexure K**.

Whistle Blower Policy/Vigil Mechanism

Your Company has established a Vigil Mechanism / Whistle Blower Policy and the Directors and employees of the Company can approach the Audit Committee when they suspect or observe unethical practices, malpractices, non-compliances of Company's policies, etc. The Whistle Blower Policy has been posted on the website of the Company at the following link: <https://scl.mehtagroup.com/policy/whistle-blower-policy>

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has in place Internal Complaints Committee for redressal of grievances regarding sexual harassment received by the Committee. All employees are covered under this Policy. During the year under review, your Company has not received any complaints of sexual harassment. Your Company has complied with all the applicable provisions of the said Act.

Annual Return

In compliance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return as per Section 92(3) of the Act has been hosted on the website of the Company at <https://scl.mehtagroup.com/investors/annual-return>

Secretarial Compliance Report

Your Company has received Secretarial Compliance Report for the year ended 31st March 2023 from M/s. Ragini Chokshi & Co., Practicing Company Secretaries, pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is annexed hereto as **Annexure L**.

OTHER DISCLOSURES:

No disclosure or reporting is made in respect of the following items as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as there were no transactions during the year under review:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- The Managing Director of the Company does not receive any remuneration or commission from its subsidiary Company.
- No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- There was no revision in the financial statements.
- There was no change in the nature of business.

GENERAL**Transfer of Shares**

As notified under Regulation 40(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Listing of Equity Shares

Your Company's equity shares are listed on the BSE Limited. Your Company has paid the listing fees for the Financial Year 2023-24.

FACTORY LOCATIONS

The factories of the Cement division are located at:

1. **Ranavav Unit**
Address: Near Railway Station,
Porbandar, Ranavav, Gujarat- 360560.
2. **Sidheegram Unit** (This unit forms part of Saurashtra Cement Limited by virtue of merger)
Address: Sidheegram, PO - Prashnavada BO,
Via Sutrapada SO (Taluka),
District : Gir Somnath, Veraval, Gujarat-362275

The factories of the Paint division are located at :

1. **Sinnar Unit**
Plot No.E-6, MIDC, Tal: Sinnar, Malegaon
Nashik, Maharashtra-422103.
2. **Gotan Unit**
F 3,4,18,19,20, Industrial Area, Gotan, Nagaur
Rajasthan-342902.
3. **Gummidipoondi Unit**
Plot No.B-60 & 61, SIPCOT Industrial Estate
Gummidipoondi, Tiruvallur
Tamil Nadu-601201.

AWARDS

During the year, your Company bagged following awards:

Ranavav Unit:

- Five Star Award to Adityana Limestone and Marl Mines by Ministry of Mines for the efforts and initiatives taken for implementation of the Sustainable Development Framework by the Company at the 75th Anniversary and Star Rating Ceremony held on 1st March 2023;

Sidheegram Unit:

- Mission Energy Foundations Award 2022 received for best utilization of Fly Ash.
- Indian Bureau of Mines, Government of India, Ministry of Mines – Awarded to Prashnavada-Morasa Limestone Mines for Exemplary Performance in implementation of Sustainable Development Framework during the year 2022-23 assessed under the Star Rating System on 1st March, 2023 at Nagpur.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their deep appreciation to the shareholders, dealers, distributors, consumers, banks and other financial institutions for their continued support rendered during the year.

For and on behalf of the Board of Directors

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

M. S. Gilotra
Managing Director
(DIN: 00152190)

Place : Mumbai
Dated : May 25, 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

Economic Survey 2023 estimated India's GDP growth at about 7 per cent for FY 2022-23. The growth follows a high growth of about 7-8 per cent in FY 2021-22 and despite the triple shocks of Covid-19, Ukraine-Russia conflict and steep increases in interest rates across the globe. The year witnessed high volatility in the fuel costs, an energy crisis and high inflation.

The net direct tax collections increased by 17.63 per cent compared to FY 2021-22 and were higher than the budget by ₹ 2.4 lakh crores. A part of the additional collections is expected to be invested by the Governments in affordable housing and infrastructure development, which in turn are likely to boost cement consumption.

Various agencies estimate the GDP growth for FY 2023-24 at about 6 to 6.8 per cent supported by domestic demand and a pickup in capital investment.

CEMENT INDUSTRY AND OUTLOOK

India is the second largest consumer of cement and produces about 8 per cent of the global cement production. However, its per capita consumption is only about half of the world average per capita consumption, indicating a large potential for demand growth.

As per CRISIL, the all India cement consumption for FY 2022-23 was about 11 per cent higher than the previous year. However, the installed capacity was far in excess of the consumption resulting in a low capacity utilization for the industry of about 68-69 per cent. About 55 to 60 per cent of the demand continues to come from the housing sector particularly from the Government's thrust on rural and affordable housing.

Infrastructure sector contributed to about 26 to 28 per cent of the cement demand, the major drivers being construction of National Highways, Gati Shakti Project, Bharatmala and Sagarmala projects, Dedicated freight corridors, construction of smart cities, metro rail and other infrastructure projects being undertaken in metros, state capitals, tier 1 and major tier 2 cities, bullet train project etc.

The industry witnessed a steep increase and volatility in the international energy costs coupled with currency depreciation, which led to a runaway increase in the costs of coal, pet coke, power etc. However, the increase in costs could not be fully passed on to the customers as the cement prices remained under pressure due to the supply overhang coupled with the fragmented nature of the industry. This resulted in erosion in the profit margins of most of the cement companies as cement manufacturing is energy intensive.

As per CRISIL, cement consumption is expected to grow at about 7 to 9 per cent per annum during the next two years. However, about 60 Million Tons of capacity addition is expected to materialize in the next two years, which would continue to put pressure on the pricing. The fuel prices have started moderating in the last few months. However, the non-resolution of the Ukraine-Russia conflict continues to affect the volatility in the fuel prices, which are about 150 per cent higher than those prevailing two years back. The operating margins are expected to remain under pressure.

PAINT INDUSTRY OUTLOOK

Paints serves functional as well as aesthetic purposes and is therefore a critical element in the construction. The paints industry has witnessed a healthy double digit compounded annual growth rate over the last decade. The growth in the paints industry is driven largely by increase in housing and commercial construction activities. Shortening of repainting cycles also contributes significantly to the demand for paints. The impact of Covid-19 on the paints industry is waning resulting in a significant increase in the demand for paints. As per the Indian Paints Association, the decorative paints sector which constitutes about 70 per cent of the total paints market is expected to grow to about ₹ 1 lakh crores in the next five years.

The industry witnessed increasing costs due to rising crude prices, currency depreciation and logistics costs. The increase in the prices of paints was not commensurate with the rising costs and the profitability margins remained under pressure.

The outlook for paints remains positive with the pick-up in housing, infrastructure and construction activities across all regions. Increasing income levels, rural growth, increasing urbanization, rising aspirations of a growing middle class and increasing disposable incomes are likely to be the growth drivers for the paints industry. Moreover, the Indian paint industry has been witnessing a shift in the preferences of people from the traditional whitewash to high quality paints like emulsions and enamel paints, which have better margins.

PERFORMANCE ANALYSIS

During the year, the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 16th March 2023 approved the scheme of amalgamation for merger of Gujarat Sidhee Cement Limited with Saurashtra Cement Limited. The appointed date was 1st January 2022. The scheme became effective from 30th March 2023. In view of the amalgamation, the accounts for the last two years have been recasted.

During the Financial Year ended 31st March 2023, your Company (merged entity) earned / (incurred) a net loss of ₹ 22.17 crores as against net profit of ₹ 21.45 crores in the previous Financial Year.

Since cement is the core business of the Company, the majority of the revenue and profitability comes from the sale of different types of cement. The company has acquired the paints business of Snowcem Paints, which is operating as paints division of the company.

Although currently the share in revenue of the paints division is insignificant, it is likely to have a healthy growth.

KEY FINANCIAL RATIOS

The details of significant changes in key financial ratios of the Company for the current Financial Year vis-à-vis the previous Financial Year are given in the following Table:

Ratio	Current FY 2022-23	Previous FY 2021-22	Variance, %	Reason for Variance
Debtors Turnover (Days)	15.28	13.33	-15%	Consequential impact of decrease in profit
Inventory Turnover (Days)	40.87	39.76	-3%	
Interest Coverage Ratio	1.01	3.21	-69%	
Current Ratio	0.93	1.24	-25%	Decrease in current assets, mainly bank balances due to Non-current classification of Fixed Deposits with Bank with maturity greater than 12 months from the date of Balance Sheet
Debt Equity Ratio	0.07	0.11	-36%	Decrease in debt, mainly current bank borrowings
Operating Profit Margin (%)	1.14%	5.49%	-79%	Decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully
Net Profit Margin (%)	-1.35%	1.48%	-191%	Decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully

The Return on Net Worth of the Company for the FY 2022-23 was (2.48%) as against 2.40% in the Previous Financial Year. The reason for the change is the impact of decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully during FY 2022-23.

RISK AND CONCERNS

Your Company has internal control procedures to evaluate, monitor and review the risks impacting the Company.

The major risks identified by the Board of Directors / Committees is as under:-

- Proximity to Barda Wildlife Sanctuary (Adityana Mines-Ranavav Unit)
- Validity of Adityana Mining Lease upto 31.3.2030.
- Low availability of limestone from own mines and higher cost of raw material at Sidheegram unit.
- Cost structure constraint to sell in South & North Gujarat, Mumbai, South Rajasthan and Kerala owing to supply overhang and market dynamics.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control Systems of your Company are robust and commensurate with the nature, size and complexity of its business. Adequate internal financial control mechanism as laid down and adopted continue to be followed by your Company. Policies and procedures, as approved by the Board have been adopted by the Management of the Company for ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The control activities continue to incorporate, among others, continuous monitoring, routine reporting, digital business environment with minimum possible manual intervention, checks and balances, purchase policies, authorization and delegation procedures, audits including compliance audits, which are periodically reviewed by the Audit Committee. Based on the report of Internal Auditors, the Audit Committee / Board initiates corrective action in respective areas and thereby strengthens the controls.

The Audit Committee of the Board of Directors approves from time to time - the quarterly audit assignments, reviews the progress of audit findings presented by the Internal Auditors. Also the status of the implementation of audit recommendations and adequacy internal controls is reviewed by the Audit Committee.

The constitution of the Audit Committee and its terms of reference are set out in the Corporate Governance Report as **Annexure B**.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

Your Company considers employees as the most valuable assets and their competencies and capabilities are critical to achieving our business objectives and fulfilling their aspirations. Your Company continuously provides training to internal talent and build a talent pool for future roles, utilizing inter-alia the effective e-learning model. Your Company imparted 1867 training programs covering 6090 hours during the year.

Your Company also implemented SAP Payroll and Success Factors to manage people profiles, organizational charts, employee benefits, time attendance, and HR compliance with more confidence, as well as an inbuilt PMS, learning and development module for employees' overall development.

Industrial relations have remained cordial, and employee relations have been harmonious throughout the year.

As on 31.03.2023, the number of permanent employees in your Company were 817.

OCCUPATIONAL HEALTH AND SAFETY

Your Company values a healthy body and mind as the basic need of every organization. Health centre of your Company takes care of health-related issues of employees and their family members, which is also extended to the community free of cost. In addition to treatment, the health centre offers immunization programs, occupational health services, and family welfare education programs. Your Company has a robust management system to ensure safety culture which is imbibed across the organization. Your Company's occupational health and safety measures are certified by recognized certification bodies, and have implemented International Safety Standards OHSAS 18001 and now ISO 45001 for occupational health and management systems. Your Company regularly conduct Safety

events like National Safety Day, National Fire Service Day and awareness sessions, internal/external safety audits, and behaviour-based safety drives to mitigate unsafe conditions at the workplace. Your Company is committed to ensuring the safety of all employees, contractors, and others connected with its operations through its Zero Harm policy.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is sensitive towards society and the environment and ensures minimal impact of its operations. Your Company's CSR initiatives focus on areas such as health, education, drinking water, environment, and rural development. These initiatives aim to create long-term value and are implemented for community members, irrespective of their gender, ethnicity and religious background. Your Company also supported the District Administration in reducing the impact of the recent pandemic.

EDUCATION

Your Company has been striving for the cause of education for many decades. Your Company runs a full-fledged school for employees' children in and around Ranavav unit and children from neighbouring areas at a nominal cost, providing bus facility to children for commuting to the school and initiated extra coaching classes for the underprivileged promising students from nearby areas, thereby giving encouragement and guidance to the underprivileged students. Your Company generously donates to other educational institutes from time to time.

SANITATION

Your Company participate in national programs implemented by the government and NGOs by participating in the Swachh Bharat Abhiyan.

ENVIRONMENT INITIATIVES

Your Company is committed to minimizing its impact on the environment, measure and reduce the environmental impact of our operations and our manufacturing unit is certified to ISO 14001 for environment management systems.

As a responsible and environmentally conscious organization, the operating units are equipped with state-of-the-art air pollution control devices, including reverse air bag houses, electrostatic precipitators, and jet pulse filters. Your Company has also modified our existing pollution control equipment to meet our statutory emission obligations.

To promote cleaner production technologies, your Company co-processes various industrial hazardous wastes as alternative fuels in cement manufacturing and in 2022–23, co-processed more than 25,000 MT of hazardous waste and other wastes as Alternative Fuels and Raw Materials (AFR).

Water is an essential resource, and your Company understands its importance. To improve the groundwater level of the surrounding area, your Company has taken the initiative to recharge the groundwater through rainwater recharging pits. Your Company has constructed 12 rainwater recharge pits at the plant and colony areas and installed piezometers at the plant and mine area to monitor the impact of groundwater recharge on the groundwater table.

World Environment Day, World Ozone Day, World Water Day and World Earth Day were celebrated by your Company to raise awareness not only among the employees but also amongst the communities in the surrounding villages. Your Company organizes various training programs and competitions, such as an environment quiz, poster competition and slogan competition, to encourage everyone to become more environmentally conscious.

As we all know that trees are essential to maintaining a healthy environment as they provide food, shelter, and clean air. In addition, they play a crucial role in protecting the ozone layer by absorbing harmful gases such as CO₂. Recognizing the importance of trees to our ecosystem, your Company has made its duty to contribute to their growth through tree plantation programs. Your Company has participated in various events such as World Environment Day, World Earth Day and World Ozone Day to increase awareness about the importance of tree plantation.

During the year 2022-23, your Company has planted 8749 saplings in Ranavav and Sidheegram plants, with special emphasis on high density plantation (HDP).

Your Company is committed to ensuring that its operations are sustainable and environmental friendly.

Your Company will continue to explore innovative ways to reduce its environmental impact and protect the planet.

AWARDS AND RECOGNITION

Ranavav Unit:

- Five Star Award to Adityana Limestone and Marl Mines by Ministry of Mines for the efforts and initiatives taken for implementation of the Sustainable Development Framework by the Company at the 75th Anniversary and Star Rating Ceremony held on 1st March 2023.

Sidheegram Unit:

- Mission Energy Foundations Award 2022 received for best utilization of Fly Ash.
- Indian Bureau of Mines, Government of India, Ministry of Mines – Awarded to Prashnavada-Morasa Limestone Mines for Exemplary Performance in implementation of Sustainable Development Framework during the year 2022-23 assessed under the Star Rating System on 1st March, 2023 at Nagpur.

CAUTIONARY STATEMENT

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may be forward looking statements within the meaning of applicable securities, laws and regulations. The Statements are based on certain assumptions and expectations of future events. Actual results could however differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply position, raw material, fuel, transport cost and availability, changes in Government regulations and tax structure, economic development in India. The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future based on subsequent developments, information or events.

For and on behalf of the Board of Directors

Jay M. Mehta
Executive Vice Chairman
(DIN: 00152072)

M. S. Gilotra
Managing Director
(DIN: 00152190)

Place : Mumbai

Dated : May 25, 2023

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a reflection of our value system, encompassing a set of policies and practices to ensure that the Company's affairs are managed in a manner which ensures highest standards of integrity, accountability, transparency in the widest sense, which emerges as the cornerstones of the Company's governance policy.

Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's wealth-generating capacity as well as to meet stakeholders' aspirations and societal expectations.

Your Company believes that good Corporate Governance emerges from the application of best and sound management practices and compliance of the laws coupled with the highest standards of business ethics and transparency. Your Company is committed to creation of long-term sustainable value for the benefit of all stakeholders.

Your Company confirms the compliance of corporate governance requirements as specified in Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations").

BOARD OF DIRECTORS

The primary role of the Board is to protect and enhance stakeholder's value. The Board sets strategic goals, reviews and guides corporate strategies. The Board's actions and decisions are aligned with the Company's best interests.

The Board comprises professionals of eminence and stature drawn from diverse fields, which elevates the quality of the Board's decision-making. The Board as a part of its functioning, aims to contribute significantly to create long term value for the stakeholders. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

Board Committees:

The Board has delegated its functioning in relevant areas to designated Board Committees to effectively deal with complex or specialized issues. The Board through its committees monitors various areas of business.

The mandatory Committees of the Board are:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Corporate Social Responsibility Committee;
- iv. Stakeholders Relationship and Grievances Committee

The Board has voluntarily constituted the Finance Committee and the Allotment Committee. These Committees undertake the functions, roles and responsibilities as provided in this report.

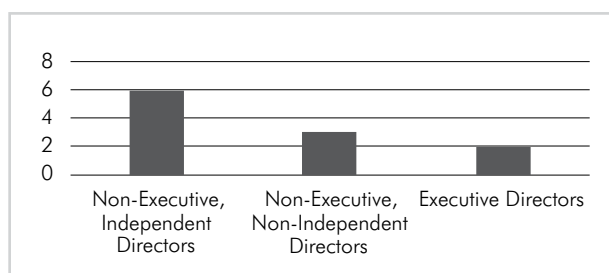
All the Directors have periodically intimated about their Directorship and Membership in the various Boards/ Committees of other companies. The same is within the permissible limits as provided by the Companies Act, 2013 and SEBI (LODR) Regulations.

None of the Directors on the Board is a member of more than 10 committees or Chairperson of more than 5 committees (as specified in Regulation 26 of SEBI (LODR) Regulations across all the public Companies in which he/ she is a Director.

Composition of the Board as on 31st March, 2023

The composition of the Board of your Company is in conformity with Regulation 17 and 17A of the SEBI (LODR) Regulations, read with Section 149 of the Companies Act, 2013.

The Board composition as on 31st March, 2023 is as under:



Independent Directors

All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (LODR) Regulations.

No Director is related to any other Director on the Board in terms of the definition of “relative” as defined in Section 2(77) of the Companies Act, 2013. None of the Directors on the Board are Directors/Independent Directors of more than 7 (seven) listed entities and none of the Whole time Directors are Independent Directors of more than 3 (three) listed companies.

BOARD MEETINGS:

The Board of the Company meets at least four times in a year and the intervening gap between the meetings is within the period prescribed under the Companies Act, 2013 and the SEBI LODR Regulations. The conduct of Board and Committee Meeting(s) of your Company is in compliance with the applicable provisions of the Act, Secretarial Standard -1 ('SS-1') on the Meetings of the Board of Directors as prescribed by the Institute of Company Secretaries of India (ICSI), and the SEBI (LODR) Regulations.

During the financial year ended 31st March, 2023; 5 (five) board meetings were held through video conferencing and as dated: 23rd May, 2022; 12th August, 2022; 1st November, 2022; 9th February, 2023 and 30th March, 2023. The gap between any two Board meetings did not exceed the stipulated time of 120 (one hundred and twenty) days, as provided under Section 173 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations and Secretarial Standard-1.

Invitees & Proceedings

Apart from the Board members, the Company Secretary and Chief Financial Officer also attend all the Board & Committee Meetings. Other senior management executives of the Company are also invited to provide inputs for the items being discussed by the Board. The Managing Director and CFO make presentations on the quarterly and annual operating and financial performance and on annual budget at the Board and Audit Committee meeting respectively. The Chairman of various Committees briefs the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

PROFILE OF DIRECTORS

Brief details of Directors as on March 31, 2023 are as mentioned below:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance AGM held on 26.07.2022	No. of other Directorships*	Committee Positions **		Relationship with other Directors	No. of shares held
					Chairman	Member		
Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent Director	5	No	1	--	--	Father of Mr. Jay Mehta	Nil
Mr. Jay M. Mehta	Executive Vice Chairman, Non-Independent Director	5	No	2	--	--	Son of Mr. M. N. Mehta	43110
Mr. Hemang D. Mehta	Non-Executive, Non-Independent Director	5	Yes	--	--	--	--	95584
Mr. Hemnabh Khatau	Non-Executive, Non-Independent Director	4	Yes	1	--	--	--	Nil
Mr. M. N. Rao	Non-Executive, Independent Director	5	Yes	--	--	--	--	Nil
Mr. B. P. Deshmukh	Non-Executive, Independent Director	5	No	--	--	--	--	Nil
Mr. K. N. Bhandari	Non-Executive, Independent Director	5	Yes	7	4	3	--	Nil
Mr. Bimal R. Thakkar	Non-Executive, Independent Director	5	Yes	4	--	1	--	Nil
Mrs. Bhagyam Ramani	Non-Executive, Independent Director	5	Yes	3	--	5	--	Nil
Mr. Ashwani Kumar	Non-Executive, Independent Director	5	Yes	3	2	2	--	Nil
Mr. M. S. Gilotra	Managing Director, Non-Independent Director	5	Yes	--	--	1	--	149252

* Includes Directorships of Indian Public Limited Companies other than Saurashtra Cement Limited

** Includes only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies (whether listed or not) other than Saurashtra Cement Limited, as per Regulation 26(1)(b) of SEBI (LODR) Regulations.

DIRECTOR(S) SEEKING APPOINTMENT /RE-APPOINTMENT**Appointment of Non-Executive, Independent Director**

Mr. M. N. Sarma (DIN:06734357) was appointed as Additional Director (categorized as Non-Executive, Independent Director) on the Board of Directors of the Company with effect from 25th May 2023 and he shall hold office upto the date of the ensuing Annual General Meeting and eligible for appointment for a period of 5 (five) consecutive years from 25th May 2023. Mr. M. N. Sarma, is a Post Graduate in Economics, LL.B, having over 36 years of experience in the insurance sector.

Appointment of Non-Executive, Non-Independent Director

In terms of Section 152(6) of the Companies Act, 2013, Mr. Hemnabh Khatau (DIN: 02390064) Non-Executive, Non-Independent Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Re-appointment of Non-Executive, Independent Director

Mr. Ashwani Kumar (DIN: 02870681) an Independent Director whose first term expires on 12th February 2024 and who has consented to act as an Independent Director was reappointed as an Independent Director of the Company at the Board Meeting held on 25th May 2023 to hold office for second term of 5 (five) consecutive years from 13.2.2024 to 12.2.2029 subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting. Mr. Ashwani Kumar is a Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers. Mr. Ashwani Kumar has a rich banking experience of over 37 years.

Re-appointment of Executive Directors**Re-appointment of Mr. Jay Mehta as Executive Vice Chairman**

The current term of appointment of Mr. Jay Mehta, as Executive Vice Chairman of the Company will come to an end on 31st December, 2023 and considering his vast experience, knowledge and skills sets; it is proposed to re-appoint Mr. Jay Mehta as Executive Vice Chairman for a further period of 3 (three) years with effect from 1st January 2024 to 31st December 2026, subject to the approval Shareholders of the Company. Mr. Jay Mehta, aged 62 years, has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland. He has over 4 decades of experience in the Cement Industry.

Re-appointment of Mr. M. S. Gilotra as Managing Director

The current term of appointment of Mr. M. S. Gilotra, as Managing Director of the Company will come to an end on 31st December, 2023 and considering his knowledge of various aspects relating to the Company's affairs and vast experience in the cement industry, it is proposed to re-appoint Mr. M. S. Gilotra as Managing Director for a period of 3 (three) years with effect from 1st January 2024 to 31st December 2026. Mr. M.S. Gilotra, aged 73 years, is a Mechanical Engineer from BITS, Pilani. He has total experience of more than 4 decades. His total experience includes 21 years tenure with Associated Cement Companies Ltd. (ACC). During his career he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management.

RESIGNATION OF INDEPENDENT DIRECTORS:

None of the Independent Directors of the Company have resigned before the expiry of his/her tenure.

OTHER DIRECTORSHIPS:

The details of other listed entities where the Directors have Directorships and their category of Directorships in such listed entities are given below:

Name of the Director	Name of the listed Entities	Category of Directorship
Mr. M. N. Mehta	Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023)	Chairman
Mr. Jay Mehta	(1) Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023) (2) ADF Foods Limited	(1) Executive Vice Chairman, Non-Independent Director (2) Non-Executive, Non-Independent Director
Mr. Hemang Mehta	--	--
Mr. Hemnabh Khatau	Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023)	Non-Executive, Non-Independent Director

Name of the Director	Name of the listed Entities	Category of Directorship
Mr. M. N. Rao	Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023)	Non-Executive, Independent Director
Mr. B. P. Deshmukh	--	--
Mr. K. N. Bhandari	(1) Shristi Infrastructure Development Corporation Limited (2) Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023) (3) Hindalco Industries Limited (4) Venus Pipes & Tubes Limited	Non-Executive, Independent Director
Mr. Bimal Thakkar	(1) Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023) (2) ADF Foods Limited	(1) Non-Executive, Independent Director (2) Executive Director, Managing Director
Mrs. Bhagyam Ramani	(1) Capri Global Capital Limited (2) Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023) (3) Llyods Metals and Energy Limited	Non-Executive, Independent Director
Mr. Ashwani Kumar	(1) Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023) (2) Macrotech Developers Limited	Non-Executive, Independent Director
Mr. M. S. Gilotra	Gujarat Sidhee Cement Limited (Amalgamated with Saurashtra Cement Limited w.e.f. 30 th March, 2023)	Executive Director, Managing Director

None of the Directors on the Board of the Company is a Director in more than 7 (seven) listed companies and is a member of more than 10 (ten) committees and/or acts as a chairman/chairperson of more than 5 (five) committees across all the listed companies in which he/she is a Director.

Further, no Independent Director serves in more than 7 (seven) listed companies and no person who is serving as a Whole-time Director/Managing Director in a listed company is serving as an Independent Director in more than 3 (three) listed companies.

INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors that they continue to meet the criteria of independence as provided under the Companies Act and SEBI (LODR) Regulations and comply with the Code for Independent Directors as specified under Schedule IV of the Act. Also, all Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA).

FAMILIARIZATION PROGRAMMES FOR THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Company believes that the Board must be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. Over the years, the

Company has developed a robust familiarization process for the newly appointed Directors with respect to their roles and responsibilities, overview of the cement industry, the Company's business model, the risks and opportunities, the new products, innovation, sustainability measures, etc.

The Company's management makes various legal & regulatory presentations periodically at the Board meetings to familiarize the Directors.

The details of familiarization programmes imparted to Independent Directors is disclosed on the company's website: <https://scl.mehtagroup.com/investors/announcements>

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS, INCLUDING INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, the Board carries out an annual performance evaluation comprising review of the performance of the Directors individually as well as the evaluation of the working of the entire Board and its Committees. For this purpose, a structured questionnaire is prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as structure and composition of the Board, quality of Board processes, Board culture and dynamics, and effectiveness in carrying out its role as expected by all the stakeholders.

In accordance with Schedule IV of the Act and Regulation 25(3) and (4) of the SEBI (LODR) Regulations; a separate meeting of the Independent Directors of the Company was held on 23rd May, 2023 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively discharge its duties between the Company's management and its Board.

The Board as a whole was assessed by Independent Directors taking into consideration the diversity, composition of the Board, frequency of meetings, qualification mix, regulatory compliances, corporate culture, values and interaction with the management etc.

AREAS OF EXPERTISE AND COMPETENCIES OF DIRECTORS

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations as amended, the Board has identified the key skills, expertise and competencies required in the context of the Company's business for its effective functioning which are currently possessed by the Board Members.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

The information in terms of Para C(2)(h)(ii) of Schedule V of the SEBI (LODR) Regulations is mentioned below:

	Technical Expertise	Legal Expertise	Industry Expertise	Finance Expertise	Strategy	Marketing Expertise
Mr. M. N. Mehta	✓		✓	✓	✓	✓
Mr. Jay Mehta	✓		✓	✓	✓	✓
Mr. Hemang Mehta	✓		✓		✓	✓
Mr. Hemnabh Khatau	✓			✓	✓	
Mr. M. N. Rao	✓		✓	✓	✓	
Mr. B. P. Deshmukh		✓		✓	✓	
Mr. K. N. Bhandari		✓		✓	✓	
Mr. Bimal Thakkar				✓	✓	✓
Mrs. Bhagyam Ramani				✓	✓	
Mr. Ashwani Kumar				✓	✓	✓
Mr. M. S. Gilotra	✓		✓	✓	✓	✓

COMMITTEES OF THE BOARD

The Board Committees are set up by the Board and play a crucial role in the governance structure. The Committees have been constituted to deal with specific areas / activities as mandated by applicable regulations. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. During the financial year, all recommendations made by the various Committees have been accepted by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

The Board has constituted the following Committees of Directors to monitor the activities falling within their respective terms of reference:

A. AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with the provisions of Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015.

The Terms of reference of Audit Committee are as follows:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approve payment to Statutory Auditors for any other services rendered by them.
4. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of the Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. Review, with the management, the quarterly financial statements before submission to the Board for approval;
6. Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approve transactions of the Company with related parties and any subsequent modification;
9. Scrutinize inter-corporate loans and investments;
10. Consider Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluate internal financial controls and risk management systems;

12. Review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discuss with Internal Auditors of any significant findings and follow up there on;
15. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the Whistle Blower / Vigil Mechanism;
19. Approve appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Review the utilization of loans and / or advances from / investment by the company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
21. To review the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)
22. Carry any other function as is mentioned in the terms of reference of the Audit Committee;
The following roles of Audit Committee have been notified by SEBI vide its circular dated 3rd November, 2020 as amended from time to time for considering scheme of arrangement for approval.
 - Need for the merger/demerger/amalgamation/arrangement;
 - Rationale of the scheme;
 - Synergies of business of the entities involved in the scheme;
 - Impact off the scheme on the shareholders;
 - Cost benefit analysis of the scheme

Composition:

The Audit Committee of the Board is constituted in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations.

As on March 31, 2023; the Committee comprised of the following members namely:

- i. Mr. M. N. Rao, Chairman
- ii. Mr. K. N. Bhandari, Member
- iii. Mrs. Bhagyam Ramani, Member
- iv. Mr. M. S. Gilotra, Member

All members of the Committee are financially literate and have requisite accounting and financial management expertise. The Company Secretary acts as the Secretary of the Audit Committee.

Meetings of the Audit Committee and attendance during the year:

4 (Four) meetings of the Audit Committee were held during the Financial Year 2022-23. These were held on 23rd May, 2022; 12th August, 2022; 1st November, 2022 and 9th February, 2023.

The attendance of members of Audit Committee at the said meetings was as follows:

Sr. No.	Name of the Member	Category of Director	No. of meetings attended
1.	Mr. M. N. Rao, Chairman	Non-Executive, Independent Director	4
2.	Mr. K. N. Bhandari, Member	Non-Executive, Independent Director	4
3.	Mrs. Bhagyam Ramani, Member	Non-Executive, Independent Director	3
4.	Mr. M. S. Gilotra, Member	Managing Director, Non-Independent	4

The Chairman of the Audit Committee, who is an Independent Director, was present at the 64th Annual General Meeting of the Company held on July 26, 2022.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company functions according to its terms of reference, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulate of criteria for evaluation of Independent directors and the Board;
- c) Devise a policy on Board diversity;
- d) Identify persons who are qualified to become directors and also such persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition:

As on March 31, 2023; the Committee comprised of the following members namely:

- (i) Mr. K. N. Bhandari, Chairman
- (ii) Mr. M. N. Rao, Member
- (iii) Mrs. Bimal Thakkar, Member
- (iv) Mr. Ashwani Kumar, Member

Meetings of the Nomination and Remuneration Committee and attendance during the year:

4 (Four) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2022-23. These meetings were held on the 19th May, 2022; 14th October, 2022; 28th October, 2022 and 30th March, 2023.

The attendance of members of Nomination and Remuneration Committee at the said meetings was as follows:

Sr. No.	Name of the Member	Category of Director	No. of meetings attended
1.	Mr. K. N. Bhandari, Chairman	Non-Executive, Independent Director	4
2.	Mr. M. N. Rao, Member	Non-Executive, Independent Director	4
3.	Mrs. Bimal Thakkar, Member	Non-Executive, Independent Director	4
4.	Mr. Ashwani Kumar, Member	Non-Executive, Independent Director	4

The Chairman of the Nomination and Remuneration Committee, who is an Independent Director, was present at the 64th Annual General Meeting of the Company held on July 26, 2022.

REMUNERATION/COMPENSATION POLICY

The Nomination and Remuneration Charter is approved by the Nomination and Remuneration Committee (NRC) and the Board. The main objective of the said Policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and Senior Management employees. The Remuneration Policy of the Company is designed to create a high-performance culture.

The Remuneration/Compensation/Increments to the Whole Time Director, KMP, Senior Management Personnel is being determined by the Committee and then recommended to the Board. Shareholders' approval is taken as and when required under the Act. The provisions of the Act along with Schedule V are complied.

The Remuneration paid to Executive/Non-Executive Directors is paid as per the Companies Act 2013. Sitting Fees being paid to Non-Executive/Independent Directors does not exceed Rs One lac per meeting of the Board/ Committee.

Details of Remuneration of Directors paid for the Financial Year 2022-23**Executive Directors**

(₹ in Lakhs)

Name	Salary & Allowances	Commission	Perquisites (Other than ESOP)	Super-annuation Paid (Taxable)	ESOP Perks	Total	Exempt Benefits		Total
							Contribution to PF	Contribution to Superannuation	
Mr. Jay M Mehta, Executive Vice Chairman	601.53	-	36.62	51.28	-	689.43	6.00	1.50	696.93
Mr. M. S. Gilotra, Managing Director	503.61	-	22.44	36.94	16.82	579.81	6.00	1.50	587.31

The above Executive Directors were reappointed for a period of 3 years effective from 1.1.2021 and the appointment(s) can be terminated by either side by giving three months' notice in writing. No Severance fees is applicable to the above Directors.

(*) ESOP is granted at ₹10/- (face value of shares). For the exercise period and accrual, details are given under the head 'Employees Stock Option Scheme' in the Directors' Report.

Non-Executive Directors

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to remuneration of Directors are taken by the Board of your Company in accordance with the shareholders approval, wherever necessary.

Sitting Fees are paid as under:

- Board, Audit Committee, Independent Directors Meeting: ₹ 75,000 per meeting
- Nomination & Remuneration Committee: ₹ 60,000 per meeting
- Stakeholders Relationship & Grievances Committee, CSR Committee, Allotment Committee and Finance Committee: ₹ 30,000 per meeting

The detail of sitting fees paid to Directors is given below:-

Sr. No.	Name of the Directors	No. of Board meeting attended	No. of Committee meetings attended	Amount of Sitting fees paid (₹)
1.	Mr. M. N. Mehta (Chairman)	5	-	3,75,000
2.	Mr. Hemang D. Mehta	5	-	3,75,000
3.	Mr. Hemnabh Khatau	4	-	3,00,000
4.	Mr. M.N. Rao	5	9	9,90,000
5.	Mr. B.P. Deshmukh	5	6	6,00,000
6.	Mr. K. N. Bhandari	5	9	9,90,000
7.	Mr. Bimal R. Thakkar	5	12	9,00,000
8.	Mrs. Bhagyam Ramani	5	11	8,85,000
9.	Mr. Ashwani Kumar	5	5	6,90,000
	Total			61,05,000

C. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE

The Stakeholders Relationship & Grievances Committee functions in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulations.

The Committee oversees the performance of the Registrar and Share Transfer Agent of the Company and recommends measures for the overall improvement in the quality of Investor Services. The Committee reviews investor related issues and recommends measures to improve Investor Services.

The Terms of reference of the Stakeholders Relationship & Grievances Committee are as follows:

- To resolve the grievances of the Shareholders of the Company including complaints related to transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company

Composition:

The composition of the Stakeholders' Relationship & Grievances Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations.

As on March 31, 2023; the Committee comprised of the following members namely:

- Mr. Bimal Thakkar, Chairman
- Mr. Jay M. Mehta, Member
- Mrs. Bhagyam Ramani, Member
- Mr. M. S. Gilotra, Member

Ms. Sonali Sanas, President (CS, Legal & Strategy) is designated as the Compliance Officer who oversees the redressal of the investor grievances.

Meetings of the Stakeholders Relationship & Grievances Committee and attendance during the year:

2 (Two) meetings of the Stakeholders Relationship & Grievances Committee were held during the Financial Year 2022-23. These meetings were held on 4th May, 2022 and 25th August, 2022.

The attendance of members of Stakeholders Relationship & Grievances Committee at the said meetings was as follows:

Sr. No.	Name of the Member	Category of Director	No. of meetings attended
1.	Mr. Bimal Thakkar, Chairman	Non-Executive, Independent Director	2
2.	Mr. Jay M. Mehta, Member	Executive Vice Chairman, Non-Independent	1
3.	Mrs. M. S. Gilotra, Member	Managing Director, Non-Independent	2
4.	Mrs. Bhagyam Ramani, Member*	Non-Executive - Independent Director	1

*Inducted as a member with effect from 22nd August, 2022

The details of investors' complaints received and resolved during the financial year ended March 31, 2023 are as follows:

No. of complaints received from April 1, 2022 to March 31, 2023	No. of Complaints resolved from April 1, 2022 to March 31, 2023	No. of complaints pending as at March 31, 2023
3	3	Nil

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee of the Board has been constituted to oversee the Corporate Social Responsibility Policy of the Company and to recommend projects/activities and the expenditure to be incurred on the activities, in accordance with the Schedule VII of the Act.

The terms of reference of the Committee are as follows:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Section 135 of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To monitor the CSR Policy of the Company from time to time; and
- d) Such other Terms of Reference as may be specified from time to time under the Companies Act, 2013, Rules there under and Schedule VII of the Act.

Composition:

The composition of the Corporate Social Responsibility Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013.

As on March 31, 2023; the Committee comprised of the following members:

- (i) Mr. Jay M. Mehta, Chairman
- (ii) Mrs. Bhagyam Ramani, Member
- (iii) Mr. Bimal Thakkar, Member
- (iv) Mr. M. S. Gilotra, Member

Meetings of the Corporate Social Responsibility Committee and attendance during the year:

1 (One) meeting of the CSR Committee was held during the financial year ended March 31, 2023. The meeting was held on 23rd of May, 2022.

The attendance of members of CSR Committee at the said meetings was as follows:

Sr. No.	Name of the Member	Category of Director	No. of meetings attended
1.	Mr. Jay M. Mehta, Chairman	Executive Vice Chairman, Non-Independent	1
2.	Mr. M. S. Gilotra, Member	Managing Director, Non-Independent	1
3.	Mrs. Bhagyam Ramani, Member	Non-Executive - Independent Director	1
4.	Mr. Bimal Thakkar, Member	Non-Executive - Independent Director	Nil

E. ALLOTMENT COMMITTEE

The Committee has been constituted for allotment and post-allotment activities of the Company's shares. The scope of work of this Committee is to approve allotment, issue of share certificate / letter of allotment, offer letter and information memorandum.

The terms of reference of the Committee are as follows:

- a) To recommend to the Board of Directors for issue, offer of company's securities;
- b) To carry out all necessary pre and post allotment activities relating to the allotment;
- c) To issue certificate, letter of offer, and approving such allotment.
- d) To allot shares to all the eligible employees from time to time who will be exercising the options granted to them under Saurashtra Employee Stock Option Scheme 2017.

Composition:

As on March 31, 2023; the Committee comprised of the following members:

- (i) Mr. B. P. Deshmukh, Member
- (ii) Mr. Bimal Thakkar, Member
- (iii) Mrs. Bhagyam Ramani, Member
- (iv) Mr. M. S. Gilotra, Member

Meetings of the Allotment Committee and attendance during the year:

5 (Five) meetings of the Allotment Committee were held during the Financial Year 2022-23. These meetings were held on 20th April, 2022; 1st July, 2022; 31st October, 2022; 9th January, 2023 and 24th March, 2023.

The attendance of members of Allotment Committee at the said meetings was as follows:

Sr. No.	Name of the Member	Category of Director	No. of meetings attended
1.	Mr. B. P. Deshmukh, Member	Non-Executive - Independent Director	5
2.	Mr. Bimal Thakkar, Member	Non-Executive - Independent Director	5
3.	Mrs. Bhagyam Ramani, Member	Non-Executive - Independent Director	5
4.	Mr. M. S. Gilotra, Member	Managing Director, Non-Independent	2

F. FINANCE COMMITTEE

The Committee was constituted for taking decisions on urgent requirements of finance for the operations of the Company and is a non-mandatory committee under the provisions of SEBI (LODR) Regulations, 2015. The Committee was reconstituted effective from 11th day of August 2021 with additional functions like evaluating various strategic projects / fund raising proposals.

Composition:

As on March 31, 2023; the Committee comprised of the following members:

- (i) Mr. Jay Mehta, Member
- (ii) Mr. Bimal Thakkar, Member
- (iii) Mr. K. N. Bhandari, Member
- (iv) Mr. Ashwani Kumar, Member
- (v) Mrs. Bhagyam Ramani, Member
- (vi) Mr. M. S. Gilotra, Member

Meetings of the Finance Committee and attendance during the year:

No meetings of the Finance Committee were held during the financial year 2022-23.

GENERAL BODY MEETINGS**(a) Details of Annual General Meetings**

Financial Year	Date	Time	Venue	Special Resolutions passed	Dividend declared
2021-22	26 th July, 2022	4.30 p.m.	Through Video Conferencing (VC)/ other Audio-visual Means (OVAM) at Mumbai	No Special Resolutions were Passed	Nil
2020-21	21 st September, 2021	2.30 p.m.	Through Video Conferencing (VC)/ other Audio-visual Means (OVAM) at Mumbai	<ol style="list-style-type: none"> 1. Resolution under Section 14 of the Companies Act 2013 for amendment in the existing para 1 & 3 of Articles 91, existing para 1 of Article 93 and existing para 1 of Article 96.1 of the Articles of Association of the Company, authorizing the Vice Chairman to chair any of the General Meetings (Annual or Extra-ordinary) in absence of the Chairman of the Company. 2. Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of mortgage /charge on the movable or immovable properties of the Company for an amount not exceeding ₹1000 crores. 3. Resolution under Section 180(1)(c) of the Companies Act, 2013 for increase in the borrowing limit from ₹400 crores to ₹1000 crores. 	Final Dividend of ₹ 0.75 per share on 7,00,47,733 fully paid up Equity Shares of ₹ 10 each for the Financial Year ended 31 st March, 2021

Financial Year	Date	Time	Venue	Special Resolutions passed	Dividend declared
2019-20	24 th September, 2020	3.30 p.m.	Through Video Conferencing (VC)/ other Audio-visual Means (OVAM) at Mumbai	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Jay Mehta, Executive Vice Chairman from 1st January 2021 till 31st December 2023 and payment of remuneration. 2. Re-appointment of Mr. M. S. Gilotra, Managing Director from 1st January 2021 till 31st December 2023 and payment of remuneration. 3. To provide loan/ advances to Gujarat Sidhee Cement Ltd (GSCL) to the extent of ₹10 Crores outstanding at any given point of time at the interest rate of 9% OR SBI prevailing bank rate +2% whichever is lower (per annum) to be utilized for the principal business of GSCL. 	1 st Interim Dividend of ₹ 0.75 per share on 6,94,80,288 fully paid up Equity Shares for the period ended 30 th September, 2020 and 2 nd Interim Dividend of ₹ 1 per share on 6,95,18,449 fully paid up Equity Shares for the Financial year 2019-20

Resolutions passed through Postal Ballot

No Resolutions were passed through postal ballot.

Extraordinary General Meetings

No Extraordinary General Meeting was held during the financial year 2022-23.

Court Convened Meetings

Pursuant to the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, order dated 12th October, 2022; a meeting of the equity shareholders and unsecured creditors of the Company was held on 23rd November, 2022 at 10:30 a.m. and 12:30 p.m. respectively at the Registered Office of the Company.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communication through dissemination of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five (45) days of the end of the quarter. The audited annual results are announced within sixty (60) days from the end of the financial year, as required under the SEBI (LODR) Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty (30) minutes from the conclusion of the Board meetings at which these are considered and approved. The results are generally published in Business Standard, having nation-wide circulation and in Jaihind, Gujarat which is a regional (Gujarati) daily newspaper.

The audited financial statements form a part of the Annual Report, which is sent to the members within the statutory period and in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half-yearly and the annual audited financial statements and the press releases of the Company are also placed on the Company's website at <https://scl.mehtagroup.com/investors/financials>

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI LODR Regulations including material information having a bearing on the performance / operations of the listed entity or other price sensitive information. The said information are intimated to the Stock Exchange within 24 hours of occurrence of event and is also hosted on the website of the Company.

GENERAL SHAREHOLDERS INFORMATION

- a) **The 65th Annual General Meeting of the Company will be held on Thursday, August 17, 2023 at 3.15 p.m.**
- b) **Financial year:** April 1, 2022 to March 31, 2023.
- c) **Date of Book closure:** Friday, 11th August 2023 to Thursday, 17th August 2023 (both days inclusive)
- d) **Board Meeting for consideration of unaudited/ audited results:**

Quarter ending on 30 th June, 2022 (Quarter 1)	12 th August, 2022
Quarter ending on 30 th September, 2022 (Quarter 2)	1 st November, 2022
Quarter ending on 31 st December, 2022 (Quarter 3)	9 th February, 2023
Quarter ending on 31 st March, 2023 (Quarter 4)	25 th May, 2023

- e) **Listing of Equity Shares on Stock Exchange:**

Name and Address of the Stock Exchange	Stock Code	ISIN for NSDL / CDSL (Dematerialized shares)
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Security Code: 502175 SAURASHCEM	INE626A01014

- f) **Listing Fees**

The Company has paid Listing Fees for the financial year 2023-24 to the BSE Limited where the Company's shares are listed.

- g) **Registrar & Share Transfer Agent**

The Company has appointed M/s. Link Intime India Private Limited as the Registrar and Share Transfer Agent for transfer of securities held in physical form. The Registrar also accepts and attends to complaints of security holders. Their complaints are given top priority by them and are replied promptly.

No complaint received from the Shareholders / Investors as on 31.3.2023 is pending relating to transfer of security.

- h) **Share Transfer System**

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. Shareholders may also write to our RTA on rnt.helpdesk@linkintime.co.in or to the Company's mail : scinvestorquery@mehtagroup.com requesting for such forms.

Distribution of Shareholding as on 31st March, 2023:

Sr. No.	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	13248	84.7926	1593521	2.2642
2	501 to 1000	1087	6.9572	899640	1.2783
3	1001 to 2000	542	3.469	834349	1.1855
4	2001 to 3000	205	1.3121	534889	0.76
5	3001 to 4000	104	0.6656	376525	0.535
6	4001 to 5000	98	0.6272	464123	0.6595
7	5001 to 10000	157	1.0049	1140985	1.6212
8	10001 to above	183	1.1713	64534137	91.6962
	TOTAL :	15624	100	70378169	100

i) Shareholders Profile as on March 31, 2023:

Category	No. of shareholders	%	No. of shares held	%
Promoter Group Companies	8	0.05	46297653	65.78
Bodies Corporate	133	0.86	3425689	4.87
NRIs	449	2.90	182368	0.26
FII's	4	0.03	1810	0.00
UTI & Insurance Companies	6	0.03	138250	0.19
Banks	5	0.03	1150	0.00
Mutual Fund	1	0	100	0.00
Foreign Companies	1	0	2460000	3.50
Indian Public	15017	96.10	17871149	25.40
Total	15624	100.00	70378169	100.00

i) Dematerialization of shares

As on 31st March, 2023; 7,00,48,951 equity shares constituting 99.53% of the Company's total share capital were held in dematerialized form with NSDL and CDSL.

k) Stock Market price data for the period 2022-23

The High, Low and Closing prices of the Company's share of the face value of ₹ 10/- each on BSE Limited from April 2022 to March 2023 are as under:

Month	High in ₹	Low in ₹	Closing in ₹	Volume (No. of Shares traded)
April 2022	77.40	62.95	69.95	8,49,893
May 2022	71.90	53.75	59.55	4,62,798
June 2022	65.95	46.90	52.85	4,14,964
July 2022	61.90	48.50	58.90	2,06,210
August 2022	63.45	56.50	62.00	3,40,558
September 2022	74.80	60.15	63.55	8,20,646
October 2022	64.60	58.05	61.75	1,90,352

Month	High in ₹	Low in ₹	Closing in ₹	Volume (No. of Shares traded)
November 2022	62.30	56.00	57.25	3,86,422
December 2022	63.85	53.30	59.30	3,34,239
January 2023	60.20	53.00	54.25	4,42,441
February 2023	57.50	49.10	50.95	3,37,533
March 2023	57.00	48.02	49.71	10,60,824

l) **Performance in comparison to broad-based indices is given below:**

Indices	BSE (Sensex)	SCL Quote at BSE (₹)
1 April, 2022 (Open)	58,530.73	62.95
31 March, 2023 (Closed)	58,991.52	49.71
Increase / (Decrease)	460.79	(13.24)
% Increase / (Decrease)	0.79	(26.63)

m) **Plant Location (Cement division):**

- Near Railway Station,
Ranavav, Dist: Porbandar, Gujarat-360560
- Sidheegram, PO - Prashnavada BO,
Via Sutrapada SO (Taluka),
District : Gir Somnath,
Veraval, Gujarat-362275

Plant Location (Paint division):

- Plot No.E-6, MIDC, Tal: Sinnar, Malegaon
Nashik, Maharashtra-422 103.
- F 3,4,18,19,20, Industrial Area, Gotan, Nagaur
Rajasthan-342902.
- Plot No.B-60 & 61, SIPCOT Industrial Estate
Gummidipoondi, Tiruvallur
Tamil Nadu-601201.

n) **Address for correspondence**

Registered Office:

Near Railway Station
Ranavav-360560 Dist: Porbandar, Gujarat.

Corporate Office

2nd Floor, N.K. Mehta International House
178 Backbay Reclamation
Mumbai-400020.

E-mail ID: scl-mum@mehtagroup.com

Shareholder correspondence should be addressed to Registrars & Transfer Agent**M/s. Link Intime India Pvt Ltd**

(Unit: Saurashtra Cement Limited)

C 101, 247 Park,

L.B.S. Marg, Vikhroli (West)

Mumbai-400083.

Tel.: 022-49186000

Fax : 022-49186060

Contact Person : Mr. Satyan Desai

E-mail: rnt.helpdesk@linkintime.co.in

A separate e-mail ID: sclinvestorquery@mehtagroup.com is specifically available for investor query / complaints. All the shareholders are requested to upload their queries, if any on the authorized email-id.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of Bank Account / Bank nomination etc.

o) Mandatory requirement

SEBI has made mandatory that Investors holding securities in physical mode are required to submit a copy of the PAN Card, Proof of address, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination in the prescribed forms to the Registrar & Transfer Agent for processing request for (a) issue of duplicate share certificate, (b) replacement / renewal / exchange of share certificate, (c) consolidation of share certificate, (d) sub-division / splitting of share certificate, (e) consolidation of folios, (f) endorsement, (g) change in the name of the holder, (h) change in status from minor to major and resident to NRI and vice versa, (i) claim for undelivered share certificate, prior to its transfer unclaimed suspense account, (j) claim from unclaimed suspense (demat) account, (k) transmission and (l) transposition.

OTHER DISCLOSURES**A. Related Party Transactions**

All the related party transactions are strictly carried out on arm's length basis. The Company places all the relevant details of a related party transaction, entered in the normal course of business, before the Audit Committee from time to time. There was no material related party transaction, which are not in the normal course of the business and that any potential conflict with the Company, entered into by the Company during the year.

Transactions with related parties are mentioned in Note No. 38 of Notes forming part of financial statements.

The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company at <https://scl.mehtagroup.com/policy/related-party-transactions-policy>

B. Non-Compliances / Penalties & Strictures

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three (3) years.

C. Disclosure of Accounting Treatment

Your Company has followed the Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

D. Disclosure on Risk Management

The Company has laid down procedures on the risk assessment and minimization procedures, which is periodically reviewed by the Company.

E. Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal and unethical behavior. The Company has formulated a Vigil Mechanism and Whistle Blower Policy pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI LODR Regulations, under which employees are free to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.

The Whistle Blower Policy is uploaded on the website of the Company at <https://scl.mehtagroup.com/policy/whistle-blower-policy>.

The Policy was amended by the Board in line with the amended SEBI (Prohibition of Insider Trading) Regulations, 2015 to provide for whistle blowing in case of leak or suspected leak of unpublished price sensitive information.

The directors and employee(s) may approach the Chairman of the Audit Committee in the first instance or after bringing it to the attention of the management and not being addressed to the concerned persons satisfaction.

The name and e-mail address of the Chairman of the Audit Committee is given below:

Name of the Chairman	Address	Contact No.(s)
Mr. M. N. Rao	Saurashtra Cement Limited 2 nd Floor, N. K. Mehta International House, 178, Backbay Reclamation, Mumbai 400 020.	022-66365444 scl-mum@mehtagroup.com

This policy is applicable to all the directors and employees of the Company.

F. Code of Conduct

The Company has formulated a comprehensive Code of Conduct for its Board members, employees and business partners that requires strict adherence to our corporate values while delivering a world-class customer experience. All the members of the Board and Senior Management Personnel have affirmed compliance with the code of conduct as on March 31, 2023. A declaration to the effect, confirming the same signed by the Managing Director and the senior management of the Company, forms part of this Report.

G. Policy for preservation of documents

The Company has a policy for preservation of documents in place. The said policy is available at web-link https://scl.mehtagroup.com/policy/scl_policy-for-preservation-of-documents

H. Policy for determination of material events

The Company has a policy for determination of material events and price sensitive information in place. The said policy is available at web-link https://scl.mehtagroup.com/policy/scl_policy-for-determination-of-event

I. Policy for determining material subsidiaries

The Company has a policy for determination of material events and price sensitive information in place. The said policy is available at web-link <https://scl.mehtagroup.com/policy/material-subsiary-policy>

J. Code of Conduct for Prohibition of Insider Trading

In accordance with Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, ("Insider Trading Regulations"), the Company has put in place a Code which provides for procedure to be followed by Designated Persons for trading in securities of the Company including pre-approval, reporting and restrictions on contra trading. The Code also contains processes to ensure safeguards against leakage of Unpublished Price Sensitive information ("UPSI") of the Company.

The Company has a policy for Prohibition of Insider Trading. The said policy is available at web-link <https://scl.mehtagroup.com/policy/code-of-conduct-for-insider-trading>

K. Policy and Procedure for Enquiry in case of leak of Unpublished Price Sensitive Information or Suspected leak of Unpublished Price Sensitive Information

The Company has a policy for enquiry in case of leak of Unpublished Price Sensitive Information or Suspected leak of Unpublished Price Sensitive Information. The said policy is available at web-link <https://scl.mehtagroup.com/policy/policy-and-procedure-for-enquiry-in-case-of-leak-of-upsi>

L. Policy and Procedure for sharing of Unpublished Price Sensitive Information for Legitimate Purpose

The Company has a policy for sharing of Unpublished Price Sensitive Information for Legitimate purposes. The said policy is available at web-link <https://scl.mehtagroup.com/policy/codes-of-fair-disclosure-and-conduct>

M. CEO / CFO Certification

Certificate from the Executive Vice Chairman, Managing Director and CFO on the Audited / Unaudited Financial Statements of the Company for each quarter and annual financial results were placed before the Board.

N. Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Detailed mechanism has been laid down in the policy for reporting of cases of sexual harassment to 'Internal Complaints Committee' constituted under this policy comprising senior officials (including senior women employee) of the Company and an independent member from NGO, for conducting of inquiry into such complaints, recommending suitable action during the pendency and/or completion of the inquiry including strict disciplinary action including termination of the services. During the financial year 2022-23, the Company had not received any complaints of sexual harassment.

OTHER DISCLOSURES**1. Details of utilization of funds raised through preferential allotment of qualified institutions placement as specified under regulation 32(7A).**

N.A.

2. A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the Board /Ministry of Corporate Affairs or any such statutory authority.

The said certificate received from M/s. Ragini Chokshi & Co., practicing Company Secretaries forms part of the Directors Report as **Annexure H**.

3. Secretarial Compliance Report

The Company has received Secretarial Compliance Report for the year ended 31st March 2023 from M/s. Ragini Chokshi & Co, Practicing Company Secretaries, pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 and forms part of the Directors Report as **Annexure L**.

4. Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.

The Board has accepted all the recommendations from the Committees.

5. Total fees for all the services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.

During the year, the Company has paid total fees of ₹48.81 lakhs to the Statutory Auditor.

6. Disclosures with respect to demat suspense account / unclaimed suspense account.

The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

- a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **None**
- b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: **None**
- c) Number of shareholders to whom shares were transferred from suspense account during the year: **None**
- d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **None**
- e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **N.A.**
- f) The security of the Company was never suspended from trading during the year 2022-23.

NON-MANDATORY REQUIREMENTS

(a) *Chairman's Office:*

The Corporate Office of the Company supports the Chairman in discharging the responsibilities.

(b) *Shareholders Rights:*

As the Company's quarterly results are published in English Newspaper having circulation all over India and in a Gujarati Newspaper widely circulated in Gujarat, the same are not sent to each Shareholder.

(c) *Auditor's Opinion:*

The Company's Standalone Financial Statements for the year ended 31st March 2023 does not have any qualification.

(d) *Separate posts for chairperson and chief executive officer:*

The position of the Chairman of the Board of Directors and the CEO are separate.

(e) *Reporting of internal auditor:*

The Partner of Internal Auditor reports directly to the Audit Committee.

(f) Code for Prohibition of Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code for Prevention of Insider Trading". The said Code of Conduct has been revised in accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 2018. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

SUBSIDIARY COMPANIES

There is no material non-listed Indian Subsidiary Company as on 31-03-2023 requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary companies.

On behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2023

Jay Mehta
Executive Vice Chairman
DIN: 00152072

M. S. Gilotra
Managing Director
DIN: 00152190

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2023.

On behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2023

Jay Mehta
Executive Vice Chairman
DIN: 00152072

M. S. Gilotra
Managing Director
DIN: 00152190

To,
The Members of
SAURASHTRA CEMENT LIMITED

We have examined the compliance of the conditions of Corporate Governance by **SAURASHTRA CEMENT LIMITED** ('the Company') for the financial year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Ragini Chokshi
(Partner)

COP No: 1436

Membership No.: 2390

UDIN: F002390E000320510

PR Certificate no.: 659/2020

Place: Mumbai

Date: 17th May 2023

Annexure C

SAURASHTRA CEMENT LIMITED

The disclosures as required as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI Requirements are given below:

No. of Options outstanding at the beginning of the period (1 st April 2022 to 31 st March 2023)	4,43,689
No. of Options granted during the year to ESOP holder of erstwhile Gujarat Sidhee Cement Limited	1,60,069
No. of Options vested during the year to ESOP holder of erstwhile Gujarat Sidhee Cement Limited	1,60,069
No. of Options exercised during the year	46,020
No. of shares arising as a result of exercise of options	46,020
No. of Options forfeited/lapsed during the year	Nil
Exercise Price	₹ 10/- per option
Option cancelled	Nil
Variation of terms of Option	None
Money realized by exercise of options	₹ 4,60,200/-
Money realized by exercise of options under the ESOP scheme of erstwhile Gujarat Sidhee Cement Limited	₹ 13,74,080/-
No. of options in force (outstanding) at the end of the year [§]	5,57,738
No. of options in force (exercisable) at the end of the year [§]	5,57,738

Pursuant to the approved scheme, 1,60,069 options have been granted to eligible employees, in respect of outstanding options of erstwhile Gujarat Sidhee Cement Limited, taking into account the Share Exchange Ratio. The new options granted shall be governed by Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017).

[§] No. of options in force (outstanding and exercisable) at the end of the year includes 1,60,069 option granted and vested during the year to the eligible employees of Gujarat Sidhee Cement Limited who were granted ESOP.

Employee wise details granted to :

Key Managerial Personnel

Name	Designation	No. of Options vested on 8 th February 2019, 8 th February 2020 and 8 th February 2021	No. of options exercised	No of shares allotted
M. S. Gilotra	Managing Director	3,45,955	3,08,330	3,08,330
V. R. Mohnot	Chief Financial Officer	2,78,442	2,78,442	2,78,442
Sonali Sanas	President (Legal, CS & Strategy)	79,536	59,494	59,494
Narendra Singh	Director (Works)	1,79,917	1,18,746	1,18,746

Employees to whom more than 5% options granted during the year:

Name	Designation	Number of Options granted
Nil		

Utilisation of Funds:

During the year, the Company has utilized the entire amount of ₹ 18,34,280/- received towards allotment of shares to the eligible employees under Saurashtra Employee Stock Option Scheme 2017 and erstwhile Gujarat Sidhee Employee Stock Option Scheme 2017 towards working capital of the Company.

Annexure D

To,
The Board of Directors,
Saurashtra Cement limited
2nd Floor, N. K. Mehta International House
178, Backbay Reclamation
Mumbai 400 020.

Independent Auditor's Certificate on Employee Stock Option Plan in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

1. We have been requested by Saurashtra Cement Limited ("the Company"), having its registered office at Near Railway Station, Ranavav 360560, Gujarat, to certify that the Saurashtra Employees Stock Option Scheme 2017 as approved at the board meeting held on May 23, 2017 and approved at the Annual General Meeting held on July 26, 2017 is in compliance with Regulations 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") as amended from time to time for the purpose of onward submission to Annual General Meeting of the Company.

Management's Responsibility

2. The Management is responsible for ensuring that the Company complies with the requirements of the Regulations and provides all relevant information in the Annual General meeting of the Company.

Auditor's Responsibility

3. Pursuant to the requirements of the Regulation, it is our responsibility to provide a reasonable assurance whether the Saurashtra Employees Stock Option Scheme 2017 is in compliance with the Regulations.
4. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
6. The following documents have been furnished by the Company.
 - a) Copy of the Saurashtra Employees Stock Option Scheme 2017;
 - b) Copy of the special resolution passed by the shareholders of the Company at the General Meeting held on 26th July 2017;
 - c) Details of eligible directors/employees, status of options granted, vested, exercised, expired along with the copies of minutes of Allotment Committee for allotment of shares to the directors and employees;
 - d) Independent Valuation Report in respect of Fair Value of the option;
 - e) Relevant ledger accounts along with details of accounting for options since grant of the options;
 - f) In-principal approval dated 7th May 2018 from the Bombay Stock exchange before exercise of option;

- g) Details of Approval received from Bombay Stock Exchange for listing on Stock Exchange of equity shares of the Company issued pursuant to ESOP during the FY 2022-23 are as under:

Sr. No.	Date of allotment	No. of shares allotted	Date of approval from BSE
1.	20/04/2022	18,361	29/04/2022
2.	01/07/2022	2,000	15/07/2022
3.	31/10/2022	15,000	22/11/2022
4.	09/01/2023	15,885	25/01/2023
5.	24/03/2023	13,135	10/04/2023

- h) Written representation from the management with respect to compliance of the conditions mentioned in the Regulations.

7. We have performed the following procedures:

- Verified the special resolutions passed by the shareholders at the Annual General Meetings is in accordance with the Regulation and resolution passed;
- Verified the details of options granted, vested, exercised, forfeited, expired along copies of the Minutes of Allotment Committee for allotment of shares to the directors and employees;
- Verified the Calculation of Fair Value of Option from the Independent Valuer's Report;
- Verified the ESOP data with relevant supporting documents and records of the Company; and
- Reviewed the relevant provisions of the Regulations to verify compliance.

8. Based on information and explanation given to us and scheme, we have noted that 3rd and last trench of ESOP got vested on February 08, 2021. Further, up to financial year 2022-23, 48,480 option granted have lapsed.

Opinion

9. Based on our examination, as above, and the information and explanations given to us, we report that the Company has implemented the Saurashtra Employees Stock Option Scheme 2017 in accordance with the Regulations to the extent applicable and the resolutions passed by the shareholders in the Annual General Meeting held on July 26, 2017.

Restriction in Use

10. The certificate is issued solely for the purpose of putting before the shareholders in the annual general meeting. This certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. M/s. Manubhai & Shah LLP shall not be liable to the Company, the shareholders or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W/W100136

(K C Patel)

Partner

Membership No. 030083

UDIN.: 23030083BGWUWB3901

Place: Ahmedabad

Date: May 19, 2023

Annexure E

**FORM NO MR-3
SECRETARIAL AUDIT REPORT**

[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]
(For the Financial Year Ended 31st March 2023)

To,
The Members,
SAURASHTRA CEMENT LIMITED
Near Railway Station, Porbandar
Ranavav, Gujarat - 360 560

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAURASHTRA CEMENT LIMITED (CIN: L26941GJ1956PLC000840)** (hereinafter called the "Company") for the financial year ended 31st March, 2023. 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;

Based on our Verification of 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering 1st April, 2022 to 31st March, 2023 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 audit period **1st April, 2022 to 31st March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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; **(Not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any debt securities during the Audit Period)**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not Registrar to an Issue and Share Transfer Agent during the financial year)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the Company has not delisted its equity shares from any stock exchange during the Audit Period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable as the Company has not bought back any of its securities during the Audit Period)**
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. We are of the opinion that the management has complied with the following laws specifically applicable to the Company:
1. The Mines Act, 1952 and Mines Rules 1955;
 2. Metalliferous Mines Regulation (MMR-1961);
 3. The Limestone & Dolomite Mines Labour Welfare Fund Act, 1972 & Rules 1973;
 4. Mineral Conservation & Development Rules - 2017;
 5. Cement Cess Rule, 1993;
 6. Cement (Quality Control) Order, 2003.

We have also examined compliance with the applicable provisions and clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 "SEBI (LODR)".

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

We further report that

- The Board of Directors of the Company is duly in the compliance with the provision of the Act.
- 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.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were with requisite majority.

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.

The Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Goods and Service Tax has not been reviewed in the audit since the same has been subject to the review by the statutory financial audit and other designated professionals.

We further report that during the audit period, the Company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following:

1. The Share Allotment Committee of the Board of Directors has allotted 18,361 equity shares at Face Value of ₹ 10 each on 20th April, 2022 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
2. The Share Allotment Committee of the Board of Directors has allotted 2,000 equity shares at Face Value of ₹10 each on 1st July, 2022 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
3. The Share Allotment Committee of the Board of Directors has allotted 15,000 equity shares at Face Value of ₹10 each on 31st October, 2022 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
4. The Share Allotment Committee of the Board of Directors has allotted 15,885 equity shares at Face Value of ₹10 each on 9th January, 2023 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
5. The Share Allotment Committee of the Board of Directors has allotted 13,135 equity shares at Face Value of ₹ 10 each on 24th March, 2023 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
6. The meeting of the Equity Shareholders of the Company was convened as per the directions of the NCLT, Ahmedabad Bench on Wednesday, 23rd November, 2022 at 10.30 a.m. (IST) at the Registered Office of the Company, Near Railway Station, Ranavav- 360560.
7. The meeting of the Unsecured Creditors of the Company was convened as per the directions of the NCLT, Ahmedabad Bench on Wednesday, 23rd November, 2022 at 12.30 p.m. (IST) at the Registered Office of the Company, Near Railway Station, Ranavav- 360560.
8. Change in the Key Managerial Personnel (KMP):
 - (i) Mr. V. R. Mohnot has been appointed as the Chief Financial Officer of the Company with effect from 30th March, 2023.
 - (ii) Mr. Rakesh Mehta stepped down as the Chief Financial Officer of the Company with effect from 30th March, 2023.
9. The Scheme of Amalgamation of Gujarat Sidhee Cement Limited ('GSCL' or 'Transferor Company') with Saurashtra Cement Limited ('SCL' or 'Transferee Company') has been approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench order vide its order dated CP(CAA)No.79/AHM/2022 in CA(CAA)No.48/AHM/2022 dated 16th March, 2023. The effective date of the said amalgamation was 30th March, 2023. The record date for determining the names of the shareholders of Gujarat Sidhee Cement Limited to whom equity shares of Saurashtra Cement Limited will be allotted as per the swap-ratio pursuant to the Scheme was 21st April, 2023.

For **Ragini Chokshi & Co.**
(Companies Secretaries)

Ragini Chokshi
(Partner)

C.P.No: 1436

FCS No: 2390

UDIN: F002390E000320719

PR Certificate no.: 659/2020

Place: Mumbai
Date: 17th May, 2023

Annexure F

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 arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:
Not Applicable as all contracts are at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:
There are no material contracts. However, the transactions at arms length basis is as under:
 - I.
 - (a) Name(s) of the related party and nature of relationship:
Agrima Consultants International Limited – wholly owned subsidiary
 - (b) Nature of contracts/arrangements/transactions:
Utilisation of their premises by the Company for official use.
 - (c) Duration of the contracts/arrangements/transactions:
On going with the approval of the Audit Committee and Board.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Please refer item (b) above.
 - (e) Date(s) of approval by the Board, if any:
23rd May 2022.
 - (f) Amount paid as advances, if any.
NIL
 - II.
 - (a) Name(s) of the related party and nature of relationship:
Mehta Private Limited
 - (b) Nature of contracts/arrangements/transactions:
Use of the residential premises of the Mehta Private Limited as guest house for stay of Directors / Senior Executives / Consultants of the Company.
 - (c) Duration of the contracts/arrangements/transactions:
On going with the approval of the Audit Committee and Board.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Please refer item (b) above.
 - (e) Date(s) of approval by the Board, if any:
23rd May 2022.
 - (f) Amount paid as advances, if any.
NIL

For and on behalf of the Board of Directors

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

M. S. Gilotra
Managing Director
(DIN: 00152190)

Place : Mumbai

Dated : May 25, 2023

Annexure G

Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Directors seeking appointment / re-appointment at the 65th Annual General Meeting:

Name of Director	Mr. Hemnabh Khatau	Mr. M.N. Sarma	Mr. Aman Pradeepchand Khanna	Mrs. Radhika Samarjitsinh Gaekwad	Mr. Ashwani Kumar
DIN	02390064	06734357	10211441	05129326	02870681
Item No	2	4	5	6	7
Date of Birth	27 th February 1961	20 th May 1958	12 th April 1972	19 th July 1978	28 th February 1958
Date of first Appointment	Initially joined the Board on 25.10.2008 and was reappointed in the current term on 21.9.2021.	25 th May 2023	30 th June 2023	30 th June 2023	13 th February 2019.
Qualification	B.A. (Engg) from Cambridge, M.Sc (UMIST)	M.A. (Economics), LL.B	B.Sc Economics (Accounting & Finance), London School of Economics, UK and FCCA, UK-Chartered certified Accountant	Masters in medieval Indian History	Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers.
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance	He is Associate Member of the Insurance Institute of India. Mr. M. N. Sarma has experience in insurance sector of around 36 years serving in New India Assurance Company Ltd, Oriental Insurance Company Limited, The Ken India Assurance Company Ltd, Nairobi and Government of India owned Health Insurance TPA of India Limited.	Presently he is a Board Member at MindMaze Group, Dubai since November 2020. Mr. Khanna has experience in finance of around 26 years serving with Ernst & Young, Deloitte in UK and Louis Dreyfus Company, UK and Dubai.	<ul style="list-style-type: none"> ➤ Mrs. Gaekwad is a philanthropist, social entrepreneur and has provided credible contribution towards Arts, Culture and Heritage. ➤ She is a director of CDS Art Foundation, Ahmedabad (Non-profit organization) where her roles include aligning artisans with designers and bridging gaps with the end consumers. 	A versatile banker, Mr. Ashwani Kumar has a rich banking experience of over 37 years in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank.

Name of Director	Mr. Hemnabh Khatau	Mr. M.N. Sarma	Mr. Aman Pradeepchand Khanna	Mrs. Radhika Samarjitsinh Gaekwad	Mr. Ashwani Kumar
		<p>He retired as Chairman-cum-Managing Director of United India Insurance Company Ltd. Presently he is Secretary General of General Insurance Council.</p>	<p>He has vast experience in Corporate Governance and has handled various roles such as Group Chief Operating Officer, Group Chief Financial Officer, etc.</p>	<ul style="list-style-type: none"> ➤ She has also been a jury member on several global platforms including the International Crafts awards. ➤ She is a patron of the Heritage Trust, an independent organization instrumental in bringing the monumental complex of Champaner on the World Heritage sites list. ➤ She is actively involved in preventing the city's heritage structures from being obliterated. ➤ She has also been researching and archiving the rich history and culture of royal India and has presented her research on prestigious platforms such as Saffron Art, Robb Report and India Today Conclave. 	

Name of Director	Mr. Hemnabh Khatau	Mr. M.N. Sarma	Mr. Aman Pradeepchand Khanna	Mrs. Radhika Samarjitsinh Gaekwad	Mr. Ashwani Kumar
Terms and conditions of appointment or reappointment	Nil	The details are provided in the explanatory statement at item no.4 of this Notice.	The details are provided in the explanatory statement at item no.5 of this Notice.	The details are provided in the explanatory statement at item no.6 of this Notice.	The details are provided in the explanatory statement at item no.7 of this Notice.
Details of remuneration last drawn (FY 2022-23)	Details of sitting fees paid is provided in the report of Corporate Governance forming part of the Annual Report for the FY 2022-23.	Nil	Nil	Nil	Details of sitting fees paid is provided in the report of Corporate Governance forming part of the Annual Report for the FY 2022-23.
List of outside Directorships held in Listed Entities	Nil	Nil	Nil	Nil	Macrotech Developers Limited.
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil	Nil	Nil	Nil	Member of Nomination & Remuneration Committee and Finance Committee
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director					
a) Audit Committee	Nil	Nil	Nil	Nil	Chairman, Member
b) Shareholders Committee	Nil	Nil	Nil	Nil	Chairman, Member
Relation with other Directors & Key Managerial Personnel (KMP) of the Company	None	None	None	None	None
Shares held by the Directors in the Company	Nil	Nil	Nil	Nil	Nil

Annexure H

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SAURASHTRA CEMENT LIMITED
NR Railway Station, Ranavav Gujarat 360560

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SAURASHTRA CEMENT LIMITED** having **CIN: L26941GJ1956PLC000840** and having registered office at NR Railway Station, Ranavav Gujarat- 360560 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Baburao Deshmukh Prataprao	00002357	30/08/2012
2.	Kailash Nath Bhandari	00026078	28/10/2005
3.	Muttavarapu Nageswara Rao	00027131	15/10/2004
4.	Bimal Ramesh Thakkar	00087404	29/04/2009
5.	Bhagyam Ramani	00107097	30/05/2014
6.	Hemang D Mehta	00146580	15/10/2004
7.	Jay Mahendra Mehta	00152072	15/10/2004
8.	Mohinderpal Singh Gilotra	00152190	01/01/2009
9.	Mahendra Nanjibhai Mehta	00632865	15/10/2004
10.	Hemnabh Ranvir Khatau	02390064	25/10/2008
11.	Ashwani Kumar	02870681	13/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Ragini Chokshi
(Partner)

COP.No: 1436

Membership No: 2390

UDIN: F002390E000320818

PR Certificate no.: 659/2020

Place: Mumbai
Date: 17th May, 2023

Annexure I

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given below:

a. **Ratio of the remuneration of each Director / KMP to the median remuneration of all the employees of the Company for the Financial Year:**

Median remuneration of all the employees of the Company for the Financial Year 2022-23	626508
Percentage increase in the median remuneration of employees in the Financial Year	2.53%
Number of permanent employees on the rolls of the Company as on 31 st March 2023	817

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees(a)	% increase in remuneration in the Financial Year 2022-23	Notes
Executive Director			
Mr. Jay Mehta, Executive Vice Chairman	114.00 : 1	0.00%	
Mr. M. S. Gilotra, Managing Director	88.00 : 1	0.00%	(#) & (@)
Other KMPs			
Mr. V. R. Mohnot, Chief Finance Officer	31.13 : 1	8.43%	(@)
Ms. Sonali Sanas, President (CS, Legal & Strategy)	18.31 : 1	14.41%	(@)

(a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April 2022 to 31st March 2023.

(#) In accordance with all applicable approvals; includes payment of HRA in place of rent free accommodation.

(@) Employees who were granted and exercised options in the form of ESOPs in the year 2022-23 are not included otherwise the data would have been non-comparable.

b. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase in the remuneration of employees is around 7.78%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel is in line with the industry practice and is within the normal range.

c. **The remuneration is as per the remuneration policy of the Company.**

Annexure J

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility (CSR) is a broad concept that can take many forms depending on the company and industry. Through CSR programs, philanthropy, and volunteer efforts, businesses can benefit society while boosting their brands.

As important as CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employees and corporations, boost morale and help both employees and employers feel more connected with the world around them.

Your Company is sensitive towards society and the environment and ensures minimal impact of its operations. Your Company's CSR initiatives focuses on areas such as health, education, drinking water, environment, and rural development. These initiatives aim to create long-term value and are implemented for community members, irrespective of their gender, ethnicity and religious background. Your Company also supported the District Administration in reducing the impact of the recent pandemic.

2. Composition of 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. Jay M. Mehta, Chairman	Executive Vice Chairman	1	1
2.	Mr. Bimal Thakkar, Member	Independent Director	1	-
3.	Mrs. Bhagyam Ramani, Member	Independent Director	1	1
4.	Mr. M.S. Gilotra, Member	Managing Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Composition of the CSR Committee is available at <https://scl.mehtagroup.com/committee> and CSR Policy is available at <https://scl.mehtagroup.com/policy/csr-policy>

4. Provide the executive summary along with web-link(s) Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5.a Average net profit of the company as per section 135(5)

(i) ₹ 6217.13 lakhs

(ii) ₹ 4768.21 lakhs (Profit of erstwhile Gujarat Sidhee Cement Limited which is merged with the Company vide NCLT Order dated 16.3.2023 approving the scheme of amalgamation. The scheme became effective from 30.3.2023 and the appointed date is 1.1.2022.). Hence, the total average net profit (of last 3 years) works is ₹10985.34 lakhs

5.b Two percent of average net profit of the company as per section 135(5)

₹ 219.70 lakhs (Company and erstwhile Gujarat Sidhee Cement Limited)

5.c Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

5.d Amount required to be set off for the financial year, if any.

Nil

5.e Total CSR obligation for the financial year (b+c-d).

₹ 219.70 lakhs

6.(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Educational activities	As specified in Item (ii) of Schedule VII Donation made to Trust to provide Hands-on learning methodology (Integrated & Inter-disciplinary teaching & learning), provision of Hygiene and Sanitation (Washrooms, RWH, Drainage etc), Preservation of heritage infrastructure (Repairs & Renovation), Added ICT facilities (Schools & college) and added sports & games facilities (various types of Courts, running tracks etc) and enhancement of Hostel Facilities at Arya Kanya Gurukul English & Gujarati Medium School, Porbandar	Yes	Gujarat	Porbandar	3 Years	128.12	160.16	-	No	Raj Ratna Sheth Shri Nanjibhai Kalidas Mehta Arya Kanya Vidyalaya Trust	CSR00007072
Total							128.12	160.16	-			

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Educational activities	As specified in Item (ii) of Schedule VII Donation to Shri Saurashtra Cement Education Trust for running SCL Vidya Vihar School towards Annual expenditure and expenditure for necessary items like extra coaching classes, scholarship to merit students donation of benches, cooler, air conditioners, computers, white boards, school bags, educational kits, water bottles, sports items, musical instruments, sound system etc in schools/ educational institutes	Yes	Gujarat	Porbandar	19.13	No	Shree Saurashtra Cement Educational Trust –	(CSR00007161)
2.	Rural Development Projects	As specified in Item (x) of Schedule VII Water conservation projects, Desilting work, Deepening of dams, rivers etc. Water Storage tank, drinking water supply facility & irrigation support to agriculture Skill development & education, vocational skill enhancement courses, nursing capsule course and first aid management for girls under women empowerment for local communities, disabled people, educational support for locals etc. Development of road, provision of water tank, water pipeline, bore well, electric water pump and related accessories etc Promotion of Hygiene and Sanitation, public health initiatives. Promotion of Literacy & Education Support to social, cultural and recreational activities Improve of road connectivity and public transport and other infrastructure facilities	Yes	Gujarat	Porbandar & Gir Somnath	18.07	Yes	N.A.	N.A.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ lakhs)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
3.	Environmental Projects	As specified in Item (iv) of Schedule VII Plastic Waste Management – Campaigning, rag picking, reduction of use of plastic, aid to NGO etc. Project on environmental awareness, plantation, distributing the saplings. Afforestation drive with help / association of NGO / forest department, etc, Project of cleanliness etc.	Yes	Gujarat	Porbandar & Gir Somnath	17.40	Yes	N.A.	N.A
4.	Health Projects	As specified in Item (i) of Schedule VII Providing health care services to reduce disability burden among persons affected by leprosy in rural and tribal communities of 2 leprosy blocks (Karjat & Khalapur) in Raigad district in Maharashtra	Yes	Maharashtra	Raigad	5.00	No	Association for Leprosy Education Rehabilitation and Treatment India (Alert India)	CSR00001335
TOTAL						59.16			

(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)) – ₹ 219.76 lakhs

6.e CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹)					
Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
219.76 lakhs	N.A.	N.A.	N.A.	N.A.	N.A.

6.f Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in lakhs.)
(i)	Two percent of average net profit of the company as per section 135(5)	219.70
(ii)	Total amount spent for the Financial Year	219.76
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.06
(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)]	Nil

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.	Amount transferred to Unspent CSR Account under sub-Section (6) of 135 (in ₹)	Balance Amount in Unspent CSR account under sub-section (6) of Section 135 (in ₹).	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso of sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer.		
1.	2019-20	Not Applicable						
2.	2020-21							
3.	2021-22							
	TOTAL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

No

If yes, enter the number of Capital assets created / acquired.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Sr. 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
Not applicable							

(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 sub-section 5 of Section 135.

N.A.

Place : Mumbai
Date : May 25, 2023Jay Mehta
Chairman-CSR Committee
DIN: 00152072M. S. Gilotra
Managing Director
DIN: 00152190

Annexure K

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on Conservation of Energy:

Ranavav Plant

- Increase in Fly ash absorption resulting in lower clinker factor and carbon emission.
- Replacement of Raw mill box feeder air blasters with efficient new blasters and sequence modification.
- Installation of new energy efficient VFD drive screw compressor with air dryer.
- Installation of new LRS for cement mill HT motor.
- Upgradation of cement mill PLC
- Conversion of Coal mill no. 2 from forced draft system to induced draft system and installation of dryer to increase productivity.
- Installation of Fly ash feeding system for CM-2 & CM-3.
- Use of alternate fuels and waste in kiln and Power Plant.

Sidheegram Plant

- Use of VFD in Waste Heat Recovery System (WHRS).
- Kiln Cooler ESP vent fan tuning of PID at DCS done (30 KW saving per hour).
- Optimization of Bulk Loading System (about 90 KW saving per day).
- Replacement of Aluminium blades with FRP blades of Kiln shell cooling fans (10 nos.) (19 KW saving per hour).
- Reduction of air loss under cooler grate compartment (70 KW saving per hour).
- Use of Renewable (Wind) Power of 10.22 % of total power.
- Replacement of old Conventional light fitting with LED light for better and Power saving.
- Maintained Power factor above 95%.
- Use of alternate fuels and waste in kiln.

b) Steps taken by the Company for utilising alternate sources of energy:

- i) Installation of SNCR for NO_x reduction.
- ii) Modification of liquid AFR firing system.
- iii) Installation of Solid AFR feeding system in SLC Line.
- iv) Modification of Coal firing points & coal conveying pipeline of ILC & SLC system.
- v) Usage of Cheaper & low calorific fuels in process.

c) The capital investment on energy conservation equipment:

- Capital invested for items mentioned in (a) and (b) above during the year was ₹ 1044 lakhs.

B. TECHNOLOGY ABSORPTION:

- a) Efforts made towards technology absorption:
- Installation of dynamic separator in cement mill no.2.
 - Vacuum cleaning system for mill house.
 - Rooftop solar power system at mines.
 - Commissioning of new IKN DLD drive.
 - Installation of particle size analyser at cement mill no.1.
 - Installation of DC supply static power source at cement mill no.4 main drive excitation circuit.
 - Migration of ERP to SAP S4 Hana.
 - Implementation of digital platforms and solutions like Success Factors, Ariba, Sales Force etc.
- b) Benefits derived like product improvement, cost reduction, product development or import substitution:
1. Better efficiencies and controls.
 2. Reduction in fuel consumption.
 3. Improvement in quality.
 4. Improvement in reliability
- c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
- Nil
- d) Expenditure incurred on Research and Development (R&D)
- Expenditure incurred : Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned.

	Current Year 2022-23 (₹ in Lacs)	Previous Year 2021-22 (₹ in Lacs)
Foreign Exchange earned	8.54	733.01
Foreign Exchange used	12089.29	20361.37

Annexure L

SECRETARIAL COMPLIANCE REPORT

OF SAURASHTRA CEMENT LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined:

- (a) all the documents and records made available to us and explanation provided by **SAURASHTRA CEMENT LIMITED** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined; include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and as amended from time to time; **(Not Applicable to the Company during the Audit Period)**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as amended from time to time;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and as amended from time to time;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time; **(Not Applicable to the Company during the Audit Period)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;
- (i) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 **(To the extent applicable)**;

and circulars/ guidelines issued thereunder;

We hereby report that, during the Review Period, the Compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
1	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	None
2	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI 	Yes	None
3	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website 	Yes	None
4	<p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	None
5	<p>Details related to Subsidiaries of listed entities have been examined w.r.t:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirements of material as well as other subsidiaries</p>	Yes	None
6	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015</p>	Yes	None
7	<p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations</p>	Yes	None

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
8	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes NA	The Company has obtained prior approval of Audit Committee for all related party transactions
9	<p>Disclosure of events or information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.</p>	Yes	None
10	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	Yes	None
11	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No Action (s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.</p>	Yes	None
12	<p>Additional Non-compliances, if any</p> <p>No any additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.</p>	Yes	None

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 8th October, 2019

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45days from the end of a quarter of a financial year, the auditor before such resignation. has issued the limited review/ audit report for such quarter; or	NA	Not applicable during the period under review
	ii. If the auditor has resigned after 45days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	Not applicable during the period under review
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	Not applicable during the period under review

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
2	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-co-operation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/explanation from the company, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable.</p> <p>c The Audit Committee/ Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/ NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	<p>NA</p> <p>NA</p>	<p>Not applicable during the period under review</p> <p>Not applicable during the period under review</p>
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A In SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	Not applicable during the period under review

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation /Circular	Deviations	Action taken by	Type of action	Details of violation	Fine Amount	Observations/Remarks of The Practicing; Company Secretary	Management response	Remarks
There are no such matters during the year under review.										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation /Circular	Deviations	Action taken by	Type of action	Details of violation	Fine Amount	Observations/Remarks of The Practicing; Company Secretary	Management response	Remarks
There are no such matters during the year under review.										

For **Ragini Chokshi & Co.**

Ragini Chokshi

(Partner)

CP No: 1436

FCS No: 2390

F. R. No.:92897

UDIN: F002390E000285178

PR No: 659/2020

Place: Mumbai

Date: 10th May, 2023

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of Saurashtra Cement Limited

Report on the Audit of Standalone Financial Statements**Opinion**

We have audited the accompanying Standalone Financial Statements of Saurashtra Cement 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 Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and Notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as the "standalone financial statements").

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (hereinafter referred to as "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (hereinafter referred to as "ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to Note No. 43 to the standalone financial statements in respect of amalgamation of Gujarat Sidhee Cement Limited ("Transferor Company" or "GSCL"), with the Company as per the scheme of amalgamation ("the Scheme") approved by National Company Law Tribunal vide its order dated March 16, 2023 with January 1, 2022 as appointed date. However, the accounting treatment pursuant to the Scheme has been given effect as per the pooling of interest method from the date required under Appendix - C to Ind AS 103 - Business Combinations, which is the beginning of the preceding period presented i.e., April 1, 2021. Consequently, the figures for the year ended March 31, 2022, have been restated to give effect to the aforesaid amalgamation. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	How was the matter addressed in our audit
<p>Recognition of Deferred Tax Assets</p> <p>The Company has recognized Deferred Tax Assets on tax credit (MAT) which involves significant judgment to determine whether there will be reasonable certainty of taxable income against which the tax credit will be utilized.</p> <p>We have considered this matter to be key audit matter considering the materiality of amount of tax credit, significant judgement involved in estimating future taxable income against which such assets can be realized.</p> <p>Refer Note Nos 18 and 40 to the standalone financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> - Obtained details of completed tax assessments up to year ended March 31, 2023, from management. - Evaluated the estimates of profitability made by the management based on which it is considered that the Company will have sufficient taxable income against which tax credit will be utilized. - Involved our internal experts to review management’s underlying assumptions regarding availability of tax credit in the light of the provisions of the Income Tax Act, 1961. - Verified that recognition of such assets is made in accordance with Ind AS 12 “Income Taxes”.
<p>Revenue recognition - Estimation of incentives to customers</p> <p>Revenue from sale of products is measured net of discounts, incentives, rebates etc. given to the customers on the Company’s sales.</p> <p>The Company sells its products through various channels such as dealers and commission agents (customers) and provides incentives to them in the form of rebate, discount etc. under various marketing schemes.</p> <p>As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and net of rebate/discount/incentives based on the scheme. This requires an estimation of the revenue taking into consideration these incentives. Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives and rebates.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of the followings:</p> <ul style="list-style-type: none"> - The incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company. - Benefits offered by the dealers to the ultimate consumers is also considered on behalf of the Company. <p>The matter has been determined to be a key audit matter in view of volume and complexities in working as well as the involvement of significant estimates by the management.</p> <p>Refer Note Nos 22 and 24 to the standalone financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> - Obtained an understanding from the management regarding controls relating to recording of incentives and period end outstanding value of performance obligations and tested the operating effectiveness of such controls. - Evaluated the inputs used in the estimation of revenue in context of incentives. - Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. - Verified the authorisation for schemes for incentives. - Verified that accounting treatment is in accordance with Ind AS 115 “Revenue from Contracts with Customers”.

Key Audit Matter	How was the matter addressed in our audit
<p>Business Combination under Common Control – amalgamation accounting of Gujarat Sidhee Cement Limited (GSCL) with the Company</p> <p>The Company has received an order dated March 16, 2023, from Hon'ble National Company Law Tribunal, Ahmedabad (NCLT) approving the scheme of amalgamation of GSCL with the Company (the scheme) having appointed date as January 1, 2022. The order has become effective on March 30, 2023 on filing of Form INC – 28 with Registrar of Companies.</p> <p>The Company has accounted for the business combination using the pooling of interest method in accordance with Appendix C of Ind AS 103 – Business Combination as per the approved scheme.</p> <p>The carrying value of the assets and liabilities of the GSCL as of April 1, 2021, (being the beginning of the previous period presented) as appearing in their books of accounts before the amalgamation have been incorporated in the books of the Company with merger adjustments as applicable.</p> <p>The Company will allot 5,40,09,641 fully paid-up equity shares to the eligible shareholders of the GSCL in accordance with the scheme after the balance sheet date.</p> <p>The Company has recognised negative capital reserve of ₹ 5,372.18 Lakhs as "Other Equity".</p> <p>Business Combination being a significant event in the year and involvement of complex accounting treatment, the aforesaid business combination treatment in the standalone financial statements has been considered to be a Key Audit Matter.</p> <p>Refer Note 43 of standalone financial statements.</p>	<p>Our audit Procedure include the following substantive audit procedures:</p> <ul style="list-style-type: none"> - Understood from the management, assessed, and tested the design and operating effectiveness of the Company's Key Controls over the accounting of Business Combination. - Tested management's assessment of accounting for the business combination and determined that it was appropriately accounted for in accordance with Appendix-C of Ind AS 103 Business Combination. - Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements. - Tested the management's computation of determining the amount determined to be recorded in the Capital Reserve.

Enhancement of Company's ERP System:

<p>During the year the Company has enhanced its ERP system by migrating from Ramco - 5x software to SAP S/4 HANA.</p> <p>During any period of significant system change, there is an increased risk to the internal financial control environment following system integration, migration of activities and other change.</p> <p>Considering the same, enhancement of the Company's ERP System is considered as Key Audit Matter.</p>	<p>Our audit procedures include the following substantive audit procedures:</p> <ul style="list-style-type: none"> - Updated our understanding of the Company's applications and transitions that have impacted our financial statement audit by carrying out walk through tests. - Engaged our experts to conduct system audit to ensure that accurate migration of the data has been done and effective system controls exists.
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Information Other than the standalone 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 Management Discussion and Analysis, Board's Report including Annexures to the Board's Report and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

Responsibilities of management and those charged with governance for the standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

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

Other Matter

The financial statements for the year ended March 31, 2023, include the financial information of erstwhile GSCL for the period from April 1, 2022 to March 31, 2023 which includes total assets of ₹ 68,194.75 lakhs and net assets of ₹ 48,073.96 lakhs as at March 31, 2023 (before adjustment of impact of the scheme); total revenue of ₹ 78,545.31 lakhs, net profit after tax of ₹ 987.14 lakhs and total comprehensive income of ₹ 538.94 lakhs (before adjustment of impact of the scheme) for the year ended March 31, 2023. This financial information has been audited by the auditors of erstwhile GSCL, whose report has been furnished to us and been relied upon by us. We have audited the adjustments made by the management consequent to the amalgamation of GSCL with the Company.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with in this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone 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 during the year ended March 31, 2023.
 - (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) The Company has not declared interim or final dividend for 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.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in **Annexure B**, a statement on the matters specified in the paragraph 3 and 4 of the order.

Place: Mumbai
Date: May 25, 2023

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No.: 30083
UDIN: 23030083BGWUWF1083

ANNEXURE - A
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Saurashtra Cement Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.

In conjunction with our audit of the standalone financial statements of Saurashtra Cement Limited ('the Company') as of and for the year ended March 31, 2023, we have also audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place: Mumbai
Date: May 25, 2023

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No.: 30083
UDIN: 23030083BGWUWF1083

ANNEXURE – B**TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report the members of Saurashtra Cement Limited of even date)

Report on the Companies (Auditor' Report) Order, 2020, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of Saurashtra Cement Limited, ('the Company')

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right of use Assets.
- B. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment have been physically verified by the Management according to a phased programme designed to cover all the items, over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment have been physically verified by the Management during the year and no material discrepancies have been 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 provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date except in respect of the following immovable properties:

₹ In Lakhs

Description of properties	Gross carrying value as at Balance Sheet date	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold Land, Buildings at Sidheegram Plant	31,156.62	Erstwhile Gujarat Sidhee Cement Limited (GSCL)	No	January 1, 2022	The Title deeds are held in the name of erstwhile GSCL which has amalgamated with the Company with effect from March 30, 2023; the change of name on the title deeds from erstwhile GSCL to the Company is under process.
Leasehold Land at Sidheegram Plant	322.89				
Residential Flats in Mumbai	109.78				
Commercial Office in Daman	1.71				

- (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 the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No material discrepancies noticed on such physical verification.

- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, during the year, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below:

₹ In Lakhs

Quarter ended	Name of bank	Particulars of Securities provided	Amount as per books of account (Excluding Paint Division)	Amount as reported in the quarter end statement	Amount of difference	Reason for differences, as explained by the management
June 30, 2022	HDFC Bank Limited	Inventories and Trade Receivables	27,018.94	28,030.32	1011.38	Change in value after completion of limited review / audit for the quarter, after submission of statement to the bank.
September 30, 2022	HDFC Bank Limited	Inventories and Trade Receivables	20,792.82	21,567.55	774.73	
December 31, 2022	HDFC Bank Limited	Inventories and Trade Receivables	28,425.71	28,922.34	496.63	
March 31, 2023	HDFC Bank Limited	Inventories and Trade Receivables	24,689.93	24,563.00	(126.93)	

Refer Note No. 19.2 of the financial statements.

- (iii) During the year, the Company has not made any investment in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties. During the year, the Company has granted interest free unsecured loans to employees in respect of which:
- (i) Aggregate amount of loan provided to subsidiary is ₹ Nil and balance outstanding at the balance sheet date is ₹ Nil.
 - (ii) During the year, aggregate amount of loan provided to employees is ₹27.92 lakhs and balance outstanding at the balance sheet date is ₹ 21.00 Lakhs.
- The investments made and the terms of the grant of all loans are not prejudicial to the Company's interest. The Company has not provided any guarantee or given security.
 - In respect of loans granted by the Company, the schedule of repayment of principal have been stipulated and the repayments thereof have been regular as per stipulation.
 - In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
 - The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee or provided any security in connection with the loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.
- (v) The Company has not accepted deposits or amounts which are deemed to be deposits during the year and does not have any unclaimed deposits as at March 31, 2023. Therefore, the reporting requirement under clause 3(v) of the Order is not applicable.

- (vi) We have broadly reviewed the books of account maintained by the Company in respect of its products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, income tax deducted at source, Goods and Service Tax and other material statutory dues, as applicable.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues as at March 31, 2023, 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, the details of disputed statutory dues of Income Tax, Service tax, Sales Tax, Value Added Tax, Excise Duty and other material statutory dues which have not been deposited on account of a dispute as of 31st March 2023 are as follows:

Name of statute	Nature of dues	Amount (₹ in Lakhs)	Year to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	174.05	2006-07 & 2007-08	High Court of Gujarat
		36.72*	1992-93	CESTAT
		952.69	2007-08 to 2016-17	CESTAT
		3,211.07*	2008-09 to 2011-12 and 2013-14 to 2016-17	CESTAT
		405.57	2019-10 to 2013-14	CESTAT
		23.34*	2017-18	Commissioner (Appeals), GST Junagadh
		495.34*	2009-10, 2010-11 and 2012-13	Commissioner / Add. Commissioner, Central Excise
		5.85*	2013-14	Joint Commissioner, Central Excise
Customs Act, 1962	Custom Duty	35.85*	1995-96	CESTAT
		524.48	2011-12 & 2012-13	CESTAT
		420.59*	2012-13	CESTAT
Central Excise / CENVAT Credit Rules, 2004	Service Tax	138.36*	2012-13 and 2013-14	CESTAT
Rajasthan Sales Tax Act, 1994	Sales Tax	24.73*	1996-97	Rajasthan High Court
Gujarat Sales Tax Act, 1961	Sales Tax	121.21*	2002-03 to 2004-05	Joint Commissioner (A), Rajkot

Name of statute	Nature of dues	Amount (₹ in Lakhs)	Year to which the amount relates	Forum where the dispute is pending
Gujarat Value Added Tax Act, 2003	VAT	321.88*	2006-07 and 2007-08	Joint Commissioner (A), Rajkot
Income-tax Act, 1961	Income Tax	302.30*	2017-18	CIT (A), National Faceless Appeal Centre (NFAC)
Income-tax Act, 1961	Income Tax	4.35*	2015-16	CIT(A) 3, Mumbai
The Gujarat Panchayats Act, 1993	House Tax	41.50*	1993-94 to 2022-23	District Court, Veraval
Mines and Minerals (Development and Regulation) Act, 1957	Royalty	15.12	2004-05 to 2006-07	High Court of Gujarat
		355.83	2003-04 to 2014-15	High Court of Gujarat
		546.10*	2003-04 to 2014-15	High Court of Gujarat
Gujarat Stamp Act, 1958	Stamp Duty	28.02	2013-14	High Court of Gujarat

* Disputed statutory dues in the name of erstwhile GSCL.

- (viii) (a) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge no fraud by the Company or on the Company, is noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to Month of March 2023.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected to directors and hence provisions of Section 192 of the Companies Act, 2013 are 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. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (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 the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For, **Manubhai & Shah LLP**

Chartered Accountants

ICAI Firm Registration No. 106041W /W100136

Place: Mumbai

Date: May 25, 2023

(K C Patel)

Partner

Membership No.: 30083

UDIN: 23030083BGWUWF1083

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

	Note	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	79,573.00	78,620.74
(b) Capital Work-in-Progress	2	5,037.50	6,852.66
(c) Right of Use Assets	2	297.75	120.50
(d) Goodwill	2	222.47	222.47
(e) Intangible Assets	2	3,001.23	2,313.46
(f) Intangible Assets under Development	2	71.07	984.82
(g) Financial Assets			
(i) Investments	3	1.60	3.27
(ii) Loans	4	9.58	13.26
(iii) Other Financial Assets	5	8,179.00	456.41
(h) Other Non-Current Assets	6	4,263.87	2,847.37
SUB-TOTAL		100,657.07	92,434.96
CURRENT ASSETS			
(a) Inventories	7	18,031.69	18,598.42
(b) Financial Assets			
(i) Trade Receivables	8	7,828.05	5,949.24
(ii) Cash and Cash Equivalents	9	774.65	315.80
(iii) Bank Balances other than (ii) above	10	6,906.94	20,594.32
(iv) Loans	11	11.42	10.98
(v) Other Financial Assets	12	172.12	275.38
(c) Other Current Assets	13	1,313.93	1,415.46
SUB-TOTAL		35,038.80	47,159.60
TOTAL ASSETS		135,695.87	139,594.56
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	5,671.99	5,665.86
(b) Equity Share Capital Suspense Account	43	5,400.96	5,389.80
(c) Other Equity	15	77,091.61	79,333.93
SUB-TOTAL		88,164.56	90,389.59
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	541.90	1,089.57
(ii) Lease Liabilities	35	179.55	50.75
(b) Provisions	17	1,911.02	2,100.10
(c) Deferred Tax Liabilities (Net)	18	7,337.18	8,069.59
SUB-TOTAL		9,969.65	11,310.01
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	5,740.94	9,204.11
(ii) Lease Liabilities	35	132.38	79.39
(iii) Trade Payables	20		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		420.27	128.13
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		10,327.93	8,278.78
(iv) Other Financial Liabilities	21	3,268.78	3,323.25
(b) Other Current Liabilities	22	16,653.75	16,024.54
(c) Provisions	23	1,017.61	856.76
SUB-TOTAL		37,561.66	37,894.96
TOTAL EQUITY AND LIABILITIES		135,695.87	139,594.56
Significant Accounting Policies and Notes are an integral part of the Financial Statements		1 to 47	

As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

K C Patel
Partner
Membership No. 30083
Place: Mumbai
Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

M. S. Gilotra (DIN:00152190)
Managing Director

Place: Mumbai
Date : May 25, 2023

K. N. Bhandari (DIN:00026078)
Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. A16690)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

	Note	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Revenue from Operations	24	164,529.41	145,088.25
Other Income	25	1,308.19	1,605.88
Total Income		165,837.60	146,694.13
Expenses			
(a) Cost of Materials Consumed	26	23,912.25	22,998.83
(b) Purchases of Stock-in-trade	27	161.41	223.28
(c) Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	28	806.86	(5,729.73)
(d) Employee Benefits Expense	29	9,781.73	9,383.68
(e) Finance Costs	30	929.07	922.73
(f) Depreciation and Amortisation Expenses	2	3,886.92	3,316.54
(g) Other Expenses	31	129,294.73	111,858.34
Total Expenses		168,772.97	142,973.67
Profit / (Loss) before Exceptional Items and tax		(2,935.37)	3,720.46
Exceptional Items	32	-	(141.66)
Profit / (Loss) before tax		(2,935.37)	3,578.80
Tax Expense	40		
(a) Current tax		-	1,052.87
(b) Relating to previous years		-	19.22
(c) Deferred tax		(718.83)	361.32
Total Tax Expense		(718.83)	1,433.41
Profit / (Loss) for the year		(2,216.54)	2,145.39
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(38.87)	19.95
(b) Effect of measuring Equity Instruments on Fair Value		(1.54)	0.01
(c) Income tax on (a)		13.58	(6.97)
Total Other Comprehensive Income for the year (net of tax)		(26.83)	12.99
Total Comprehensive Income for the year		(2,243.37)	2,158.38
Earnings per Equity Share of Face Value of ₹ 10 each :			
(a) Basic (₹ per share)	47	(2.00)	1.95
(b) Diluted (₹ per share)	47	(2.00)	1.94
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 47		

As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

K C Patel

Partner
Membership No. 30083
Place: Mumbai
Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

M. S. Gilotra (DIN:00152190)
Managing Director

Place: Mumbai
Date : May 25, 2023

K. N. Bhandari (DIN:00026078)
Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. A16690)

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

A. EQUITY SHARE CAPITAL

(₹ In lakhs)

Balance as at April 1, 2022	Changes during the year due to prior period errors	Restated Balance as at April 1, 2022	Changes during the year	Balance as at March 31, 2023
5,665.55	-	5,665.55	6.44	5,671.99

(₹ In lakhs)

Balance as at April 1, 2021	Changes during the year due to prior period errors	Restated Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
5,616.01	-	5,616.01	49.54	5,665.55

B. EQUITY SHARE CAPITAL SUSPENSE ACCOUNT

(Refer Note 43)

(₹ In lakhs)

Balance as at April 1, 2022	Changes during the year due to prior period errors	Restated Balance as at April 1, 2022	Changes during the year	Balance as at March 31, 2023
5,389.80	-	5,389.80	11.16	5,400.96

(₹ In lakhs)

Balance as at April 1, 2021	Changes during the year due to prior period errors	Restated Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
5,326.79	-	5,326.79	63.01	5,389.80

C. OTHER EQUITY

(₹ In lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve (Refer Note 15)	Capital Redemption Reserve	Securities Premium	Share Options Outstanding		
Balance at the beginning of the Reporting Period i.e. As at April 1, 2021	1.40	4,374.45	737.60	11,543.83	1,098.33	55,048.35	77,555.15
Profit for the year	-	-	-	-	-	2,145.39	2,145.39
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	12.98	12.98
Issue of Equity Shares	(1.20)	-	-	-	-	2,158.37	2,158.38
Issue of Equity Shares *	(0.20)	-	-	-	-	-	(1.20)
Dividend on Equity Shares	-	-	-	-	-	(422.92)	(0.20)
Share Application Money received on exercise of Employee Stock Options, pending allotment	1.83	-	-	-	-	-	(422.92)
Share Application Money received on exercise of Employee Stock Options, pending allotment *	4.27	-	-	-	-	-	1.83
Exercise of Employee Stock Options	-	-	-	372.92	(372.92)	-	-
Exercise of Employee Stock Options *	-	-	-	265.05	(265.05)	-	-
Capital Reserve on Amalgamation (Refer Note 43)	-	38.62	-	-	-	-	-
Balance at the end of the Reporting Period i.e. As at March 31, 2022	6.10	4,413.07	737.60	12,181.80	460.36	56,783.80	79,333.93
						(1,035.09)	

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve (Refer Note 15)	Capital Redemption Reserve	Securities Premium	Share Options Outstanding		
Balance at the beginning of the Reporting Period i.e. As at April 1, 2022	6.10	4,413.07	737.60	12,181.80	460.36	(1,035.09)	79,333.93
Loss for the year	-	-	-	-	-	-	(2,216.54)
Effect of measuring Equity Instruments on Fair Value Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	(1.54)	(1.54)
Total Comprehensive Income for the year	-	-	-	-	-	-	(25.29)
Issue of Equity Shares	(1.83)	-	-	-	-	(1.54)	(2,243.37)
Issue of Equity Shares *	(4.27)	-	-	-	-	-	(1.83)
Investments measured at Fair Value through Other Comprehensive Income written off (Refer Note 3)	-	-	-	-	-	-	(4.27)
Exercise of Employee Stock Options	-	-	-	-	-	-	-
Exercise of Employee Stock Options *	-	-	48.44	-	(48.44)	-	-
Transfer of balance in Forfeited Equity Shares	-	-	46.47	-	(46.47)	-	-
Capital Reserve on Amalgamation (Refer Note 43)	-	0.31	-	-	-	-	0.31
Balance at the end of the Reporting Period i.e. As at March 31, 2023	-	4,420.22	737.60	12,276.71	365.45	(1.50)	77,091.61

* of erstwhile Gujarat Sidhee Cement Limited

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)

Executive Vice Chairman

M. S. Gilotra (DIN:00152190)

Managing Director

K. N. Bhandari (DIN:00026078)

Director

V. R. Mohnot

Chief Financial Officer

Sonali Sanas

President (CS, Legal & Strategy)
(Membership No. A16690)

K C Patel

Partner

Membership No. 30083

Place: Mumbai

Date : May 25, 2023

Place: Mumbai

Date : May 25, 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(2,935.37)	3,578.80
Adjustments for :		
Add: Finance Costs	929.07	922.73
Loss on Sale / Discard of Property, Plant and Equipment (Net)	58.22	-
Provision for Doubtful Debts	10.79	-
Exceptional items	-	141.66
Employee Benefit Expense at amortised cost	2.06	1.67
Unrealised Foreign Exchange Loss (Net)	-	0.96
Investments written off	0.15	-
Depreciation and Amortisation Expense	3,886.92	3,316.54
	<u>4,887.21</u>	<u>4,383.56</u>
Less: Interest Income	(958.74)	(1,109.67)
Dividend Income	(0.05)	(0.66)
Profit on Sale / Discard of Property, Plant and Equipment (Net)	-	(64.17)
Liabilities for Expenses no longer payable Written Back	(17.37)	(8.57)
Trade / Other Payables Written Back	(86.25)	(63.23)
Gain on Termination of Lease	-	(0.55)
	<u>(1,062.41)</u>	<u>(1,246.85)</u>
Operating Profit before Working Capital changes	889.43	6,715.51
Adjustments for increase / decrease in:		
Trade Payables, Financial Liabilities and Other Current Liabilities	2,879.61	903.34
Provisions	(67.10)	(154.36)
Long-term Loans, Financial Assets and Other Non-Current Assets	(56.16)	(188.81)
Inventories	566.73	(5,822.13)
Trade Receivables	(1,889.60)	(1,305.38)
Short-term Loans, Financial Assets and Other Current Assets	124.66	104.40
	<u>1,558.14</u>	<u>(6,462.94)</u>
Cash Generated from Operations	2,447.57	252.57
Less: Direct Taxes Payments (Net)	(321.97)	(1,093.77)
Net Cash Generated from / (Used in) Operating Activities	2,125.60	(841.20)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(3,894.04)	(4,618.43)
Acquisition of Paint Business	-	(5,535.73)
Proceeds from Sale of Property, Plant and Equipment	83.84	111.49
Proceeds from Sale of Equity Shares	-	0.11
Decrease / (Increase) in Bank Deposits	6,019.50	5,759.23
Interest income on Bank Deposits	1,035.58	1,296.29
Loan repayment received from Subsidiary	-	18.68
Dividend Income	0.05	0.66
Net Cash Generated from / (Used in) Investing Activities	3,244.93	(2,967.70)

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on exercise of Employee Stock options	4.61	50.18
Proceeds from issue of shares on exercise of Employee Stock options *	13.74	105.70
Proceeds from Long-term Borrowings	407.84	385.84
Repayment of Long-term Borrowings	(1,581.72)	(1,168.49)
Proceeds from / (Repayment of) Short-term Borrowings (Net)	(2,836.96)	5,206.73
Payment of Lease Liabilities	(151.25)	(228.32)
Finance Costs Paid	(767.94)	(819.37)
Dividend Paid	-	(422.92)
Net Cash Generated from / (Used in) Financing Activities	(4,911.68)	3,109.35
Net increase in Cash and Cash Equivalents	458.85	(699.55)
Cash and Cash Equivalents at the beginning of the year	315.80	1,015.35
Cash and Cash Equivalents at the end of the year (Refer Note 9)	774.65	315.80

* of erstwhile Gujarat Sidhee Cement Limited

Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"**
Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Particulars	(₹ In lakhs)			
	As at April 1, 2022	Cash Flows	Non Cash Changes	As at March 31, 2023
Short Term Borrowings	8,199.88	(2,836.96)	-	5,362.92
Long Term Borrowings (including Current maturities)	2,093.80	(1,173.88)	-	919.92

Particulars	(₹ In lakhs)			
	As at April 1, 2021	Cash Flows	Non Cash Changes	As at March 31, 2022
Short Term Borrowings	2,993.15	5,206.73	-	8,199.88
Long Term Borrowings (including Current maturities)	2,876.45	(782.65)	-	2,093.80

- Purchase of Property, Plant and Equipment includes addition to Intangible Assets, Intangible Assets under Development and adjusted for movement in Capital Work-in-progress and Capital Advances.
- Figures in bracket indicates cash outflows.

As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

K C Patel

Partner
Membership No. 30083
Place: Mumbai
Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

M. S. Gilotra (DIN:00152190)
Managing Director

Place: Mumbai
Date : May 25, 2023

K. N. Bhandari (DIN:00026078)
Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. :A16690)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies:

A Company Overview:

Saurashtra Cement Limited ("the Company") is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Ranavav, Gujarat, India. The Company is engaged in the business of manufacturing and selling of Cement and Paints.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for publication at its meeting held on May 25, 2023.

B Significant Accounting Policies

1.1 Statement of Compliance:

These financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

1.2 Basis of Preparation and Presentation:

a) Basis of Preparation:

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

- Certain financial assets and liabilities measured at fair value (Refer Note 1.18 being accounting policy regarding financial instruments)
- Assets held for sale - measured at the lower of its carrying amount and fair value less estimated costs to sell
- Employee's Defined Benefit Plan measured as per actuarial valuation
- Share-based payments measured at fair value.
- Assets and liabilities acquired under Business Combination (other than common control Business Combination) measured at fair value

b) Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise indicated.

c) Classification of Assets and Liabilities into Current/Non-current:

- i. The Company presents assets and liabilities in the Balance Sheet based on Current/Non-current classification.
- ii. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-current classification of its Assets and Liabilities.
- iii. An asset is classified as Current when:
 - It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is expected to be realised within twelve months after the reporting period; or
 - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- iv. A liability is classified as Current when:
 - It is expected to be settled in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.
- v. Deferred Tax Assets and Liabilities are classified as Non-current assets and liabilities.

1.3 Property, Plant and Equipment (PPE):

- i. The Company has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and/or any accumulated impairment loss. An item of PPE is recognised as an asset, if 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.
- ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof and are material, else, such items are classified as inventory.
- iii. The cost comprises of - purchase price (net of recoverable GST / CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as "Capital Work-in-progress". Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress. The same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.

1.4 Depreciation / Amortisation:

- i. Depreciation on PPE is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation (other than Jetty and Premium on Leasehold Land) is provided on the "Straight-line Method" as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment. The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the change is recognised in the Statement of Profit and Loss with appropriate disclosure thereof.
- ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Company has determined the useful life of that significant part separately ("Component Accounting"). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Company has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.
- iii. Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and from the date, the asset is derecognised.
- iv. Cost of Leasehold Land, without Mineral Reserves, of material amount is amortised on a Straight-line basis over its lease period. Cost of Leasehold Land having Mineral Reserves is amortised based on quantity of limestone / marl extracted during the year out of estimated deposit available for mining.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**1.5 Non-current Assets held for sale:**

Items of PPE, which are retired from active use and held for disposal and where the sale is highly probable, are classified under Other Current Assets. The same are carried at the lower of their carrying amounts and fair value less estimated costs to sell. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

1.6 Intangible Assets:

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

Trademarks - 10 years

Computer Software - 3 years

Licenses and Permissions - 3 years

Trademarks with infinite life and Goodwill arising on Business Combination are tested for impairment at each Balance Sheet date.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under Development".

1.7 Leases:**As a Lessee:**

The Company's leased assets consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense as per the terms of the lease.

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

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term lease of Property, Plant and Equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

As a Lessor:

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income as per the terms of the lease as part of 'Other Income'.

1.8 Impairment of Non-financial Assets:

- i. The Company, at the end of each reporting period, assesses the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss, if any.
- ii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
- iv. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

Inventories are valued as follows:

- i. **Raw materials, Fuels, Stores and spare parts and Packing materials** - At cost or net realisable value, whichever is lower. Cost is derived on moving weighted average basis.
- ii. **Work-in-progress (WIP), Finished goods and Stock-in-trade** - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.10 Revenue and Income Recognition:

A Revenue from Contracts with Customers

- i. Revenue from contracts with customers for sale of goods is recognised when the Company satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Company is expected to be entitled to in exchange for those goods. Performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the goods on its receipt.

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.

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

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to avail various products. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry.

- ii. In case of Export of goods, the control of goods is transferred on receipt of Bill of Lading / Mate Receipt.

B Other Operating Revenue - Export entitlement

Export entitlements are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.

C Income Recognition

- i. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- ii. Dividend income from investments is recognised when the Company's right to receive dividend is established.
- iii. Interest income is recognised on a time proportion basis, by reference to the principal outstanding and the effective interest rate.

1.11 Foreign Currency Transactions:

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans etc.), which are denominated in foreign currency are translated at the spot rates of exchange of functional currency at the reporting date.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the Statement of Profit and Loss for the period in which they arise.

1.12 Employee share based payments:

- i. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.
- ii. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- iii. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.
- iv. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

1.13 Employee Benefits:

- i. **Defined contribution plan:** The Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the year in which the employees render the related service.
- ii. **Defined benefit plan - Gratuity:** In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an Actuary. The Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").

Remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), is reflected immediately in the Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement is not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment and
 - The date when the Company recognises related restructuring costs
- iii. **Compensated Absences:** As per policy of the Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the year in which the employees render the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an Actuarial valuation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.
 - iv. **Other short term benefits:** A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered and is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

1.14 Borrowing Costs:

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalised, net of income earned on temporary investments from such borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss as expense in the year in which the same are incurred.

1.15 Segment Reporting:

Primary Segment is identified based on the nature of products, the different risks and returns and the internal business reporting system. Secondary Segment is identified based on the geographic location of its customers.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**1.16 Taxation:****i. Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period in accordance with the provisions of the Income-tax Act, 1961.

ii. Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Tax relating to items recognised in equity or OCI is recognised directly in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company offsets on a year on year basis, the deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets and liabilities and where it intends to settle such assets and liabilities on a net basis.

1.17 Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

- ii. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

- iii. Contingent assets are neither recognised nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.18 Financial Instruments:

i. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

ii. Financial assets:

Initial recognition and measurement:

All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial Assets at amortised cost
- Equity investments measured at fair value through Other Comprehensive Income (FVTOCI)

iii. Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and loss. The losses arising from impairment are recognised in the Statement of Profit and loss.

iv. Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

v. Derecognition of financial asset:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

vi. Investment in Subsidiary:

The Company's investment in its Subsidiary is carried at cost less provision for impairment.

vii. Impairment of financial assets:

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade Receivables, in view of the Company's credit policy and past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based on specific identification. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

viii. Financial liabilities:

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement:

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses on changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

ix. Derecognition of financial liability:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

x. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Fair Value Measurement:

- i. Fair value is the price 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 under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
 - In the principal market for the asset or liability or
 - In the absence of a principal market, in the most advantageous market for the asset or liability
- ii. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- iv. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.
 - Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
 - Level 3 - If the lowest level input that is significant to the fair value measurement is not based on observable market data.
- v. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1.20 Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with banks with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

1.21 Business Combination:

Business combinations (other than common control business combinations) are accounted for using the acquisition method. The consideration transferred by the Company to obtain control of a business is measured at fair value at acquisition date and includes the fair value of any contingent consideration.

Acquisition related costs are recognised in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. However, deferred tax asset or liability and any asset or liability relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, records the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of the transferor entity or business is recognised as capital reserve under equity.

1.22 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.23 Earnings Per Share:

- i. Basic Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii. Diluted EPS is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders adjusted for the effects of potential dilution of equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

1.24 Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") through a notification of March 31, 2023, introduced the Companies (Indian Accounting Standards) Amendment Rules, 2023 to amend the Companies (Indian Accounting Standards) Rules, 2015 which come into force with effect from April 1, 2023. The following are the amendments:

Ind AS 1 - Presentation of Financial Statements:

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

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

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

The 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.

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

Ind AS 12 - Income Taxes

The 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 amendment to have any significant impact in its financial statements.

C Critical accounting judgements, estimates and assumptions:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. 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. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Useful Lives of Property, Plant and Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. 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. The inputs to these models are taken from observable markets where possible,

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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.

iii. Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iv. Defined benefit plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take into account of changing facts and circumstances.

vi. Share-based payments:

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 41.

vii. Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	₹ in lakhs									
	Gross Block					Depreciation, Amortisation and Impairment			Net Block	
	As at April 1, 2022	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2023	As at April 1, 2022	For the Year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Property, Plant and Equipment										
Freehold land	37,276.92	-	-	37,276.92	-	-	-	-	37,276.92	37,276.92
[Refer Note (iii)]										
Leasehold land	1,253.46	-	-	1,253.46	97.05	17.79	-	114.84	1,138.62	1,156.41
[Refer Notes (i), (ii) and (iii)]										
Buildings and Jety	15,139.47	614.38	-	15,753.85	7,033.40	364.12	-	7,397.52	8,356.33	8,106.07
[Refer Notes (iii), (iv) and (v)]										
Plant and equipments	74,947.82	2,858.18	444.65	77,361.35	47,125.47	2,039.25	385.49	48,779.23	28,582.12	27,822.35
Furniture and Fixtures	3,986.98	253.69	690.49	3,550.18	2,518.43	235.43	665.07	2,088.79	1,461.39	1,468.55
Vehicles	4,404.48	516.18	258.85	4,661.81	2,447.82	404.56	216.97	2,635.41	2,026.40	1,956.66
Office equipments	2,882.47	157.24	310.79	2,728.92	2,145.07	235.58	295.38	2,085.27	643.65	737.40
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	4.20	252.60	160.42	8.60	3.99	165.03	87.57	96.38
Total	140,148.40	4,399.67	1,708.98	142,839.09	61,527.66	3,305.33	1,566.90	63,266.09	79,573.00	78,620.74
Capital Work-in-Progress	11,450.44	769.86	2,585.02	9,635.28	4,597.78	-	-	4,597.78	5,037.50	6,852.66
[Refer Notes (vi), (vii), (viii) and (ix)]										
Right of Use Assets										
[Refer Note 35]										
Goodwill	427.00	312.18	320.97	418.21	306.50	134.93	320.97	120.46	297.75	120.50
	222.47	-	-	222.47	-	-	-	-	222.47	222.47
Other Intangible Assets										
Other than internally generated										
Trademarks	2,163.11	-	-	2,163.11	31.59	34.42	-	66.01	2,097.10	2,131.52
Computer softwares	468.50	1,134.43	0.14	1,602.79	398.27	399.94	0.14	798.07	804.72	70.23
Licenses and Permissions	123.00	-	-	123.00	11.29	12.30	-	23.59	99.41	111.71
Total	2,754.61	1,134.43	0.14	3,888.90	441.15	446.66	0.14	887.67	3,001.23	2,313.46
Intangible Assets under Development [Refer Note (x)]	984.82	218.83	1,132.58	71.07	-	-	-	-	71.07	984.82
Grand Total	155,987.74	6,834.97	5,747.69	157,075.02	66,873.09	3,886.92	1,888.01	68,872.00	88,203.02	89,114.65

2 Property, Plant and Equipment, etc.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	₹ in lakhs									
	As at April 1, 2021	Additions / Adjustments	Gross Block	As at March 31, 2022	As at April 1, 2021	Depreciation, Amortisation and Impairment	Deductions/ Adjustments	As at March 31, 2022	Net Block As at March 31, 2022	
Property, Plant and Equipment										
Freehold land [Refer Note (iii)]	37,276.92	-	-	37,276.92	-	-	-	-	37,276.92	
Leasehold land [Refer Notes (i), (ii) and (iii)]	322.98	-	930.48	1,253.46	76.84	20.21	-	97.05	1,156.41	
Buildings and Jettys [Refer Notes (iii), (iv) and (v)]	13,226.91	21.01	1,891.55	15,139.47	6,707.96	325.44	-	7,033.40	8,106.07	
Plant and equipments [Refer Notes (iii), (iv) and (v)]	73,240.86	1,648.70	139.19	74,947.82	45,292.08	1,910.26	76.87	47,125.47	27,822.35	
Furniture and Fixtures	3,798.11	194.73	0.01	3,986.98	2,292.84	231.33	5.74	2,518.43	1,468.55	
Vehicles	3,978.66	713.00	0.94	4,404.48	2,301.39	332.86	186.43	2,447.82	1,956.66	
Office equipments	2,552.32	351.90	3.48	2,882.47	1,963.50	204.99	23.42	2,145.07	737.40	
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	256.80	151.82	8.60	-	160.42	96.38	
Total	134,653.56	2,929.34	2,965.65	140,148.40	58,786.43	3,033.69	292.46	61,527.66	78,620.74	
Capital Work-in-Progress	10,588.11	1,279.99	-	11,450.44	4,597.78	-	-	4,597.78	6,852.66	
[Refer Notes (vi), (vii), (viii) and (ix)]										
Right of Use Assets	661.79	85.10	-	427.00	412.96	204.70	311.16	306.50	120.50	
[Refer Note 35]										
Goodwill	-	-	222.47	222.47	-	-	-	-	222.47	
Other Intangible Assets										
Other than internally generated Trademarks	-	-	2,163.11	2,163.11	-	31.59	-	31.59	2,131.52	
Computer softwares	462.30	23.67	61.50	468.50	441.97	35.27	78.97	398.27	70.23	
Licenses and Permissions	-	-	123.00	123.00	-	11.29	-	11.29	111.71	
Total	462.30	23.67	2,347.61	2,754.61	441.97	78.15	78.97	441.15	2,313.46	
Intangible Assets under Development [Refer Note (x)]	153.50	831.32	-	984.82	-	-	-	-	984.82	
Grand Total	146,519.26	5,149.42	5,535.73	155,987.74	64,239.14	3,316.54	682.59	66,873.09	89,114.65	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- i. Besides the land specified above, the Company holds other leasehold land for which only ground rent is payable.
- ii. Leasehold land at Cement Plants is acquired for mining purpose. The land cannot be sold without permission of the Collector.
- iii. Details of Immovable Properties whose Title deeds are not held in the name of the Company:

Description of item of property	Gross carrying amount ₹ in lakhs	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in name of the company
Freehold Land, Buildings at Sidheegram Plant	31,156.62	Gujarat Sidhee Cement Limited	No	January 1, 2022	The Title deeds are held in the name of erstwhile Gujarat Sidhee Cement Limited which has amalgamated with the Company with effect from March 30, 2023; the change of name on the title deeds from erstwhile Gujarat Sidhee Cement Limited to Saurashtra Cement Limited is under process.
Leasehold Land at Sidheegram Plant	322.89	Gujarat Sidhee Cement Limited	No	January 1, 2022	
Residential Flats in Mumbai	109.78	Gujarat Sidhee Cement Limited	No	January 1, 2022	
Commercial Office in Daman	1.71	Gujarat Sidhee Cement Limited	No	January 1, 2022	

- iv. Buildings and Jetty include a Private Jetty having a gross block of ₹ 2,589.70 lakhs (Previous Year: ₹ 2,411.45 lakhs), net block of ₹ 271.27 lakhs (Previous Year: ₹ 120.57 lakhs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The present agreement is for 10 years effective from November 01, 2015 and valid upto October 31, 2025.
- v. Residential Flat in Mumbai has been mortgaged in favour of HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.
- vi. Capital Work-in-progress includes amount of ₹ Nil (Previous Year: ₹ 94.78 lakhs) towards improvement on Private Jetty, referred above.
- vii. **Impairment of Assets:**
 - a. The Company had incurred an aggregate sum of ₹ 8,107.17 lakhs (Previous Year: ₹ 8,107.17 lakhs) towards Expansion Project Assets and shown the same under Capital Work-in-progress (CWIP). The expenditure includes cost of imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised). During earlier years, spares of the value of ₹ 215.07 lakhs were consumed resulting to closing balance of CWIP at ₹ 7,892.10 lakhs.
 - b. In the year 2005, due to several adversities, the project was suspended. However, the Company intends to install the assets at a later date, depending on market conditions. As at March 31, 2022, the fair value of assets was estimated at ₹ 4,473.46 lakhs based on valuation report of the registered valuer. The assets are physically verified by the Management and found that there has not been any material change in the condition of those assets. Considering the present condition and value in use, the asset valuation of ₹ 4,473.46 lakhs, carried out by an independent valuer during the financial year 2021-2022 holds good as at March 31, 2023. Since this value is higher than the carrying value of the assets after considering impairment loss of ₹ 4,597.78 lakhs as at March 31, 2022, no further provision for impairment has been made during the current financial year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**viii. Capital Work-in-Progress: Ageing****As at March 31, 2023**

₹ in lakhs

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Improvements within Cement Plant	338.86	1,069.78	169.08	165.46	1,743.18
Projects temporarily suspended [(Refer Note (vii))]	-	-	-	3,294.32	3,294.32
	338.86	1,069.78	169.08	3,459.78	5,037.50

As at March 31, 2022

₹ in lakhs

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Improvements within Cement Plant	2,385.59	840.98	267.23	64.54	3,558.34
Projects temporarily suspended [(Refer Note (vii))]	-	-	-	3,294.32	3,294.32
	2,385.59	840.98	267.23	3,358.86	6,852.66

ix. Capital Work-in-Progress: Completion Schedule

Capital-work-in-progress, whose completion is overdue compared to its original plan.

As at March 31, 2023

₹ in lakhs

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Improvements within Cement Plant				
Installation of Air Cooled Condenser for Thermal Power Plant (TPP)	1,389.59	-	-	-
Automation of Delivery system	160.06	-	-	-
Others	75.55	44.87		
Projects temporarily suspended				
Expansion Project [(Refer Note (vii))]	-	3294.32	-	-

As at March 31, 2022

₹ in lakhs

Particulars	To be completed in			
	Less than 1 year	1-2 years Particulars	2-3 years	More than 3 years
Improvements within Cement Plant				
Installation of Air Cooled Condenser for Thermal Power Plant (TPP)	1,365.19	-	-	-
Projects temporarily suspended				
Expansion Project [(Refer Note (vii))]	-	-	3,294.32	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

x. Intangible Assets under Development: Ageing

As at March 31, 2023

₹ in lakhs

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
ERP Implementation (New Requirement)	31.35	-	-	-	31.35
Automation of Delivery System	23.85	15.87	-	-	39.72
	55.20	15.87	-	-	71.07

As at March 31, 2022

₹ in lakhs

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress: ERP Implementation	831.32	153.50	-	-	984.82
	831.32	153.50	-	-	984.82

xi. Refer Note 16.1 and 19.1 for information on Property, Plant and Equipment hypothecated as security.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

				As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
3	Non-current Investments				
a)	Investments measured at Amortised Cost:				
	In Government Securities				
	Unquoted				
	6 Years National Savings Certificates			0.11	0.14
	(Maintained as security deposit with Government authorities)				
b)	Investments measured at Cost:				
	In Equity Instruments of Subsidiaries				
	Unquoted (Fully paid equity shares)				
		No. of Shares			
		Current Year	Previous Year		
	Face Value Investee company				
	₹ per share				
	10 Agrima Consultants International Limited	404,100	404,100	180.36	180.36
	Less: Provision for impairment in value			180.36	180.36
				180.36	180.36
				-	-
c)	Investments measured at Fair Value through Other Comprehensive Income (FVTOCI):				
	In Equity Instruments of Others				
	i) Quoted (Fully paid equity shares)				
		No. of Shares			
		Current Year	Previous Year		
	Face Value				
	₹ per share Investee company				
	10 MTZ (India) Limited #	-	870,500	-	0.02
	10 MTZ Polyfilms Limited #	-	3,000,000	-	0.10
	2 Bank of Baroda	22	22	0.04	0.02
	10 ACC Limited	1	1	0.02	0.02
	2 Ambuja Cements Limited *	1	1	-	-
	10 India Cement Limited *	1	1	-	-
	5 JK Lakshmi Cements Limited	1	1	0.01	0.01
	10 Mangalam Cement Limited *	1	1	-	-
	10 Prism Johnson Limited *	1	1	-	-
	10 Shree Digvijay Cement Co. Limited *	1	1	-	-
	10 Ultratech Cement Limited	1	1	0.08	0.07
	10 Zuari Agro Chemicals Limited *	1	1	-	-
	10 Zuari Global Limited *	1	1	-	-
				0.15	0.24
	# These investments have been written off				

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

ii) Unquoted (Fully paid equity shares)		No. of Shares			
Face Value		Current Year	Previous Year		
₹ per share	Investee company				
0.1	Chennai Super Kings Cricket Limited *	1	1	-	-
50	Rajkot Nagrik Sahakari Bank Limited	2,001	2,001	1.00	1.00
0.1	Bhadreshwar Vidyut Private Limited	865,000	865,000	0.09	1.64
10	Saraswat Co-op Bank Limited	2,500	2,500	0.25	0.25
* Each investment is less than ₹ 0.01 lakhs				1.34	2.89
Aggregate Carrying Value of:				1.60	3.27
Quoted investments				0.15	0.24
Unquoted investments				1.45	3.03
Aggregate Market Value of quoted investments				0.15	0.24

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
4 Loans		
Considered Good - Unsecured		
Staff Loans	9.58	13.26
	<u>9.58</u>	<u>13.26</u>

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
5 Other Financial Assets		
Security Deposits		
For supply of Power - credit impaired	224.27	224.27
Others	342.17	287.22
	566.44	511.49
Less : Provision for impairment	(224.27)	(224.27)
	342.17	287.22
Fixed Deposits with Bank with maturity greater than 12 months		
Kept as Margin money against Guarantees and Letters of Credit	1,520.34	11.83
Kept as Security against Overdraft (Refer Note 19.1)	3,822.27	62.10
Others	2,494.22	95.26
	<u>8,179.00</u>	<u>456.41</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
6 Other Non-current Assets		
Capital Advances	2,661.99	1,573.13
Advances other than Capital Advances		
Taxes Paid [Net of Provision of ₹ Nil, Previous Year: ₹ 622.15 lakhs - (after MAT Credit utilised of ₹ 456.54 lakhs)]	1,179.92	857.96
Pre-deposit Balances with Statutory / Government Authorities against Appeals	407.78	395.22
Prepaid Expenses	14.18	21.06
	<u>4,263.87</u>	<u>2,847.37</u>

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
7 Inventories		
Raw Materials (includes in transit of ₹ 2.80 lakhs, Previous Year: ₹ 0.01 lakhs)	3,747.49	2,546.46
Packing Materials	494.79	534.71
Work-in-progress	5,114.05	6,201.48
Finished Goods	2,115.60	1,835.03
Fuels (includes in transit of ₹ 59.25 lakhs, Previous Year: ₹ Nil)	3,874.25	4,902.16
Stores and Spare Parts (includes in transit of ₹ 5.08 lakhs, Previous Year: ₹ 30.76 lakhs)	2,685.51	2,578.58
	<u>18,031.69</u>	<u>18,598.42</u>

The cost of inventories recognised as an expense during the year is disclosed in Notes 26, 27, 28 and 31.

For mode of valuation of inventories : Refer Note 1.9.

Inventories are hypothecated as security for Cash Credit facilities given by HDFC Bank Limited - Refer Note 19.1

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
8 Trade Receivables		
Considered Good - Unsecured	7,828.05	5,949.24
Trade Receivables - credit impaired	34.19	23.39
	<u>7,862.24</u>	<u>5,972.63</u>
Less : Provision for impairment	34.19	23.39
	<u>7,828.05</u>	<u>5,949.24</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

8.1 Trade Receivables Ageing Schedule

As at March 31, 2023

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Considered Good - Unsecured							
Undisputed	3,416.78	4,360.42	22.89	11.70	0.02	0.63	7,812.44
Disputed	-	-	-	-	-	15.61	15.61
Trade Receivables - credit impaired							
Undisputed	-	-	-	-	-	-	-
Disputed	-	0.02	2.03	8.75	-	23.39	34.19
Less : Provision for impairment	-	(0.02)	(2.03)	(8.75)	-	(23.39)	(34.19)
	3,416.78	4,360.42	22.89	11.70	0.02	16.24	7,828.05

As at March 31, 2022

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Considered Good - Unsecured							
Undisputed	2,376.64	3,533.35	13.94	6.53	0.78	-	5,931.24
Disputed	-	-	-	-	0.03	17.97	18.00
Trade Receivables - credit impaired							
Undisputed	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	23.39	23.39
Less : Provision for impairment	-	-	-	-	-	(23.39)	(23.39)
	2,376.64	3,533.35	13.94	6.53	0.81	17.97	5,949.24

8.2 Trade Receivables are hypothecated as security for Cash Credit facilities given by HDFC Bank Limited - Refer Note 19.1

8.3 Contract Balances

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Trade Receivables	7,828.05	5,949.24
Contract Liabilities - Advances from Customers (Refer Note 22)	5,677.22	4,959.36

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
9 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	774.65	315.80
	<u>774.65</u>	<u>315.80</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
10 Bank Balances other than Cash and Cash Equivalents		
Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
Kept as Margin Money against Guarantees and Letter of Credit	1,719.86	3,043.50
Kept as Security against Overdraft (Refer Note 19.1)	4,083.90	6,850.23
Others	<u>1,062.04</u>	<u>10,659.21</u>
	6,865.80	20,552.94
Earmarked Balances		
For Unpaid Equity Dividend	41.14	41.38
	<u>41.14</u>	<u>41.38</u>
	<u>6,906.94</u>	<u>20,594.32</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
11 Loans		
Considered Good - Unsecured		
Staff Loans	11.42	10.98
	<u>11.42</u>	<u>10.98</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
12 Other Financial Assets		
Interest accrued on Fixed Deposits	166.72	246.41
Export Benefits Receivable	-	7.28
Income Receivable	<u>5.40</u>	<u>21.69</u>
	<u>172.12</u>	<u>275.38</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
13 Other Current Assets		
Considered Good - Unsecured		
Advances		
Balances with Statutory/Government Authorities	516.46	423.54
Advances Against Purchase of Raw Materials, Stores and Spares	243.38	435.38
Prepaid Expenses	177.91	290.89
Others	376.18	265.65
	<u>1,313.93</u>	<u>1,415.46</u>
Considered Doubtful		
Advances Against Purchase of Stores and Spares	24.46	24.46
	<u>1,338.39</u>	<u>1,439.92</u>
Less : Provision for Doubtful advances	24.46	24.46
	<u>1,313.93</u>	<u>1,415.46</u>

	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
14 Equity Share Capital				
Equity Share Capital Authorised				
Equity Shares of ₹ 10 par value (Refer Note 43)	772,700,000	77,270.00	772,700,000	77,270.00
		<u>77,270.00</u>		<u>77,270.00</u>
Issued				
Equity Shares of ₹ 10 par value	70,393,438	7,039.34	70,329,057	7,032.91
		<u>7,039.34</u>		<u>7,032.91</u>
Subscribed				
Equity Shares of ₹ 10 par value				
Subscribed & Fully Paid Up	56,719,902	5,671.99	56,655,521	5,665.55
Equity Shares - forfeited	-	-	15,269	0.31
(₹ 2 per share paid up)		<u>5,671.99</u>		<u>5,665.86</u>

14.1 Reconciliation of the number of shares outstanding and amount of share capital

	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares of ₹ 10 par value				
At the beginning of the year	56,655,521	5,665.55	69,818,375	6,981.84
Cancellation of Equity Shares, held by erstwhile Gujarat Sidhee Cement Limited, pursuant to scheme of Amalgamation (Refer Note 43)	-	-	(13,658,267)	(1,365.83)
	<u>56,655,521</u>	<u>5,665.55</u>	<u>56,160,108</u>	<u>5,616.01</u>
Shares issued during the year on exercise of employee stock options	64,381	6.44	495,413	49.54
At the end of the year	<u>56,719,902</u>	<u>5,671.99</u>	<u>56,655,521</u>	<u>5,665.55</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

14.2 Rights, Preferences and Restrictions

Equity Shares

- i. The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. The final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. At present, there is no outstanding Preference Shares.
- iv. In respect of share based payments granted to employees (Employee Stock Options), refer Note 41.

14.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

(Refer para after Note 14.4 for calculation of % to total shares)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	% to total shares	Numbers	% to total shares
Equity Shares				
Omna Enterprises LLP	10,522,431	18.55%	10,522,431	18.57%
Mehta Investments Mauritius Limited	20,190,939	35.60%	20,190,939	35.64%

14.4 Details of shares held by the Promoters

Sr. No.	Name of Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
		Numbers	% to total shares	Numbers	% to total shares	
i.	Mahendra N Mehta	-	0.00	28,480	0.05	(0.05)
ii.	Sunayanaben M Mehta	6,000	0.01	6,000	0.01	-
iii.	Jay M Mehta	43,110	0.08	14,630	0.03	0.05
iv.	Juhi Chawla Mehta	24,650	0.04	24,650	0.04	-
v.	Radha Mahendra Mehta	5,100	0.01	5,100	0.01	-
vi.	Arjun Jay Mehta	1,656,712	2.92	1,656,712	2.92	-
vii.	Jahnvi Jay Mehta	1,656,713	2.92	1,656,713	2.92	-
viii.	Dhirendra N Mehta (Deceased)	-	0.00	44,050	0.08	(0.08)
ix.	Medhavini D Mehta	90,634	0.16	90,634	0.16	-
x.	Hemang D Mehta	95,584	0.17	51,534	0.09	0.08
xi.	Umade D Mehta	26,000	0.05	26,000	0.05	-
xii.	Kamalakshi D Mehta	18,400	0.03	18,400	0.03	-
xiii.	Anisha Hemang Mehta	100	0.00	100	0.00	-
xiv.	Devika Kallergis	100	0.00	100	0.00	-
xv.	Nirmala Ranvir Khatau	12,935	0.02	12,935	0.02	-
xvi.	Anandita Sudhir Shah	84,415	0.15	84,415	0.15	-
xvii.	Trishala Vikas Tandon	-	0.00	84,415	0.15	(0.15)
xviii.	Subash Chandra Khanna	130,000	0.23	130,000	0.23	-
xix.	Promilla Khanna	650,000	1.15	650,000	1.15	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

14.4 Details of shares held by the Promoters

Sr. No.	Name of Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
		Numbers	% to total shares	Numbers	% to total shares	
xx.	Arja Shridhar	200,000	0.35	200,000	0.35	-
xxi.	Mehta Investments Mauritius Limited	20,190,939	35.60	20,190,939	35.64	(0.04)
xxii.	The Mehta International Ltd	3,750	0.01	3,750	0.01	-
xxiii.	The Mehta International Mauritius Limited	1,773,599	3.13	1,773,599	3.13	-
xxiv.	Pallor Trading Company Private Limited	25,136	0.04	25,136	0.04	-
xxv.	Galaxy Technologies Private Limited	123,531	0.22	123,531	0.22	-
xxvi.	Omna Enterprises LLP	10,522,431	18.55	10,522,431	18.57	(0.02)
		37,339,839	65.83	37,424,254	66.06	(0.21)

The Number of shares held by promoters and % to total shares is calculated after taking into account cancellation of shares of the Company held by erstwhile Gujarat Sidhee Cement Limited but before allotment of Shares of the Company to shareholders of erstwhile Gujarat Sidhee Cement Limited. (Refer Note 43).

14.5 Details of Equity Shares reserved for issue under Share Options Outstanding at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares reserved for issue under Employee Stock Options (Refer Note 41)	557,738	55.77	443,689	44.37

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
15 Other Equity		
i. Share Application Money pending allotment	-	1.83
Share Application Money pending allotment *	-	4.27
ii. Reserves and Surplus		
a. Capital Reserve		
Government Subsidy	26.95	26.95
Capital Reduction Account	6,921.68	6,921.68
On Amalgamation (Refer Note 43)	(5,250.00)	(5,256.84)
Others	2,721.59	2,721.28
	<u>4,420.22</u>	<u>4,413.07</u>
b. Capital Redemption Reserve	737.60	737.60
c. Securities Premium		
Balance as at the beginning of the year	12,181.80	11,543.83
Add: Exercise of Employee Stock Options	48.44	372.92
Add: Exercise of Employee Stock Options *	46.47	265.05
	<u>12,276.71</u>	<u>12,181.80</u>
d. Share Options Outstanding		
Balance as at the beginning of the year	460.36	1,098.33
Less: Exercise of Employee Stock Options	(48.44)	(372.92)
Less: Exercise of Employee Stock Options *	(46.47)	(265.05)
	<u>365.45</u>	<u>460.36</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
e. General Reserve	5,786.29	5,786.29
f. Retained Earnings		
Balance as at the beginning of the year	56,783.80	55,048.35
Add: Profit/(Loss) for the year	(2,216.54)	2,145.39
Add/(Less): Remeasurement gain / (loss) on defined benefit plan (net of tax)	(25.29)	12.98
Less: Transfer from Equity Instruments through OCI on Investments write off (Refer Note 3)	(1,035.13)	-
Less: Appropriations		
Dividend on Equity Shares	-	422.92
	53,506.84	56,783.80
iii. Equity Instruments through Other Comprehensive Income (OCI)		
Balance as at the beginning of the year	(1,035.09)	(1,035.10)
Add/(Less): Effect of measuring Equity Instruments on Fair Value	(1.54)	0.01
Add: Transfer to Retained Earnings on Investments write off (Refer Note 3)	1,035.13	-
	(1.50)	(1,035.09)
	77,091.61	79,333.93

* of erstwhile Gujarat Sidhee Cement Limited

The description of the nature and purpose of each reserve within equity is as follows :

a. Share application money pending allotment

It represents share application money received from employees on exercise of stock options for which allotment of Nil equity shares [Previous Year: 61,036 equity shares (including 42,675 equity shares of erstwhile Gujarat Sidhee Cement Limited)] is pending as at the year end.

b. Capital Reserve

It represents reserve created on capital receipt. It also consists of,

- i. Reduction of paid up capital of erstwhile Gujarat Sidhee Cement Limited in earlier year in pursuance of Hon'ble BIFR order,
- ii. Government Subsidy received in earlier years and
- iii. Capital reserve on Common Control Business Combination.

c. Capital Redemption Reserve

This reserve was created on redemption of Preference Shares by transfer from General Reserve.

d. Securities Premium

It represents the amount of premium over face value on shares issued.

e. Share Options Outstanding

The Company has Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017) under which options to subscribe for the Company's shares have been granted to the senior management and executives from middle management. This reserve is used to recognise the value of equity settled share-based payments provided to option grantees. Refer Note 41 for further details of the plan.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**f. General Reserve**

The General reserve was created in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. General reserve is a free reserve available to the Company.

g. Retained Earnings

Retained Earnings are the profits that the Company has earned, net of amount distributed as dividends and including adjustments on account of transition to Ind AS.

h. Equity Instruments through Other Comprehensive Income

This represents cumulative gains / (losses) arising on the measurement of equity shares (other than subsidiaries and associate) at fair value through other comprehensive income.

	Non-Current		Current maturities of Long-term borrowings *	
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
16 Non-Current Borrowings				
Secured				
Term Loans				
From Banks	532.31	1,066.60	364.64	991.97
From Others	9.59	22.97	13.38	12.26
	<u>541.90</u>	<u>1,089.57</u>	<u>378.02</u>	<u>1,004.23</u>

* Amount disclosed under the head 'Borrowings' (Note 19).

16.1 A. Security and Repayment Terms:

- i. Term Loans in respect of finance availed for purchase of vehicles / equipments are repayable in 36 to 60 equated monthly instalments carrying varied interest from 6.80% to 9% p.a. These loans are secured by hypothecation of vehicles and equipment financed there under.
- ii. Term Loan in respect of finance availed for Waste Heat Recovery Power Plant was secured by exclusive First charge on Plant and Machinery including the said Power Plant and Current Assets of the erstwhile Gujarat Sidhee Cement Limited. This was further secured by personal guarantee of one Promoter Director and pledge of One Crore Equity Shares of the Company held by erstwhile Gujarat Sidhee Cement Limited.

The loan has been repaid during the current year and pledge of shares has been withdrawn by HDFC Bank Limited. These shares have been cancelled as per Scheme of Amalgamation - Refer Note 43. The personal guarantee of the director has been released.

Interest has been paid @ 10.15% for January 2023, 9.75% p.a. for November 2022 and December 2022, 8.75% p.a. upto October, 2022 (Previous Year : 8.75% p.a. w.e.f. October, 2021, 8.85% p.a. upto September, 2021)

- iii. The charges, which are required to be registered with the Registrar of Companies (ROC), have been registered within the time limit except charge in respect of vehicle loans taken from HDFC Bank Limited and BMW Financial Services India Private Limited ('the lenders') for which the lenders did not require to create the charge as vehicles were hypothecated in favour of the lenders with Regional Transport Office (RTO) as per the provisions of The Motor Vehicles Act, 1988. The principal amount of such loans as continued is ₹ 156.11 lakhs (Previous Year: ₹ 303.51 lakhs), the balance of which is ₹ 69.02 lakhs as at March 31, 2023 (Previous Year: ₹ 132.81 lakhs).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The satisfaction of charges which are required to be registered with the Registrar of Companies (ROC), have been registered within the time limit except satisfaction of charge in respect of loans taken from SREI Infrastructure Finance Limited ("the lender") due to non receipt of No Objection Certificate from the lender. The Company has repaid entire dues and there is no outstanding balance to the lender as at the end of current year and previous year.

- B** The Company has utilised funds raised from borrowings from banks and financial institutions for the specific purposes for which they were taken.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
17 Provisions		
For Employee Benefits (Refer Note 36)		
Gratuity	1,291.93	1,456.21
Compensated absences	619.09	643.89
	<u>1,911.02</u>	<u>2,100.10</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
18 Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (Refer Note 40)	15,558.35	15,215.95
Deferred Tax Assets (Refer Note 40)	(8,221.17)	(7,146.36)
	<u>7,337.18</u>	<u>8,069.59</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
19 Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks		
Cash Credit	1.25	1,531.61
Working Capital Demand Loan	-	2,000.00
Overdraft	5,361.67	4,668.27
	<u>5,362.92</u>	<u>8,199.88</u>
Current Maturities of Long-term borrowings (Refer Note 16.1)		
Term Loans		
From Banks	364.64	991.97
From Others	13.38	12.26
	<u>378.02</u>	<u>1,004.23</u>
	<u>5,740.94</u>	<u>9,204.11</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**19.1 Security:****Cash Credit / Working Capital Demand Loan**

The Working Capital facilities are secured by first charge by way of hypothecation of current assets, namely stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts, both, present and future. It is also secured by Equitable Mortgage of Land and Building and hypothecation of Plant and Machinery, existing and future, situated at both Ranavav and Sidheeegram Plants and personal guarantee of one Promoter Director of the Company.

Overdraft facilities

Overdraft from bank is secured against lien of fixed deposits with bank of ₹ 7,906.17 lakhs (Previous Year: ₹ 6,912.33 lakhs) - Refer Notes 5 and 10.

19.2 Disclosure of borrowings obtained on the basis of security of current assets

The Company has Working Capital limit of ₹ 12,500 lakhs for its cement plants comprising of fund-based limit of ₹ 6,000 lakhs and non-fund based limit of ₹ 6,500 lakhs. For the said fund-based limit, the Stock and Debtors statement submitted at the quarter end are in agreement with the books of account other than those as set out below.

(₹ in lakhs)

Quarter ended	Name of bank	Particulars of Securities provided	Amount as per books of account (Excluding Paint Division)*	Amount as reported in the quarter end statement*	Amount of difference	Reason for material discrepancies
FY 2022-23						
June 30, 2022	HDFC Bank Limited	Inventories and Trade Receivables	27,018.94	28,030.32	1,011.38	Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.
September 30, 2022	HDFC Bank Limited	Inventories and Trade Receivables	20,792.82	21,567.55	774.73	Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.
December 31, 2022	HDFC Bank Limited	Inventories and Trade Receivables	28,425.71	28,922.34	496.63	Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.
March 31, 2023	HDFC Bank Limited	Inventories and Trade Receivables	24,689.93	24,563.00	(126.93)	Change in value after completion of Statutory Audit for the year, after submission of statement to the bank.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FY 2021- 22						
June 30, 2021	HDFC Bank Limited	Inventories and Trade Receivables	24,876.82	20,856.46	(4,020.36)	<p>i. Stock under letter of credit, Debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 3,689.47 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.</p>
September 30, 2021	HDFC Bank Limited	Inventories and Trade Receivables	18,251.34	17,801.52	(449.82)	<p>i. Debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 176.58 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.</p>
December 31, 2021	HDFC Bank Limited	Inventories and Trade Receivables	28,977.26	21,278.19	(7,699.07)	<p>i. Stock under letter of credit, debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 7,796.29 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

March 31, 2022	HDFC Bank Limited	Inventories and Trade Receivables	23,389.62	23,382.35	(7.27)	<p>i. Debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 141.15 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Statutory Audit for the year, after submission of statement to the bank.</p>
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* The amounts stated are total of Saurashtra Cement Limited and erstwhile Gujarat Sidhee Cement Limited, as reported on standalone basis, after eliminating inter company balances, if any.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
20 Trade Payables		
Due to Micro and Small enterprises	420.27	128.13
Due to Others	10,327.93	8,278.78
	<u>10,748.20</u>	<u>8,406.91</u>

20.1 Trade Payables Ageing Schedule

As at March 31, 2023

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to Micro and Small enterprises						
Undisputed dues	226.61	193.66	-	-	-	420.27
Disputed dues	-	-	-	-	-	-
Due to Others						
Undisputed dues	8,980.71	1,150.65	73.21	37.72	85.64	10,327.93
Disputed dues	-	-	-	-	-	-
	<u>9,207.32</u>	<u>1,344.31</u>	<u>73.21</u>	<u>37.72</u>	<u>85.64</u>	<u>10,748.20</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As at March 31, 2022						₹ in lakhs
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to Micro and Small enterprises						
Undisputed dues	127.02	1.11	-	-	-	128.13
Disputed dues	-	-	-	-	-	-
Due to Others						
Undisputed dues	6,105.60	2,027.66	49.62	88.03	7.87	8,278.78
Disputed dues	-	-	-	-	-	-
	6,232.62	2,028.77	49.62	88.03	7.87	8,406.91

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
20.2 Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 :		
i. Principal amount remaining unpaid	420.27	128.13
ii. Interest accrued on the above amount and remaining unpaid	0.96	-
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16	-	-
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	0.96	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
21 Other Financial Liabilities		
Interest accrued but not due on borrowings	4.29	10.64
Unpaid Dividends	41.30	41.53
Amounts Payable on Redemption of Preference Shares	0.23	0.24
Security Deposits from Customers / Transporters	1,745.02	1,741.89
Remuneration Payable to Key Managerial Personnel [Refer Note 38.2(B)(i)(a&b)]	-	132.33
Liabilities for Expenses at the year-end	1,408.02	1,329.13
Others	69.92	67.49
	<u>3,268.78</u>	<u>3,323.25</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
22 Other Current Liabilities		
Statutory Dues	8,751.70	8,831.89
Advances from Customers	5,677.22	4,959.36
Unearned Revenue	2,070.28	2,094.21
Others	154.55	139.08
	<u>16,653.75</u>	<u>16,024.54</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
23 Provisions		
For Employee Benefits (Refer Note 36)		
Gratuity	585.39	487.46
Compensated absences	432.22	369.30
	<u>1,017.61</u>	<u>856.76</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
24 Revenue from Operations		
Sale of Products	163,482.17	143,972.15
Other Operating Revenue	1,047.24	1,116.10
	<u>164,529.41</u>	<u>145,088.25</u>
24.1 Sales by Performance Obligations		
Performance obligations are satisfied at a point in time i.e. when the customer obtains control of goods on its receipt. In case of export of goods, the control of goods is transferred on receipt of bill of lading / mate receipt.		
24.2 Revenue from Contracts with Customers		
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
A Revenue from contracts with customers disaggregated based on nature of products or services		
i Revenue from Sale of Products		
Cement	157,746.15	137,678.55
Clinker	3,271.88	4,488.93
Paints	2,464.14	1,804.67
	<u>163,482.17</u>	<u>143,972.15</u>
ii. Other Operating Revenue		
AFR Processing Income	537.18	311.69
Sale of Power	21.88	334.64
Sale of Scrap	488.07	462.39
Export Entitlements	0.11	7.38
	<u>1,047.24</u>	<u>1,116.10</u>
	<u>164,529.41</u>	<u>145,088.25</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
B Revenue from contracts with customers disaggregated based on geography		
i. Domestic	164,520.87	144,356.24
ii. Export	8.54	732.01
	<u>164,529.41</u>	<u>145,088.25</u>
24.3 Reconciliation of contract price with Revenue from Operations		
Contract price	167,891.32	147,911.21
Add: Reversal of Unearned Revenue of earlier years	641.26	431.46
	<u>168,532.58</u>	<u>148,342.67</u>
Less:		
Discounts and Rate differences	4,433.07	3,461.42
Customer loyalty programme	53.38	130.84
Incentives and Schemes	563.96	778.26
Revenue from sale of products	<u>163,482.17</u>	<u>143,972.15</u>
Add: Other Operating Revenue	1,047.24	1,116.10
Revenue from Operations	<u>164,529.41</u>	<u>145,088.25</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
25 Other Income		
Interest Income on		
Fixed Deposits with Banks	955.89	1,083.47
Financial Assets measured at amortised cost	2.85	4.45
Income Tax Refund	-	21.76
Others	5.05	4.11
	<u>963.79</u>	<u>1,113.79</u>
Dividend Income from Non-current Investments	0.05	0.66
Miscellaneous Income	63.16	53.28
Net Gain on Foreign Currency Transactions and Translation	-	206.16
Profit on Sale of Property, Plant and Equipment (Net)	-	64.17
Insurance Claims [includes ₹ 162.05 lakhs (Previous Year : ₹ 21.69 lakhs) on damaged PPE]	173.57	96.02
Bad Debts Recovered	4.00	-
Provision for Doubtful Debts / Advances Written Back	-	323.92
Less : Bad Debts / Advances written off	-	(323.92)
	-	-
Liabilities for Expenses no longer payable Written Back	17.37	8.57
Trade / Other Payables Written Back	86.25	63.23
	<u>1,308.19</u>	<u>1,605.88</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
26 Cost of Materials Consumed		
Raw Materials		
Opening Stock	2,546.46	2,411.23
Add: Purchases	14,821.30	12,050.18
	<u>17,367.76</u>	<u>14,461.41</u>
Less: Closing Stock	3,747.49	2,546.46
	<u>13,620.27</u>	<u>11,914.95</u>
Royalty, Cess and Raw Material Handling Charges		
Limestone and Other Materials Handling Charges	2,638.14	3,080.78
Limestone / Marl Raising Charges	830.01	514.22
Royalty and Cess	2,584.95	3,025.22
	<u>6,053.10</u>	<u>6,620.22</u>
Packing Materials		
Opening Stock	534.71	428.53
Add: Purchases	4,198.96	4,569.84
	<u>4,733.67</u>	<u>4,998.37</u>
Less: Closing Stock	494.79	534.71
	<u>4,238.88</u>	<u>4,463.66</u>
	<u>23,912.25</u>	<u>22,998.83</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
27 Purchases of Stock-in-trade		
Purchases of Traded Goods		
Paints	161.41	223.28
	<u>161.41</u>	<u>223.28</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
28 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress		
Stocks at the end		
Finished Goods - Cement	1,677.73	1,408.00
Stock-in-trade - Paints	35.33	39.14
Finished Goods - Paints	402.54	387.89
Work-in-progress - Raw Flour and Clinker	5,114.05	6,201.48
	<u>7,229.65</u>	<u>8,036.51</u>
Less: Stocks at the Beginning		
Finished Goods - Cement	1,408.00	1,147.56
Stock-in-trade - Paints	39.14	-
Finished Goods - Paints	387.89	-
Work-in-progress - Raw Flour and Clinker	6,201.48	1,159.22
	<u>8,036.51</u>	<u>2,306.78</u>
	<u>806.86</u>	<u>(5,729.73)</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
29 Employee Benefits Expense		
Salaries, Wages and Bonus	8,759.74	8,406.06
Contribution to Provident and Other Funds	512.42	494.00
Gratuity Expense (Refer Note 36)	168.49	215.21
Staff Welfare Expenses	341.08	268.41
	<u>9,781.73</u>	<u>9,383.68</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
30 Finance Costs		
Interest expense		
On Borrowings	545.14	451.69
On Duties and Taxes	149.44	158.53
On Others	156.28	166.69
	<u>850.86</u>	<u>776.91</u>
Other Borrowing Costs	78.21	145.82
	<u>929.07</u>	<u>922.73</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
31 Other Expenses		
Stores and Spare Parts Consumed	5,544.02	5,768.74
Power and Fuel	76,094.71	59,303.41
Rent	656.03	524.62
Repairs and Maintenance:		
Buildings	665.70	802.25
Machinery	2,878.93	3,354.63
Others	1,117.30	1,358.30
	<u>4,661.93</u>	<u>5,515.18</u>
Insurance	376.20	348.79
Rates and Taxes	213.89	207.29
Advertisement and Business Promotion Expenses	3,247.99	2,907.75
Freight and Handling Expenses	28,519.01	29,144.10
Cement Packing Expenses	1,484.02	1,313.43
Packing and Handling Expenses - Paints	88.83	68.94
Commission	2,659.18	2,366.46
Directors' Fees	121.88	130.95
Charity and Donation (Refer Note 31.1)	405.51	4.75
Traveling and Conveyance	868.08	787.16

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Legal and Professional Charges	1,000.25	1,228.91
Auditor's Remuneration (Refer Note 31.2)		
Audit Fees	30.66	29.62
Tax Audit Fees	7.20	7.20
For Other Services - Certification Work	10.95	9.50
	<u>48.81</u>	<u>46.32</u>
Provision for Doubtful Debts	10.79	-
Net Loss on Foreign Currency Transactions and Translation	60.55	-
Loss on Sale / Discard of Property, Plant and Equipment (Net)	58.22	-
Corporate Social Responsibility (CSR) Expenditure (Refer Note 34)	219.76	180.09
Miscellaneous Expenses	2,980.30	2,018.90
Cost of Cement Self Consumed	(25.23)	(7.45)
	<u>129,294.73</u>	<u>111,858.34</u>

31.1 Charity and Donation includes donation of ₹ 400 lakhs (Previous Year: ₹ Nil) given to political parties.

31.2 It includes Remuneration paid / payable to Auditors of erstwhile Gujarat Sidhee Cement Limited.

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
32 Exceptional Items		
Loan to subsidiary and accrued interest thereon, written off (Refer Note 4.3)	-	(141.66)
	<u>-</u>	<u>(141.66)</u>

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
33 Contingent Liabilities and Commitments		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Company not acknowledged as debt - matters under disputes / appeals:		
i. Sales Tax / VAT	449.51	452.72
ii. Excise Duty *	4,789.57	4,789.57
iii. Service Tax *	143.72	143.72
iv. Goods and Services Tax *	1.42	1.42
v. Royalty	15.12	15.12
vi. Customs Duty *	122.85	122.85
vii. Income Tax *	383.32	383.32
viii. Octroi	38.49	38.49
ix. House Tax	41.50	40.12
x. Land Compensation	416.37	440.70

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
xi. Claims filed by workmen or their union against the Company	1.00	4.12
xii. On account of Power Supply	678.16	678.16
xiii. In the earlier years, the company had sold residential flats through a bidding process in which the bidder failed to make the payments as per the agreed schedule due to which the Earnest Money Deposit and part payments received against the failed bid were forfeited as per the agreed tender terms and the flats were sold to another person. The matter is under dispute as the original unsuccessful bidder has disputed the subsequent sale and the outcome / impact of the same is presently unascertainable.		
xiv. Other demands and claims	46.00	44.80
* Amount paid under protest : ₹ 395.22 lakhs (Previous Year : ₹ 395.22 lakhs)		
Notes:		
i. The Company does not expect any reimbursement in respect of the above contingent liabilities.		
ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.		
iii. The amounts stated are including interest and penalty, to the extent demanded.		
ii. Commitments: Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 2,661.99 lakhs, Previous Year: ₹ 1,573.13 lakhs) and not provided for.	5,413.36	3,252.24
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
34 Particulars of Corporate Social Responsibility (CSR) Expenditure		
Gross amount required to be spent by the Company during the year	219.70	180.07
Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year :		
Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
Rural Development	18.07	4.16
Promoting Preventive Health Care, Environment and Sanitation	22.40	4.15
Education Promotion	179.29	171.78
	<u>219.76</u>	<u>180.09</u>
There is no unspent amount for the current year as well as for the previous year.		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

35 Disclosure pursuant to Ind AS 116 on "Leases"

A As a Lessee :

Following are the changes in the carrying value of right of use assets:

₹ in lakhs			
Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 1, 2021	661.79	412.96	248.83
Additions	85.10	204.70	
Deletions	319.89	311.16	
Balance as at March 31, 2022	427.00	306.50	120.50
Additions	312.18	134.93	
Deletions	320.97	320.97	
Balance as at March 31, 2023	418.21	120.46	297.75

The aggregate depreciation expense amounting to ₹ 134.93 lakhs (Previous Year: ₹ 204.70 lakhs) on right of use assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

B The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Current lease liabilities	132.38	79.39
Non current lease liabilities	179.55	50.75
	311.93	130.14

C The following is the movement in lease liabilities:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Balance as at the beginning of the year	130.14	268.83
Additions	312.19	83.48
Finance cost accrued	20.85	15.45
Deletions	-	9.30
Payment of lease liabilities	151.25	228.32
Balance as at the end of the year	311.93	130.14

The aggregate interest expense amounting to ₹ 20.85 lakhs (Previous Year: ₹ 15.45 lakhs) on Lease Liabilities is included under Finance Costs (Interest expenses - Others) in the Statement of Profit and Loss.

D The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Less than one year	153.94	85.39
One to five years	190.37	53.97
More than five years	-	-
	344.31	139.36

The Company does not face a 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

E The following amounts are recognised in the Statement of Profit and Loss:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Depreciation charge on right of use assets	134.93	204.70
Interest expense on lease liabilities	20.85	15.45
Expense relating to short-term leases	111.91	134.53
Gain on termination of leases	-	0.56

F Total cash outflow for leases from Financing Activities recognised in the Statement of Cash Flows is ₹ 151.25 lakhs (Previous Year: ₹ 228.32 lakhs).

As a Lessor :

G The table below provides details regarding the contractual maturities of lease payments to be received, on assets given on an operating lease on an undiscounted basis.

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Less than one year	3.45	9.30
One to five years	2.85	6.30
More than five years	-	-
	<u>6.30</u>	<u>15.60</u>

H Lease Income of ₹ 25.05 lakhs (Previous Year : ₹ 25.13 lakhs) has been recognised in the Statement of Profit and Loss under Other Income - Miscellaneous Income.

36 Employee benefits

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

36.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 512.42 lakhs (Previous Year: ₹ 494.00 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

36.2 Defined Benefit Plan: Gratuity

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the Defined Benefit Plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary Definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

36.3 The fund is managed by a trust and it is governed by the Board of Trustees. Present strength of trustees is five. The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustee's duty to look after assets on behalf of employees who are entitled to benefit from those assets at future date. Investment of assets of fund is key responsibility of the trustees.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**36.4 Risk to the Plan****i. Actuarial Risk:**

The plan is subject to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future.

ii. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

iii. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iv. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
36.5 i. Changes in Present Value of Obligations:		
Present Value of Obligation at the beginning of the year	1,955.64	2,144.13
Current Service Cost	78.32	81.20
Past Service Cost	-	-
Interest Cost	136.02	134.72
Actuarial (Gain) / Loss due to:		
- Change in Financial Assumptions	(35.88)	(48.47)
- Change in Demographic Assumptions	(1.25)	(0.55)
- Experience Changes	76.03	29.09
Benefits paid	(318.82)	(384.48)
Present Value of Obligation as at the end of the year	1,890.06	1,955.64
ii. Changes in Fair Value of Plan Assets:		
Fair value of Plan Assets at the beginning of the year	11.97	11.24
Expected return on Plan Assets	0.74	0.71
Contributions by the employer	178.84	192.49
Benefits paid from the fund *	(178.84)	(192.49)
Return on plan assets excluding amounts included in interest income	0.03	0.02
Fair value of Plan Assets as at the end of the year	12.74	11.97
* Benefits paid directly by employer, erstwhile Gujarat Sidhee Cement Limited, has not been considered		
iii. The amount recognised in Balance Sheet		
Gross value of Present Obligation at the end of the year	1,890.06	1,955.64
Fair Value of Plan Assets at the end of the year	12.74	11.97
Net Liability / (Asset) recognised in Balance Sheet	1,877.32	1,943.67

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
iv. Amount recognised in the Statement of Profit and Loss		
Current Service Cost	78.32	81.20
Past Service Cost	-	-
Interest Cost	135.28	134.01
Expected return on Plan Assets	-	-
Expenses Recognised in the Statement of Profit and Loss	213.60	215.21
v. Amount recognised in Other Comprehensive Income		
Components of Actuarial (Gain) / Loss:		
Change in Financial Assumptions	(35.88)	(48.47)
Change in Demographic Assumptions	(1.25)	(0.55)
Experience Changes	76.03	29.09
Return on plan assets excluding amounts included in interest income	(0.03)	(0.02)
Amount recognised in Other Comprehensive Income	38.87	(19.95)
vi. Category of Assets		
Insurer Managed Funds	12.74	11.97
vii. Maturity Profile of the Defined Benefit Obligation		
1 st Following Year (Within next 12 months)	585.39	487.46
2 nd Following Year	183.86	263.56
3 rd Following Year	234.02	298.46
4 th Following Year	192.18	213.00
5 th Following Year	233.41	174.40
Sum of Years 6 to 10	648.79	696.84
Sum of Years 11 and above	658.91	635.37
viii. Sensitivity Analysis for significant assumptions *		
Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
1% increase in discount rate	(66.39)	(70.68)
1% decrease in discount rate	73.74	78.52
1% increase in salary escalation rate	66.69	73.07
1% decrease in salary escalation rate	(61.69)	(67.62)
1% increase in employee turnover rate	11.21	8.74
1% decrease in employee turnover rate	(12.36)	(9.69)
ix. Assumptions		
Mortality Table - Indian Assured Lives Mortality 2012-14 (Urban)		
Discount Rate	7.46%	6.96%
Rate of increase in compensation levels	5.00%	5.00%
Expected Return on Plan Assets	7.46%	6.96%
Attrition Rate		
For service 4 years and below	15.00%	15.00%
For service 5 years and above	2.00%	2.00%
x. Weighted average duration of Defined Benefit Obligation	5 years	5 years
xi. The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

xii. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations which is 9 years.

xiii. Asset Liability matching strategy

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity.

*The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

37 Segment Reporting

The Company operates in two reportable segment i.e. manufacture of i. Cement and Clinker and ii. Paints as per Ind AS 108 - Operating Segment. Segments have been identified taking into account nature of product and differential risk and return of the segment. The business segments are reviewed by the Managing Director of the Company (CODM).

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
1 Segment Revenue :		
Revenue from Operations :		
a Cement and Clinker	162,065.16	143,282.79
b Paints	<u>2,464.25</u>	<u>1,805.46</u>
Total Revenue from Operations	<u>164,529.41</u>	<u>145,088.25</u>
2 Segment Results :		
Profit / (Loss) after depreciation but before finance cost :		
a Cement and Clinker	(571.54)	5,142.20
b Paints	<u>(1,434.76)</u>	<u>(640.67)</u>
	<u>(2,006.30)</u>	4,501.53
c Less : Finance Cost	<u>929.07</u>	<u>922.73</u>
Net Profit / (Loss) before Tax	<u>(2,935.37)</u>	<u>3,578.80</u>
3 Segment Assets :		
a Cement and Clinker	128,956.29	132,754.67
b Paints	<u>6,739.58</u>	<u>6,839.89</u>
Total Assets	<u>135,695.87</u>	<u>139,594.56</u>
4 Segment Liabilities :		
Cement and Clinker	46,797.46	48,284.66
Paints	<u>733.85</u>	<u>920.31</u>
Total Liabilities	<u>47,531.31</u>	<u>49,204.97</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

38 Related Party Disclosures

38.1 List of related parties:

i. Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Share Capital:

- a. Pallor Trading Company Private Limited
- b. The Mehta International Limited
- c. Mehta Private Limited
- d. The Mehta International Mauritius Limited
- e. Mehta Investments Mauritius Limited
- f. Galaxy Technologies Private Limited
- g. Omna Enterprises LLP
- h. Shree Anandeya Investment Private Limited
- i. Treasurer's Trading Limited

ii. Subsidiary Company:

Agrima Consultants International Limited

iii. Key Management Personnel:

- a. Mr. M. N. Mehta - Chairman
- b. Mr. Jay Mehta - Executive Vice Chairman
- c. Mr. M. S. Gilotra - Managing Director
- d. Mr. Hemang D. Mehta - Non-Executive Director
- e. Mr. Hemnabh R. Khatau - Non-Executive Director
- f. Mr. M. N. Rao - Independent Director
- g. Mr. B. P. Deshmukh - Independent Director
- h. Mr. K. N. Bhandari - Independent Director
- i. Mr. Bimal R. Thakkar - Independent Director
- j. Mr. Ashwani Kumar - Independent Director
- k. Mrs. Bhagyam Ramani - Independent Director

iv. Key Management Personnel of erstwhile Gujarat Sidhee Cement Limited:

- a. Mrs. Juhi Chawla Mehta - Non-Executive Director
- b. Mr. Venkatesh Mysore - Non-Executive Director
- c. Mr. M. L. Tandon - Independent Director
- d. Mr. M. N. Sharma - Independent Director
- e. Mr. Rahul B. Gupta - Non-Executive Director *
- f. Mrs. Leena Digambar Katdare - Non-Executive Director **

* Ceased to be director w.e.f. August 19, 2022

** Appointed w.e.f. November 2, 2022

38.2 Transactions and Balances with related parties:

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
A Transactions with related parties:		
i. Compensation paid / payable to Key Management Personnel: (Short-term employee benefits)		
a. Mr. Jay Mehta	696.93	766.53
b. Mr. M. S. Gilotra	570.49	619.88
As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
ii. Transactions with Subsidiary Company:		
a. Rent / Expenses reimbursements	67.82	58.07
b. Recovery for services	3.54	-
iii. Transactions with Key Management Personnel:		
a. Directors sitting fees	103.65	113.85
b. Dividend on Equity Shares	-	0.71
iv. Transactions with relatives of Key Management Personnel:		
Dividend on Equity Shares	-	26.56
v. Transactions with Key Management Personnel of erstwhile Gujarat Sidhee Cement Limited:		
Directors sitting fees	18.23	17.10
vi. Transactions with Promoter Companies:		
Dividend on Equity Shares	-	347.23
vii. Transactions with Mehta Private Limited:	110.96	105.97
Rent Paid		
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
B Outstanding Balances as at the year-end		
i. Key Management Personnel:		
a. Remuneration payable to Mr. M S Gilotra	-	56.71
b. Remuneration payable to Mr. Jay M Mehta	-	75.62
ii. Personal Guarantee given by Mr. Jay Mehta for Term Loan and Working Capital facility given by HDFC Bank Limited (Refer Note 16.1 and 19.1)		
Balance Term Loan outstanding	-	1,046.00
Working Capital facility outstanding	1.25	3,531.61

C Terms and conditions of transactions and balances with related parties

- i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.
- ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs through bank.
- iii. There have been no guarantees provided or received for any related party transaction.
- iv. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the current year. During the previous year, the Company has written off outstanding balance of Loan given to subsidiary company and interest accrued on the same amounting to ₹ 108.32 lakhs and ₹ 33.33 lakhs, respectively as the subsidiary company does not have regular income and funds to repay loan.

39 Capital Management:

The primary objective of Company's Capital Management is to maximize shareholder value without having any adverse impact on interests of other stakeholders. At the same time, company strives to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's Capital Management, debt includes borrowings and current maturities of long term debt and equity includes issued equity share capital, share premium and all other equity.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Company monitors capital using Net Debt to Equity ratio which is as under :

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Total Debt	6,282.84	10,293.68
Cash and Cash Equivalents and Fixed Deposits with Bank	12,237.08	17,982.60
Net Debt (A)	(5,954.24)	(7,688.92)
Total Equity (B)	88,164.56	90,389.59
Net Debt to Equity Ratio (A/B)	NA	NA

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
40 Disclosure pursuant to Ind AS 12 on "Income Taxes"		
40.1 Income tax expense recognised in the Statement of Profit and Loss:		
i Current Income Tax		
In respect of current year	-	1,052.87
Adjustments in respect of tax of earlier years	-	19.22
Total current income tax	-	1,072.09
ii Deferred Tax		
In respect of current year origination and reversal of temporary difference	(754.81)	428.16
In respect of MAT credit entitlement	-	(66.84)
In respect of MAT credit entitlement of earlier years	35.98	-
Total Deferred Tax	(718.83)	361.32
Income Tax expense	(718.83)	1,433.41
40.2 Income tax charge / (credit) recognised in Other Comprehensive Income:		
Deferred Tax		
In respect of remeasurement gain / (loss) of defined benefit plan	(13.58)	6.97
40.3 Classification of Income tax charge / (credit) recognised in Other Comprehensive Income:		
Income tax charge / (Credit) related to items that will not be reclassified to profit or loss	(13.58)	6.97
40.4 Reconciliation of Income Tax Expense with the accounting profit multiplied by Company's tax rate		
Accounting profit before tax	(2,935.37)	3,578.80
Applicable Tax Rate *	34.94%	33.38%
Computed Tax Expense	(1,025.74)	1,194.75
Effect of non deductible items	459.22	248.78
Effect of deductible items	(378.03)	(533.02)
Effect of unused tax losses	944.55	-
Effect of deductions under Chapter VI-A	-	(0.75)
Effect of Elimination of Dividend Income pursuant to Scheme of Amalgamation	-	34.20
Effect of Differential Applicable Tax Rate to erstwhile Gujarat Sidhee Cement Limited	-	42.07
Adjustment of income tax of earlier year	-	19.22
Adjustment of MAT Credit entitlement of earlier years	35.98	-
Deferred tax adjustment	(754.81)	428.16
Tax Expenses recognised in Statement of Profit and Loss	(718.83)	1,433.41
Effective Tax Rate	24.49%	40.05%

*The tax rate used for reconciliation is the corporate tax rate of 34.94% (Previous Year: 33.38%) payable by corporate entities in India on taxable profits under Income-tax Act, 1961.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
40.5 Deductible temporary differences arising from investment in Equity Shares on which DTA has not been recognised	449.08	430.09

The Company has not recognised Deferred Tax Asset on deductible temporary difference arising from investment in subsidiary as the Management does not expect that there will be sufficient taxable income in the form of Capital Gains against which the Capital Loss on the said temporary difference can be utilised.

	As at April 1, 2022 ₹ in lakhs	Recognised in Profit and Loss	Recognised in OCI	MAT Credit entitlement / (utilised)	As at March 31, 2023 ₹ in lakhs
40.6 Components of Deferred Tax					
a. Deferred Tax Assets					
Provision for Impairment	1,606.65	-	-	-	1,606.65
Provision for expenses allowable on cash basis	1,423.56	51.82	-	-	1,475.38
Provision for Gratuity & Leave encashment	766.03	(23.44)	13.58	-	756.17
Unused tax losses - Unabsorbed Depreciation	-	944.55	-	-	944.55
MAT Credit Entitlement	3,258.28	(35.99)	-	-	3,222.29
Lease Liabilities	48.70	71.62	-	-	120.32
Others	43.14	52.67	-	-	95.81
	<u>7,146.36</u>	<u>1,061.23</u>	<u>13.58</u>	<u>-</u>	<u>8,221.17</u>
b. Deferred Tax Liabilities					
Property, Plant and Equipment and Intangible Assets	15,173.84	280.47	-	-	15,454.31
Right of Use Assets	42.11	61.93	-	-	104.04
	<u>15,215.95</u>	<u>342.40</u>	<u>-</u>	<u>-</u>	<u>15,558.35</u>
Deferred Tax Liabilities / (Asset) (Net)	<u>8,069.59</u>	<u>(718.83)</u>	<u>(13.58)</u>	<u>-</u>	<u>7,337.18</u>

	As at April 1, 2021 ₹ in lakhs	Recognised in Profit and Loss	Recognised in OCI	MAT Credit entitlement / (utilised)	As at March 31, 2022 ₹ in lakhs
a. Deferred Tax Assets					
Provision for Impairment	1,606.65	-	-	-	1,606.65
Provision for expenses allowable on cash basis	1,372.94	50.62	-	-	1,423.56
Provision for Gratuity & Leave encashment	826.95	(53.95)	(6.97)	-	766.03
MAT Credit Entitlement	3,646.33	66.84	-	(454.89)	3,258.28
Lease Liabilities	99.03	(50.33)	-	-	48.70
Others	136.43	(93.29)	-	-	43.14
	<u>7,688.33</u>	<u>(80.11)</u>	<u>(6.97)</u>	<u>(454.89)</u>	<u>7,146.36</u>
b. Deferred Tax Liabilities					
Property, Plant and Equipment and Intangible Assets	14,847.79	326.05	-	-	15,173.84
Right of Use Assets	86.95	(44.84)	-	-	42.11
	<u>14,934.74</u>	<u>281.21</u>	<u>-</u>	<u>-</u>	<u>15,215.95</u>
Deferred Tax Liabilities / (Asset) (Net)	<u>7,246.41</u>	<u>361.32</u>	<u>6.97</u>	<u>454.89</u>	<u>8,069.59</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

41 Share Based Payments

41.1 Saurashtra Employee Stock Option Scheme 2017

In the Annual General Meeting held on July 26, 2017, shareholders of the company approved Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017). The Nomination and Remuneration Committee at its meeting held on February 8, 2018 has approved grant of Stock Options under ESOS 2017 to the senior management and executives from middle management for their performance and to motivate them to contribute to the growth and profitability of the company as also to retain them. Each option carries the right to the holder to apply for one equity share of the company at par. The salient features of the Scheme are as below:

Particulars	Details
No. of Options	16,33,253
Date of Grant	February 8, 2018
Exercise Price (₹ per share)	10
Vesting Schedule	Graded Vesting: i) 33% of Options granted to be vested at 1 st anniversary from the date of grant. ii) 33% of Options granted to be vested at 2 nd anniversary from the date of grant. iii) 34% of Options granted to be vested at 3 rd anniversary from the date of grant.
Exercise Period	5 years from the date of respective vesting
Fair Value on the date of Grant of Option (₹ per share)	75.31
Fair Value on the date of Grant of Option (₹ per share) - Refer below Note	41.55
Method of Settlement	Equity

Erstwhile Gujarat Sidhee Cement Limited had Employee Stock Option Scheme viz. Gujarat Sidhee Employee Stock Option Scheme 2017 (ESOS 2017). In accordance with the Scheme, stock options were granted on February 8, 2018.

Pursuant to the Scheme of Amalgamation, 1,60,069 options have been granted to eligible employees, in respect of outstanding options of erstwhile Gujarat Sidhee Cement Limited, taking into account the Share Exchange Ratio. The new options granted shall be governed by Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017).

41.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2023 Nos	Weighted average exercise price per option (₹)	As at March 31, 2022 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	443,689	10	945,463	10
Granted during the year	-	-	-	-
Exercised during the year	46,020	10	501,774	10
Forfeited / lapsed during the year	-	10	-	10
No. of Options Granted on amalgamation of erstwhile Gujarat Sidhee Cement Limited	160,069	-	-	-
Outstanding at the end of the year	557,738	10	443,689	10
Options exercisable at the end of the year	557,738	10	443,689	10

The weighted average share price during the period of exercise of options was ₹ 58.22 per share, Previous Year: ₹ 92.99. Weighted average remaining contractual life for the share options outstanding as at March 31, 2023 was 1 year and 3 months (Previous Year: 1 year and 9 months).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**41.3 Fair Valuation**

No options were granted during the year other than on amalgamation of erstwhile Gujarat Sidhee Cement Limited. The fair valuation of option granted during FY 2017-18 have been done by an independent firm on the date of grant using the Black-Scholes Model. Black-Scholes Model takes into account exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

- i. Risk Free Rate : 7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
- ii. Option Life : Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)], which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)
- iii. Expected Volatility * : 52.89% (Vest 1), 55.72% (Vest 2), 58.15% (Vest 3)
- iv. Dividend Yield : 1.15%

* Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

41.4 Expenses arising from equity-settled share-based payments to employees debited to the Statement of Profit and Loss is ₹ Nil in current and previous year.

42 Disclosure on Financial Instruments**42.1 Classification of Financial Assets and Liabilities**

Particulars	Note No.	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Financial Assets at amortised cost:			
Trade Receivables	8	7,828.05	5,949.24
Loans	4 and 11	21.00	24.24
Investments	3	0.11	0.14
Cash and Bank Balances	9 and 10	7,681.59	20,910.12
Other Financial Assets	5 and 12	8,351.12	731.79
Financial Assets at fair value through Other Comprehensive Income:			
Investments	3	1.49	3.13
Total		23,883.36	27,618.66
Financial Liabilities at amortised cost:			
Term Loan from Banks (Non-current)	16	541.90	1,089.57
Borrowings (Current)	19	5,740.94	9,204.11
Trade payables	20	10,748.20	8,406.91
Lease Liabilities	35	311.93	130.14
Other Financial Liabilities	21	3,268.78	3,323.25
Total		20,611.75	22,153.98

The fair value of Bank Deposits with more than 12 months maturities & earmarked balances and fair value of borrowed funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

42.2 Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- i. Receivables are evaluated by the Company based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.
- ii. The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.
- iii. The fair values of quoted equity instruments are derived from quoted market prices in active markets.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company 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.

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	0.15	0.24
Investments - Level 3	1.34	2.89
Total	1.49	3.13
There is no transfer between Level 1 and Level 3 during the year.		
Reconciliation of Level 3 Fair Value Measurements :		
Balance as at the beginning of the year	2.89	3.00
Add / (Less) : Changes during the year	(1.55)	(0.11)
Balance as at the end of the year	1.34	2.89

Since the Level 3 investment value is not significant, 1% increase (decrease) in the input will have negligible impact.

42.3 Financial Risk Management Framework:

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets comprises of trade and other receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company's senior management oversees the management of these risks. They provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The sources of risks which the company is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
Credit Risk	Trade Receivables, Loans	Ageing Analysis, Credit Rating	Credit limit and credit worthiness monitoring, Criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Cash flow forecasts	Adequate unused credit facilities and sufficient Bank FDRs
Foreign Exchange Risk	Committed commercial transaction mainly import of Steam Coal	Sensitivity Analysis, foreign currency movement	Hedging through forward foreign exchange contracts
Commodity Price Risk	Movement in prices of commodities mainly Imported Steam Coal	Sensitivity Analysis, Commodity price tracking	Orders are placed based on the best price quoted by parties

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign exchange risk in a fluctuating market environment.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials and spare parts, capital expenditure and export of cement.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Trade Advances		
EUR	0.78	158.55
GBP	4.30	38.53
JPY	18.40	-
USD	2.86	-
Trade Payables		
GBP	-	5.32
CHF	1.71	-

Foreign currency sensitivity on unhedged exposure:

Since the exposure is not significant, 1% increase in foreign exchange rates will have negligible impact on profit before tax.

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 to i) overdraft against fixed deposits and ii) Cash Credit. The Company doesn't have foreign currency borrowings. The company parks surplus funds in fixed deposits and avails overdraft against same to meet temporary fund requirement. The interest rate on overdraft is linked with interest rate on fixed deposit. Any adverse movement in interest rate will not affect profit before tax since the same will be offset by interest income earned on corresponding fixed deposit. Hence the interest rate risk is self mitigated in the case of overdraft. The Cash Credit facility has floating interest rate.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Interest rate exposure:

Interest rate exposure is in respect of Cash Credit. Amount outstanding as at March 31, 2023 is ₹ 1.25 lakhs, Previous Year: ₹ 1,531.61 lakhs.

There is no significant interest rate risk in respect of overdraft against fixed deposits as the same has fixed margin over the interest rates of fixed deposits.

Interest rate sensitivity for unhedged exposure:

1% increase / decrease in interest rate will impact Profit before tax by ₹ 0.01 lakhs p.a., Previous Year: ₹ 15.32 lakhs p.a.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of coal, pet coke and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

Credit Risk Management:

Credit risk arises when a customer or counterparty does 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) and from its investing activities mainly deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivables:

Customer credit is managed as per Company's established policy procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

Export sales is mainly against advance payment or letter of credit.

Generally deposits are taken from domestic debtors. Apart from deposit, there is a third party agent area wise. In case any customer defaults, the amount is first recovered from third party agent, then from the agent's commission. Each outstanding customer receivable is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

Total Trade receivable as at March 31, 2023 is ₹ 7,862.24 lakhs, Previous Year: ₹ 5,972.63 lakhs.

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for impairment based on specific identification of debtors. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for impairment is as below:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Opening Provision	23.39	23.39
Add: Provided during the year	10.80	-
Less: Utilised / written back during the year	-	-
Closing Provision	34.19	23.39

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic rating agencies.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**Liquidity Risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs

As at March 31, 2023	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	5,740.94	541.90	-	6,282.84
Trade payables	10,748.20	-	-	10,748.20
Lease Liabilities	153.94	190.37	-	344.31
Other financial liabilities	3,268.78	-	-	3,268.78
As at March 31, 2022	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	9,204.11	1,089.57	-	10,293.68
Trade payables	8,406.91	-	-	8,406.91
Lease Liabilities	85.39	53.97	-	139.36
Other financial liabilities	3,323.25	-	-	3,323.25

- 43 The Board of Directors of the Company at its meeting held on February 5, 2022 approved the scheme of amalgamation of Gujarat Sidhee Cement Limited ("erstwhile GSCL") with the Company, subject to necessary regulatory approvals, with effect from January 1, 2022, being the Appointed Date.

The Company has received order dated March 16, 2023 from Hon'ble National Company Law Tribunal, Ahmedabad (NCLT) approving amalgamation of erstwhile GSCL with the Company. The Order has become effective on March 30, 2023 on filing of Form INC-28 in accordance with the provisions of Section 232(5) of the Companies Act, 2013 and accordingly, the effect of the Scheme has been considered in the preparation and presentation of the financial statements of the Company for the year ended March 31, 2023.

The Company has accounted for amalgamation in its books of account with effect from the Appointed Date as per the "Pooling of Interest Method", as prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103, "Business Combinations" specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act') as applicable. As per Appendix C, the Company and erstwhile GSCL are common controlled entities. Therefore the financial statements of the Company are restated as if the business combination had occurred from the beginning of the preceding period i.e. from April 1, 2021 for the purpose of disclosure.

As per the Scheme,

- the authorised share capital of the Company has increased by the authorised share capital of erstwhile GSCL amounting to ₹ 54,310.00 lakhs.
- the shares held by the Company in erstwhile GSCL and the shares held by erstwhile GSCL in the Company are cancelled. As a result, the carrying amount of the investments in the equity shares and the corresponding amount included in Retained earnings and Equity Instruments through Other Comprehensive Income has been adjusted.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- iii. the shareholders of erstwhile GSCL will get 62 Equity Shares of the Company in exchange of 100 Equity Shares of erstwhile GSCL in proportion of their holdings. 5,40,09,641 Equity Shares have been allotted to shareholders of erstwhile GSCL on April 26, 2023. Pending allotment of shares as on March 31, 2023, the amount of these Equity Shares have been disclosed as Equity Share Capital Suspense Account in Balance Sheet.
- iv. all the assets and liabilities of erstwhile GSCL are transferred to the Company at their carrying amounts and in the same form as appearing in the audited financial statements of erstwhile GSCL.
- v. the balance of the retained earnings appearing in the audited financial statements of erstwhile GSCL, after adjustment as per Point No. (ii) above, are transferred and added with the corresponding balance of the retained earnings appearing in the financial statements of the Company.
- vi. the identity of reserves appearing in the audited financial statements of erstwhile GSCL are preserved and they are appearing in the financial statements of the Company in the same form in which they appeared in financial statements of erstwhile GSCL.
- vii. inter-company transactions and balances are cancelled.
- viii. the difference of the carrying amount of assets over the carrying amount of liabilities, retained earnings and reserves transferred to the Company and the sum of
 - a. the face value of New Equity Shares issued by the Company on April 26, 2023, and
 - b. cancellation of investments, has been treated as Capital Reserve and the same is presented separately from other Capital Reserves.

The Capital Reserve on Amalgamation has been calculated as under:

₹ in lakhs

Amount of Assets transferred	60,416.78
Amount of Liabilities transferred	(23,541.29)
Net Assets	36,875.49
Elimination of Inter company balances	(28.98)
	36,846.51
Amount of Reserves transferred	(35,636.87)
	1,209.64
Cancellation of Investments	(2,666.32)
Cancellation of Equity Share Capital	1,365.83
Issue of Equity Shares, pending allotment	(5,326.79)
Capital Reserve as on April 1, 2021	(5,417.64)
Adjustment due to issue of shares from April 1, 2021 to December 31, 2021 *	35.17
Capital Reserve as on January 1, 2022, i.e., Appointed Date #	(5,382.47)
Adjustment due to issue of shares from January 1, 2022 to March 31, 2022 *	3.45
Capital Reserve as on March 31, 2022 #	(5,379.02)
Adjustment due to issue of shares from April 1, 2022 to March 31, 2023 *	6.84
Capital Reserve as on March 31, 2023 #	(5,372.18)

*Since April 1, 2021, there has been issue of 9,25,443 Equity Shares, 90,840 Equity Shares and 1,80,083 Equity Shares of erstwhile GSCL, during the period from April 1, 2021 to December 31, 2021, January 1, 2022 to March 31, 2022 and April 1, 2022 to March 31, 2023 respectively, on exercise of ESOP by its employees. To that extent, Capital Reserve on Amalgamation has been adjusted after taking into account Share Exchange Ratio.

#Capital Reserve on Amalgamation as per Note 15 is after considering Capital Reserve on Amalgamation of ₹ 122.18 lakhs as appearing in the books of erstwhile GSCL and transferred to the Company under the Scheme.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**44. Disclosure of transactions with Struck off Companies**

The Company does not have any transactions with struck-off companies except below.

Name of the struck off company	Nature of transactions with struck off company	As at March 31, 2023		As at March 31, 2022	
		Balance outstanding ₹ in lakhs	Relationship with the struck off company, if any	Balance outstanding ₹ in lakhs	Relationship with the struck off company, if any
Kulveer Metal Craft Private Limited	Trade Payables	0.81	-	0.81	-

45 Additional Regulatory Information

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- i. The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties, which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- ii. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- iii. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- iv. Ratios - Refer Note 46.
- v. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding, that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Additional Information

Additional Information pursuant to Clause 7(l) of General Instructions for preparation of Statement of Profit and Loss as given in Part II of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- i. The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- ii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

46 Disclosure of ratios

Particulars	Formula	As at March 31, 2023			As at March 31, 2022			% Variance	Reason for variance
		Numerator ₹ in lakhs	Denominator ₹ in lakhs	Ratio	Numerator ₹ in lakhs	Denominator ₹ in lakhs	Ratio		
Current ratio	Current assets / Current liabilities	35,038.80	37,561.66	0.93	47,159.60	37,894.96	1.24	-25%	Decrease in current assets, mainly bank balances due to Non-current classification of Fixed Deposits with Bank with maturity greater than 12 months from the date of Balance Sheet
Debt-equity ratio	Total Debt / Shareholder's Equity	6,282.84	88,164.56	0.07	10,293.68	90,389.59	0.11	-36%	Decrease in debt, mainly current bank borrowings
Debt service coverage ratio	Earnings available for debt service / Debt Service	2,307.24	2,278.11	1.01	5,927.62	1,848.50	3.21	-69%	Consequential impact of decrease in profit
Return on equity ratio	Net Profit after taxes / Average Shareholder's Equity	(2,216.54)	89,277.08	-2.48%	2,145.39	89,443.93	2.40%	-204%	Decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully
Inventory turnover ratio	Net Sales / Average Inventory	163,482.17	18,315.06	8.93	143,972.15	15,687.35	9.18	-3%	
Trade receivables turnover ratio	Revenue from Operations / Average Trade Receivables	164,529.41	6,888.65	23.88	145,088.25	5,296.56	27.39	-13%	
Trade payables turnover ratio	Purchases / Average Trade Payables	103,206.16	3,780.58	27.30	85,138.16	3,520.11	24.19	13%	
Net capital turnover ratio	Revenue from Operations / Working Capital	164,529.41	(2,522.86)	(65.22)	145,088.25	9,264.64	15.66	-516%	Increase in sales and decrease in net working capital, mainly due to Non-current classification of Fixed Deposits, as stated above
Net profit ratio	Net Profit after taxes / Revenue from Operations	(2,216.54)	164,529.41	-1.35%	2,145.39	145,088.25	1.48%	-191%	Decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully
Return on capital employed	Earning before interest and taxes / Capital Employed	(2,390.23)	98,489.81	-2.43%	4,030.49	105,232.11	3.83%	-163%	Consequential impact of decrease in profit
Return on investment	Dividend on shares / Investment in shares	0.05	1.40	3.57%	0.66	1.49	44.30%	-92%	Receipt of less dividend in current year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

47 Earnings Per Share

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Earnings Per Share		
Basic earnings per share		
Net Profit/(Loss) for the year	(2,216.54)	2,145.39
Weighted average number of equity shares outstanding	110,658,702	110,120,202
Basic earnings per share (in ₹)	<u>(2.00)</u>	<u>1.95</u>
Diluted earnings per share		
Net Profit/(Loss) for the year	(2,216.54)	2,145.39
Weighted average number of equity shares outstanding	110,658,702	110,120,202
Add: Weighted average number of potential equity shares on account of outstanding Employee Stock Options	445540 *	591,860
Weighted average number of equity shares outstanding for diluted EPS	<u>110,658,702</u>	<u>110,712,062</u>
Diluted earnings per share (in ₹)	<u>(2.00)</u>	<u>1.94</u>

* As the Company has incurred loss during the year, dilutive effect of potential equity shares on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

K C Patel

Partner

Membership No. 30083

Place: Mumbai

Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)

Executive Vice Chairman

M. S. Gilotra (DIN:00152190)

Managing Director

Place: Mumbai

Date : May 25, 2023

K. N. Bhandari (DIN:00026078)

Director

V. R. Mohnot

Chief Financial Officer

Sonali Sanas

President (CS, Legal & Strategy)

(Membership No. A16690)

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of Saurashtra Cement Limited

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Saurashtra Cement Limited ('the Company' or 'the Holding Company'), and its subsidiary (the Holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as 'consolidated financial statements').

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

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note No. 43 to the consolidated financial statements in respect of amalgamation of Gujarat Sidhee Cement Limited ("Transferor Company" or "GSCL"), with the Company as per the scheme of amalgamation ("the Scheme") approved by National Company Law Tribunal vide its order dated March 16, 2023. However, the accounting treatment pursuant to the Scheme has been given effect as per the pooling of interest method from the date required under Appendix - C to Ind AS 103 - Business Combinations, which is the beginning of the preceding period presented i.e., April 1, 2021. Consequently, the figures for the year ended March 31, 2022, have been restated to give effect to the aforesaid amalgamation. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	How was the matter addressed in our audit
<p>Recognition of Deferred Tax Assets</p> <p>The Company has recognized Deferred Tax Assets on tax credit (MAT) which involves significant judgment to determine whether there will be reasonable certainty of taxable income against which the tax credit will be utilized.</p> <p>We have considered this matter to be key audit matter considering the materiality of amount of tax credit, significant judgement involved in estimating future taxable income against which such assets can be realized.</p> <p>Refer Note Nos 18 and 39 to the consolidated financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> - Obtained details of completed tax assessments up to year ended March 31, 2023, from management. - Evaluated the estimates of profitability made by the management based on which it is considered that the Company will have sufficient taxable income against which tax credit will be utilized. - Involved our internal experts to review management's underlying assumptions regarding availability of tax credit in the light of the provisions of the Income Tax Act, 1961. - Verified that recognition of such assets is made in accordance with Ind AS 12 "Income Taxes".
<p>Revenue recognition - Estimation of incentives to customers</p> <p>Revenue from sale of products is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales.</p> <p>The Company sells its products through various channels such as dealers and commission agents (customers) and provides incentives to them in the form of rebate, discount etc. under various marketing schemes.</p> <p>As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and net of rebate/discount/incentives based on the scheme. This requires an estimation of the revenue taking into consideration these incentives. Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives and rebates.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of the followings:</p> <ul style="list-style-type: none"> - The incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company. - Benefits offered by the dealers to the ultimate consumers is also considered on behalf of the Company. <p>The matter has been determined to be a key audit matter in view of volume and complexities in working as well as the involvement of significant estimates by the management.</p> <p>Refer Note Nos 22 and 24 to the consolidated financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> - Obtained an understanding from the management regarding controls relating to recording of incentives and period end outstanding value of performance obligations and tested the operating effectiveness of such controls. - Evaluated the inputs used in the estimation of revenue in context of incentives. - Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. - Verified the authorisation for schemes for incentives. - Verified that accounting treatment is in accordance with Ind AS 115 "Revenue from Contracts with Customers".

Key Audit Matter	How was the matter addressed in our audit
<p>Business Combination under Common Control – amalgamation accounting of Gujarat Sidhee Cement Limited (GSCL) with the Company</p> <p>The Company has received an order dated March 16, 2023, from Hon'ble National Company Law Tribunal, Ahmedabad (NCLT) approving the scheme of amalgamation of GSCL with the Company having appointed date as January 1, 2022. The order has become effective on March 30, 2023 on filing of Form INC – 28 with Registrar of Companies.</p> <p>The Company has accounted for the business combination using the pooling of interest method in accordance with Appendix C of Ind AS 103 – Business Combination as per the approved scheme.</p> <p>The carrying value of the assets and liabilities of the GSCL as of April 1, 2021, (being the beginning of the previous period presented) as appearing in their books of accounts before the amalgamation have been incorporated in the books of the Company with merger adjustments as applicable.</p> <p>The Company will allot 5,40,09,641 fully paid-up equity shares to the eligible shareholders of the GSCL in accordance with the scheme after the balance sheet date.</p> <p>The Company has recognised negative capital reserve of ₹ 5,372.18 Lakhs as "Other Equity".</p> <p>Business Combination being a significant event in the year and involvement of complex accounting treatment, the aforesaid business combination treatment in the consolidated financial statements has been considered to be a Key Audit Matter.</p> <p>Refer Note 43 of consolidated financial statement.</p>	<p>Our audit Procedure include the following substantive audit procedures:</p> <ul style="list-style-type: none"> - Understood from the management, assessed, and tested the design and operating effectiveness of the Company's Key Controls over the accounting of Business Combination. - Tested management's assessment of accounting for the business combination and determined that it was appropriately accounted for in accordance with Appendix-C of Ind AS 103 Business Combination. - Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements. - Tested the management's computation of determining the amount determined to be recorded in the Capital Reserve.
<p>Enhancement of Company's ERP System:</p> <p>During the year the Company has enhanced its ERP system by migrating from Ramco - 5x software to SAP S/4 HANA.</p> <p>During any period of significant system change, there is an increased risk to the internal financial control environment following system integration, migration of activities and other change.</p> <p>Considering the same, enhancement of company's ERP system is considered as Key Audit Matter.</p>	<p>Our audit procedures include the following substantive audit procedures:</p> <ul style="list-style-type: none"> - Updated our understanding of the Company's applications and transitions that have impacted our financial statement audit by carrying out walk through tests. - Engaged our experts to conduct system audit to ensure that accurate migration of the data has been done and effective system controls exists.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Board's Report including Annexures to the Board's Report, and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

Responsibilities of Management and those charged with governance of consolidated financial statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements of the subsidiary whose financial Statements include total assets of ₹ 52.60 lakhs (before adjustment of consolidation) and net assets of ₹ 52.37 lakhs (before adjustment of consolidation) total revenue of ₹ 55.80 lakhs (before adjustment of consolidation) as at March 31, 2023 and net cash flows of ₹ 19.69 lakhs (before adjustment of consolidation) for the year ended on that date. These financial statements, other financial information and the auditor's report have been furnished to us by the management of the Company. Our opinion on the consolidated financial statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

The financial statements for the year ended March 31, 2023, include the financial information of erstwhile GSCL for the period from April 1, 2022 to March 31, 2023 which includes total assets of ₹ 68,194.75 lakhs and net assets of ₹ 48,073.96 lakhs as at March 31, 2023 (before adjustment of impact of the scheme); total income of ₹ 78,545.31 lakhs, net profit after tax of ₹ 987.14 lakhs and total comprehensive income of ₹ 538.94 lakhs (before adjustment of impact of the scheme) for the year ended March 31, 2023. This financial information has been audited by auditors of erstwhile GSCL, whose report has been furnished to us and been relied upon by us. We have audited the adjustments made by the management consequent to the amalgamation of GSCL with the Company.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditor.
 - c) The consolidated Balance Sheet, the consolidated statement of Profit and Loss including other comprehensive Income, consolidated statement of Changes in Equity and the consolidated statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of 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 Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note No 32 to the consolidated financial statements.
 - (ii) The Group 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 Group during the year ended March 31, 2023.
 - (iv)
 - (a) The Managements of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) The Holding Company and Subsidiary Company have not declared the interim or final dividend for 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.

2. As required by the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of section 143 (11) of the Act, the matters specified in the paragraphs 3 (xxi) of CARO in respect of qualification or adverse remarks in CARO report on the consolidated financial statements of the respective companies included in the consolidated financial statements of the Holding Company is reported here under

Sr. No.	Name	CIN	Relationship with the Holding Company	Paragraph number in the respective CARO reports
1	Saurashtra Cement Limited	L26941GJ1956PLC000840	Holding Company	(i)(c), (ii)(b)
2	Agrima Consultants International Limited	U74210MH1988PLC047543	Subsidiary Company	No adverse comment.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W /W100136

(K C Patel)

Partner

Membership No. 30083

UDIN: 23030083BGWUWG9026

Place: Mumbai

Date: May 25, 2023

ANNEXURE - A
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Saurashtra Cement Limited of even date)

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

In conjunction with our audit of the Consolidated Financial Statements of Saurashtra Cement Limited (hereinafter referred to as "Company") and its subsidiary company, which is company incorporated in India, as of that date, as of and for the year ended March 31, 2023, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which is company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, the Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, is based on the corresponding report of the auditors of the subsidiary company.

Place: Mumbai
Date: May 25, 2023

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 23030083BGWUWG9026

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

	Note	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	79,573.74	78,621.48
(b) Capital Work-in-Progress	2	5,037.50	6,852.66
(c) Right of Use Assets	2	297.75	120.50
(d) Goodwill	2	222.47	222.47
(e) Intangible Assets	2	3,001.23	2,313.46
(f) Intangible Assets under Development	2	71.07	984.82
(g) Financial Assets			
(i) Investments	3	1.85	3.52
(ii) Loans	4	9.58	13.26
(iii) Other Financial Assets	5	8,193.78	471.29
(h) Other Non-Current Assets	6	4,273.85	2,860.47
SUB-TOTAL		100,682.82	92,463.93
CURRENT ASSETS			
(a) Inventories	7	18,031.69	18,598.42
(b) Financial Assets			
(i) Trade Receivables	8	7,828.05	5,949.24
(ii) Cash and Cash Equivalents	9	800.56	322.02
(iii) Bank Balances other than (ii) above	10	6,906.94	20,594.32
(iv) Loans	11	11.42	10.98
(v) Other Financial Assets	12	172.12	275.38
(c) Other Current Assets	13	1,314.87	1,415.65
SUB-TOTAL		35,065.65	47,166.01
TOTAL ASSETS		135,748.47	139,629.94
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	5,671.99	5,665.86
(b) Equity Share Capital Suspense Account	43	5,400.96	5,389.80
(c) Other Equity	15	77,143.98	79,369.08
SUB-TOTAL		88,216.93	90,424.74
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	541.90	1,089.57
(ii) Lease Liabilities	34	179.55	50.75
(b) Provisions	17	1,911.02	2,100.10
(c) Deferred Tax Liabilities (Net)	18	7,337.18	8,069.59
SUB-TOTAL		9,969.65	11,310.01
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	5,740.94	9,204.11
(ii) Lease Liabilities	34	132.38	79.39
(iii) Trade Payables	20		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		420.27	128.13
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21	10,328.16	8,279.01
(iv) Other Financial Liabilities		3,268.78	3,323.25
(b) Other Current Liabilities	22	16,653.75	16,024.54
(c) Provisions	23	1,017.61	856.76
SUB-TOTAL		37,561.89	37,895.19
TOTAL EQUITY AND LIABILITIES		135,748.47	139,629.94
Significant Accounting Policies and Notes are an integral part of the Consolidated Financial Statements	1 to 47		

As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

K C Patel
Partner
Membership No. 30083
Place: Mumbai
Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

K. N. Bhandari (DIN:00026078)
Director

M. S. Gilotra (DIN:00152190)
Managing Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. :A16690)

Place: Mumbai
Date : May 25, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

	Note	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Revenue from Operations	24	164,529.41	145,088.25
Other Income	25	1,308.55	1,606.16
Total Income		165,837.96	146,694.41
Expenses			
(a) Cost of Materials Consumed	26	23,912.25	22,998.83
(b) Purchases of Stock-in-trade	27	161.41	223.28
(c) Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	28	806.86	(5,729.73)
(d) Employee Benefits Expense	29	9,781.73	9,383.68
(e) Finance Costs	30	929.07	922.73
(f) Depreciation and Amortisation Expenses	2	3,886.92	3,316.54
(g) Other Expenses	31	129,272.08	111,832.27
Total Expenses		168,750.32	142,947.60
Profit / (Loss) before Exceptional Items and tax		(2,912.36)	3,746.81
Exceptional Items		-	-
Profit / (Loss) before tax		(2,912.36)	3,746.81
Tax Expense	39		
(a) Current tax		5.79	1,055.32
(b) Relating to previous years		-	19.22
(c) Deferred tax		(718.83)	361.32
Total Tax Expense		(713.04)	1,435.86
Profit / (Loss) for the year		(2,199.32)	2,310.95
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(38.87)	19.95
(b) Effect of measuring Equity Instruments on Fair Value		(1.54)	0.01
(c) Income tax on (a)		13.58	(6.97)
Total Other Comprehensive Income for the year (net of tax)		(26.83)	12.99
Total Comprehensive Income for the year		(2,226.15)	2,323.94
Earnings per Equity Share of Face Value of ₹ 10 each :			
(a) Basic (₹ per share)	47	(1.99)	2.10
(b) Diluted (₹ per share)	47	(1.99)	2.09
Significant Accounting Policies and Notes are an integral part of the Consolidated Financial Statements	1 to 47		

As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

K C Patel
Partner
Membership No. 30083
Place: Mumbai
Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

M. S. Gilotra (DIN:00152190)
Managing Director

Place: Mumbai
Date : May 25, 2023

K. N. Bhandari (DIN:00026078)
Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. :A16690)

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

A. EQUITY SHARE CAPITAL		(₹ In lakhs)							
Balance as at April 1, 2022	Changes in during the year due to prior period errors	Restated Balance as at April 1, 2022	Changes in during the year	Balance as at March 31, 2023					
5,665.55	-	5,665.55	6.44	5,671.99					
Balance as at April 1, 2021	Changes in during the year due to prior period errors	Restated Balance as at April 1, 2021	Changes in during the year	Balance as at March 31, 2022					
5,616.01	-	5,616.01	49.54	5,665.55					
B. EQUITY SHARE CAPITAL SUSPENSE ACCOUNT (Refer Note 43)		(₹ In lakhs)							
Balance as at April 1, 2022	Changes in during the year due to prior period errors	Restated Balance as at April 1, 2022	Changes in E during the year	Balance as at March 31, 2023					
5,389.80	-	5,389.80	11.16	5,400.96					
Balance as at April 1, 2021	Changes in during the year due to prior period errors	Restated Balance as at April 1, 2021	Changes in during the year	Balance as at March 31, 2022					
5,326.79	-	5,326.79	63.01	5,389.80					
C. OTHER EQUITY		(₹ In lakhs)							
Particulars	Share application money pending allotment	Capital Reserve (Refer Note 15)	Reserves and Surplus		Equity Instruments through Other Comprehensive Income	Total			
			Capital Redemption Reserve	Securities Premium	Share Options Outstanding	General Reserve	Retained Earnings		
Balance at the beginning of the Reporting Period i.e. As at April 1, 2021	1.40	4,374.45	737.60	11,543.83	1,098.33	5,786.29	54,917.94	(1,035.10)	77,424.74
Profit for the year	-	-	-	-	-	-	2,310.95	-	2,310.95
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	12.98	-	12.98
Issue of Equity Shares	(1.20)	-	-	-	-	-	-	-	(1.20)
Issue of Equity Shares *	(0.20)	-	-	-	-	-	-	-	(0.20)
Dividend on Equity Shares	1.83	-	-	-	-	-	-	-	1.83
Share Application Money received on exercise of Employee Stock Options, pending allotment	4.27	-	-	-	-	-	-	-	4.27
Share Application Money received on exercise of Employee Stock Options, pending allotment *	-	-	-	372.92	-	-	-	-	-
Exercise of Employee Stock Options	-	-	-	265.05	-	-	-	-	-
Exercise of Employee Stock Options *	-	-	-	-	-	-	-	-	-
Capital Reserve on Amalgamation (Refer Note 43)	-	38.62	-	-	-	-	-	-	38.62
Balance at the end of the Reporting Period i.e. As at March 31, 2022	6.10	4,413.07	737.60	12,181.80	460.36	5,786.29	56,818.95	(1,035.09)	79,369.08

Balance at the beginning of the Reporting Period i.e. As at April 1, 2022	6.10	4,413.07	737.60	12,181.80	460.36	5,786.29	56,818.95	(1,035.09)	79,369.08
Loss for the year	-	-	-	-	-	-	(2,199.32)	-	(2,199.32)
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-	(1.54)	(1.54)
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(25.29)	-	(25.29)
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,224.61)	(1.54)	(2,226.15)
Issue of Equity Shares	(1.83)	-	-	-	-	-	-	-	(1.83)
Issue of Equity Shares *	(4.27)	-	-	-	-	-	-	-	(4.27)
Investments measured at Fair Value through Other Comprehensive Income written off (Refer Note 3)	-	-	-	-	-	-	(1,035.13)	1,035.13	-
Exercise of Employee Stock Options	-	-	-	48.44	(48.44)	-	-	-	-
Exercise of Employee Stock Options *	-	-	-	46.47	(46.47)	-	-	-	-
Transfer of balance in Forfeited Equity Shares	-	0.31	-	-	-	-	-	-	0.31
Capital Reserve on Amalgamation (Refer Note 43)	-	6.84	-	-	-	-	-	-	6.84
Balance at the end of the Reporting Period i.e. As at March 31, 2023	-	4,420.22	737.60	12,276.71	365.45	5,786.29	53,559.21	(1.50)	77,143.98

* of erstwhile Gujarat Sidhee Cement Limited

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)

Executive Vice Chairman

M. S. Gilotra (DIN:00152190)

Managing Director

K. N. Bhandari (DIN:00026078)

Director

V. R. Mohnot

Chief Financial Officer

Sonali Sanas

President (CS, Legal & Strategy)

(Membership No. :A16690)

K C Patel

Partner

Membership No. 30083

Place: Mumbai

Date : May 25, 2023

Place: Mumbai

Date : May 25, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(2,912.36)	3,746.81
Adjustments for :		
Add: Finance Costs	929.07	922.73
Loss on Sale / Discard of Property, Plant and Equipment (Net)	58.22	-
Provision for Doubtful Debts	10.79	-
Employee Benefit Expense at amortised cost	2.06	1.67
Unrealised Foreign Exchange Loss (Net)	-	0.96
Investments written off	0.15	-
Depreciation and Amortisation Expense	3,886.92	3,316.54
	<u>4,887.21</u>	<u>4,241.90</u>
Less: Interest Income	(958.74)	(1,109.67)
Dividend Income	(0.10)	(0.71)
Profit on Sale / Discard of Property, Plant and Equipment (Net)	-	(64.17)
Liabilities for Expenses no longer payable Written Back	(17.37)	(8.57)
Trade / Other Payables Written Back	(86.25)	(63.23)
Gain on Termination of Lease	-	(0.55)
	<u>(1,062.46)</u>	<u>(1,246.90)</u>
Operating Profit before Working Capital changes	912.39	6,741.81
Adjustments for increase / decrease in:		
Trade Payables, Financial Liabilities and Other Current Liabilities	2,879.61	902.84
Provisions	(67.10)	(154.36)
Long-term Loans, Financial Assets and Other Non-Current Assets	(56.06)	(188.81)
Inventories	566.73	(5,822.13)
Trade Receivables	(1,889.60)	(1,305.38)
Short-term Loans, Financial Assets and Other Current Assets	123.91	104.70
	<u>1,557.49</u>	<u>(6,463.14)</u>
Cash Generated from Operations	2,469.88	278.67
Less: Direct Taxes Payments (Net)	(324.64)	(1,096.12)
Net Cash Generated from / (Used in) Operating Activities	2,145.24	(817.45)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(3,894.04)	(4,618.43)
Acquisition of Paint Business	-	(5,535.73)
Proceeds from Sale of Property, Plant and Equipment	83.84	111.49
Proceeds from Sale of Equity Shares	-	0.11
Decrease / (Increase) in Bank Deposits	6,019.50	5,759.23
Interest income on Bank Deposits	1,035.58	1,296.29
Dividend Income	0.10	0.71
Net Cash Generated from / (Used in) Investing Activities	3,244.98	(2,986.33)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on exercise of Employee Stock options	4.61	50.18
Proceeds from issue of shares on exercise of Employee Stock options *	13.74	105.70
Proceeds from Long-term Borrowings	407.84	385.84
Repayment of Long-term Borrowings	(1,581.72)	(1,168.49)
Proceeds from / (Repayment of) Short-term Borrowings (Net)	(2,836.96)	5,206.73
Payment of Lease Liabilities	(151.25)	(228.32)

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Finance Costs Paid	(767.94)	(819.37)
Dividend Paid	-	(422.92)
Net Cash Generated from / (Used in) Financing Activities	(4,911.68)	3,109.35
Net increase in Cash and Cash Equivalents	478.53	(694.43)
Cash and Cash Equivalents at the beginning of the year	322.02	1,016.45
Cash and Cash Equivalents at the end of the year (Refer Note 9)	800.56	322.02

* of erstwhile Gujarat Sidhee Cement Limited

Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"**

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

₹ in lakhs

Particulars	As at April 1, 2022	Cash Flows	Non Cash Changes	As at March 31, 2023
Short Term Borrowings	8,199.88	(2,836.96)	-	5,362.92
Long Term Borrowings (including Current maturities)	2,093.80	(1,173.88)	-	919.92
				₹ in lakhs
Particulars	As at April 1, 2022	Cash Flows	Non Cash Changes	As at March 31, 2022
Short Term Borrowings	2,993.15	5,206.73	-	8,199.88
Long Term Borrowings (including Current maturities)	2,876.45	(782.65)	-	2,093.80

- Purchase of Property, Plant and Equipment includes addition to Intangible Assets, Intangible Assets under Development and adjusted for movement in Capital Work-in-progress and Capital Advances.
- Figures in bracket indicates cash outflows.

As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

K C Patel
Partner
Membership No. 30083
Place: Mumbai
Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

M. S. Gilotra (DIN:00152190)
Managing Director

Place: Mumbai
Date : May 25, 2023

K. N. Bhandari (DIN:00026078)
Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. :A16690)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**1 Company Overview and Significant Accounting Policies:****A Company Overview:**

Saurashtra Cement Limited ("the Company" or "the Holding Company") is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Ranavav, Gujarat, India. The Company is engaged in the business of manufacturing and selling of Cement and Paints.

The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for publication at its meeting held on May 25, 2023.

B Principles of Consolidation:

- i. These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS 110 - Consolidated Financial Statements, specified under Section 133 of the Companies Act, 2013.
- ii. The financial statements of the Company and its Subsidiary ("the Group") have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- iii. As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.
- iv. The excess of cost to the Company of its investment in the Subsidiary is recognised in the Consolidated Financial Statements as goodwill and the goodwill is amortised over a period of 10 years commencing from the date from which it arises.

C Subsidiary considered in the Consolidated Financial Statements is:

No.	Name of the Subsidiary Company	Country of Incorporation	Parent's holding as at March 31, 2023	Parent's holding as at March 31, 2022	Financial Year ends
i.	Agrima Consultants International Limited	India	100.00%	100.00%	March 31

D Significant Accounting Policies**1.1 Statement of Compliance:**

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

1.2 Basis of Preparation and Presentation:**a) Basis of Preparation:**

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

- Certain financial assets and liabilities measured at fair value (Refer Note 1.18 being accounting policy regarding financial instruments)
- Assets held for sale - measured at the lower of its carrying amount and fair value less estimated costs to sell
- Employee's Defined Benefit Plan measured as per actuarial valuation
- Share-based payments measured at fair value.
- Assets and liabilities acquired under Business Combination (other than common control Business Combination) measured at fair value.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b) Functional and Presentation Currency:

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Group and all values are rounded to the nearest lakhs, except when otherwise indicated.

c) Classification of Assets and Liabilities into Current/Non-current:

- i. The Group presents assets and liabilities in the Balance Sheet based on Current/Non-current classification.
- ii. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as twelve months for the purpose of Current/Non-current classification of its Assets and Liabilities.
- iii. An asset is classified as Current when:
 - It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is expected to be realised within twelve months after the reporting period; or
 - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

- iv. A liability is classified as Current when:
 - It is expected to be settled in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.

- v. Deferred Tax Assets and Liabilities are classified as Non-current assets and liabilities

1.3 Property, Plant and Equipment (PPE):

- i. The Group has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and/or any accumulated impairment loss. An item of PPE is recognised as an asset, if 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.
- ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof and are material, else, such items are classified as inventory.
- iii. The cost comprises of - purchase price (net of recoverable GST / CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as "Capital Work-in-progress". Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress. The same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.4 Depreciation / Amortisation:

- i. Depreciation on PPE is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation (other than Jetty and Premium on Leasehold Land) is provided on the "Straight-line Method" as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment. The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the change is recognised in the Consolidated Statement of Profit and Loss with appropriate disclosure thereof.
- ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Group has determined the useful life of that significant part separately ("Component Accounting"). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Group has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.
- iii. Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and from the date, the asset is derecognised.
- iv. Cost of Leasehold Land, without Mineral Reserves, of material amount is amortised on a Straight-line basis over its lease period. Cost of Leasehold Land having Mineral Reserves is amortised based on quantity of limestone / marl extracted during the year out of estimated deposit available for mining.

1.5 Non-current Assets held for sale:

Items of PPE, which are retired from active use and held for disposal and where the sale is highly probable, are classified under Other Current Assets. The same are carried at the lower of their carrying amounts and fair value less estimated costs to sell. Any write-down in this regard is recognised immediately in the Consolidated Statement of Profit and Loss.

1.6 Intangible Assets:

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

Trademarks - 10 years

Computer Software - 3 years

Licenses and Permissions - 3 years

Trademarks with infinite life and Goodwill arising on Business Combination are tested for impairment at each Balance Sheet date.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under Development" ..

1.7 Leases:

As a Lessee:

The Group's leased assets consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense as per the terms of the lease.

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

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term lease of Property, Plant and Equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

As a Lessor:

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income as per the terms of the lease as part of 'Other Income'.

1.8 Impairment of Non-financial Assets:

- i. The Group, at the end of each reporting period, assesses the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss, if any.
- ii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

- iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
- iv. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

Inventories are valued as follows:

- i. **Raw materials, Fuels, Stores and spare parts and Packing materials** - At cost or net realisable value, whichever is lower. Cost is derived on moving weighted average basis.
- ii. **Work-in-progress (WIP), Finished goods and Stock-in-trade** - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

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

1.10 Revenue and Income Recognition:

A Revenue from Contracts with Customers

- i. Revenue from contracts with customers for sale of goods is recognised when the Group satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Group is expected to be entitled to in exchange for those goods. Performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the goods on its receipt.

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 Group as part of the contract.

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

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to avail various products. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry.

- ii. In case of Export of goods, the control of goods is transferred on receipt of Bill of Lading / Mate Receipt.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

B Other Operating Revenue - Export entitlement

Export entitlements are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.

C Income Recognition

- i. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- ii. Dividend income from investments is recognised when the Group's right to receive dividend is established.
- iii. Interest income is recognised on a time proportion basis, by reference to the principal outstanding and the effective interest rate.

1.11 Foreign Currency Transactions:

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans etc.), which are denominated in foreign currency are translated at the spot rates of exchange of functional currency at the reporting date.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or expense in the Consolidated Statement of Profit and Loss for the period in which they arise.

1.12 Employee share based payments:

- i. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.
- ii. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.
- iii. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.
- iv. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

1.13 Employee Benefits:

- i. **Defined contribution plan:** The Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the year in which the employees render the related service.
- ii. **Defined benefit plan - Gratuity:** In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an Actuary. The Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), is reflected immediately in the Consolidated Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement is not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment and
 - The date when the Company recognises related restructuring costs"
- iii. **Compensated Absences:** As per policy of the Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the year in which the employees render the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an Actuarial valuation. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.
- iv. **Other short term benefits:** A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered and is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

1.14 Borrowing Costs:

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalised, net of income earned on temporary investments from such borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Consolidated Statement of Profit and Loss as expense in the year in which the same are incurred.

1.15 Segment Reporting:

Primary Segment is identified based on the nature of products, the different risks and returns and the internal business reporting system. Secondary Segment is identified based on the geographic location of its customers.

1.16 Taxation:

i. **Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period in accordance with the provisions of the Income-tax Act, 1961.

ii. **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Tax relating to items recognised in equity or OCI is recognised directly in equity or OCI and not in the Consolidated Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets on a year on year basis, the deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets and liabilities and where it intends to settle such assets and liabilities on a net basis.

1.17 Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

- ii. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
- iii. Contingent assets are neither recognised nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.

1.18 Financial Instruments:

- i. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- ii. Financial assets:

Initial recognition and measurement:

All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial Assets at amortised cost
 - Equity investments measured at fair value through Other Comprehensive Income (FVTOCI)
- iii. Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and loss.

iv. **Equity investments:**

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However the Group may transfer the cumulative gain or loss within equity. The Group has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

v. **Derecognition of financial asset:**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

vi. **Impairment of financial assets:**

The Group recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade Receivables, in view of the Group's credit policy and past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Group makes provision for doubtful debts based on specific identification. The Group will reassess the model periodically and make the necessary adjustments for loss allowance, if required.

vii. **Financial liabilities:**

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other current liabilities.

Subsequent measurement:

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses on changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

viii. Derecognition of financial liability:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

ix. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Fair Value Measurement:

- i. Fair value is the price 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 under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
 - In the principal market for the asset or liability or
 - In the absence of a principal market, in the most advantageous market for the asset or liability
- ii. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
 - Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.
 - Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
 - Level 3 - If the lowest level input that is significant to the fair value measurement is not based on observable market data.
- v. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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1.20 Cash and Cash Equivalents:

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at banks and in hand and short-term deposits with banks with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

1.21 Business Combination:

Business combinations (other than common control business combinations) are accounted for using the acquisition method. The consideration transferred by the Group to obtain control of a business is measured at fair value at acquisition date and includes the fair value of any contingent consideration.

Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. However, deferred tax asset or liability and any asset or liability relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, records the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of the transferor entity or business is recognised as capital reserve under equity.

1.22 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

1.23 Earnings Per Share:

- i. Basic Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii. Diluted EPS is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders adjusted for the effects of potential dilution of equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

1.24 Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") through a notification of March 31, 2023, introduced the Companies (Indian Accounting Standards) Amendment Rules, 2023 to amend the Companies (Indian Accounting Standards) Rules, 2015 which come into force with effect from April 1, 2023. The following are the amendments:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Ind AS 1 - Presentation of Financial Statements:

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

The Group does not expect the above amendment to have any significant impact in its consolidated financial statements.

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

The 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.

The Group does not expect the above amendment to have any significant impact in its consolidated financial statements.

Ind AS 12 - Income Taxes

The 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 Group does not expect the above amendment to have any significant impact in its consolidated financial statements.

C Critical accounting judgements, estimates and assumptions:

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. 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. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Useful Lives of Property, Plant and Equipment:

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the Consolidated 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. 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.

iii. Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**iv. Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take into account of changing facts and circumstances.

vi. Share-based payments:

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

vii. Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc.

	Gross Block				Depreciation, Amortisation and Impairment				Net Block	
	As at April 1, 2022	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2023	As at April 1, 2022	For the Year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023
Property, Plant and Equipment										
Freehold land [Refer Note (iii)]	37,276.92	-	-	37,276.92	-	-	-	-	37,276.92	37,276.92
Leasehold land [Refer Notes (i), (ii) and (iii)]	1,253.46	-	-	1,253.46	97.05	17.79	-	114.84	1,138.62	1,156.41
Buildings and Jety [Refer Notes (iii), (iv) and (v)]	15,139.47	614.38	-	15,753.85	7,033.40	364.12	-	7,397.52	8,356.33	8,106.07
Plant and equipments	74,947.82	2,858.18	444.65	77,361.35	47,125.47	2,039.25	385.49	48,779.23	28,582.12	27,822.35
Furniture and Fixtures	3,988.02	253.69	690.49	3,551.22	2,519.42	235.43	665.07	2,089.78	1,461.44	1,468.60
Vehicles	4,404.48	516.18	258.85	4,661.81	2,447.82	404.56	216.97	2,635.41	2,026.40	1,956.66
Office equipments	2,896.34	157.24	310.79	2,742.79	2,158.25	235.58	295.38	2,098.45	644.34	738.09
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	4.20	252.60	160.42	8.60	3.99	165.03	87.57	96.38
Total	140,163.31	4,399.67	1,708.98	142,854.00	61,541.83	3,305.33	1,566.90	63,280.26	79,573.74	78,621.48
Capital Work-in-Progress [Refer Notes (vi), (vii), (ix) and (x)]	11,450.44	769.86	2,585.02	9,635.28	4,597.78	-	-	4,597.78	5,037.50	6,852.66
Right of Use Assets [Refer Note 35]	427.00	312.18	320.97	418.21	306.50	134.93	320.97	120.46	297.75	120.50
Goodwill [Refer Note (vi)]	317.74	-	-	317.74	95.27	-	-	95.27	222.47	222.47
Other Intangible Assets										
Other than internally generated										
Trademarks	2,163.11	-	-	2,163.11	31.59	34.42	-	66.01	2,097.10	2,131.52
Computer softwares	468.50	1,134.43	0.14	1,602.79	398.27	399.94	0.14	798.07	804.72	70.23
Licenses and Permissions	123.00	-	-	123.00	11.29	12.30	-	23.59	99.41	111.71
Total	2,754.61	1,134.43	0.14	3,888.90	441.15	446.66	0.14	887.67	3,001.23	2,313.46
Intangible Assets under Development [Refer Note (xi)]	984.82	218.83	1,132.58	71.07	-	-	-	-	71.07	984.82
Grand Total	156,097.92	6,834.97	5,747.69	157,185.20	66,982.53	3,886.92	1,888.01	68,981.44	88,203.76	89,115.39

₹ in lakhs

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc.

	Gross Block						Depreciation, Amortisation and Impairment			Net Block As at March 31, 2022
	As at April 1, 2021	Additions / Adjustments	Acquisition through Business Combination	Deductions / Adjustments	As at March 31, 2022	As at April 1, 2021	For the Year	Deductions/ Adjustments	As at March 31, 2022	
Property, Plant and Equipment										
Freehold land [Refer Note (iii)]	37,276.92	-	-	-	37,276.92	-	-	-	-	37,276.92
Leasehold land [Refer Notes (i), (ii) and (iii)]	322.98	-	930.48	-	1,253.46	76.84	20.21	-	97.05	1,156.41
Buildings and Jetty [Refer Notes (iii), (iv) and (v)]	13,226.91	21.01	1,891.55	-	15,139.47	6,707.96	325.44	-	7,033.40	8,106.07
Plant and equipments	73,240.86	1,648.70	139.19	80.93	74,947.82	45,292.08	1,910.26	76.87	47,125.47	27,822.35
Furniture and Fixtures	3,799.15	194.73	0.01	5.87	3,988.02	2,293.83	231.33	5.74	2,519.42	1,468.60
Vehicles	3,978.66	713.00	0.94	288.12	4,404.48	2,301.39	332.86	186.43	2,447.82	1,956.66
Office equipments	2,566.19	351.90	3.48	25.23	2,896.34	1,976.68	204.99	23.42	2,158.25	738.09
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	-	256.80	151.82	8.60	-	160.42	96.38
Total	134,668.47	2,929.34	2,965.65	400.15	140,163.31	58,800.60	3,033.69	292.46	61,541.83	78,621.48
Capital Work-in-Progress [Refer Notes (vii), (viii), (ix) and (x)]	10,588.11	1,279.99	-	417.66	11,450.44	4,597.78	-	-	4,597.78	6,852.66
Right of Use Assets [Refer Note 35]	661.79	85.10	-	319.89	427.00	412.96	204.70	311.16	306.50	120.50
Goodwill [Refer Note (vi)]	95.27	-	222.47	-	317.74	95.27	-	-	95.27	222.47
Other Intangible Assets										
Other than internally generated										
Trademarks	-	-	2,163.11	-	2,163.11	-	31.59	-	31.59	2,131.52
Computer softwares	462.30	23.67	61.50	78.97	468.50	441.97	35.27	78.97	398.27	70.23
Licenses and Permissions	-	-	123.00	-	123.00	-	11.29	-	11.29	111.71
Total	462.30	23.67	2,347.61	78.97	2,754.61	441.97	78.15	78.97	441.15	2,313.46
Intangible Assets under Development	153.50	831.32	-	-	984.82	-	-	-	-	984.82
[Refer Note (xi)]										
Grand Total	146,629.44	5,149.42	5,535.73	1,216.67	156,097.92	64,348.58	3,316.54	682.59	66,982.53	89,115.39

₹ in lakhs

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- i. Besides the land specified above, the Company holds other leasehold land for which only ground rent is payable.
- ii. Leasehold land at Cement Plants is acquired for mining purpose. The land cannot be sold without permission of the Collector.
- iii. Details of Immovable Properties whose Title deeds are not held in the name of the Company:

Description of item of property	Gross carrying amount ₹ in lakhs	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in name of the Company
Freehold Land, Buildings at Sidheegram Plant	31,156.62	Gujarat Sidhee Cement Limited	No	January 1, 2022	The Title deeds are held in the name of erstwhile Gujarat Sidhee Cement Limited which has amalgamated with the Company with effect from March 30, 2023; the change of name on the title deeds from erstwhile Gujarat Sidhee Cement Limited to Saurashtra Cement Limited is under process.
Leasehold Land at Sidheegram Plant	322.89	Gujarat Sidhee Cement Limited	No	January 1, 2022	
Residential Flats in Mumbai	109.78	Gujarat Sidhee Cement Limited	No	January 1, 2022	
Commercial Office in Daman	1.71	Gujarat Sidhee Cement Limited	No	January 1, 2022	

- iv. Buildings and Jetty include a Private Jetty having Gross carrying amount of ₹ 2,589.70 lakhs (Previous Year: ₹ 2,411.45 lakhs), Net carrying amount of ₹ 271.27 lakhs (Previous Year: ₹ 120.57 lakhs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The present agreement is for 10 years effective from November 01, 2015 and valid upto October 31, 2025.
- v. Residential Flat in Mumbai has been mortgaged in favour of HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.
- vi. Goodwill includes Goodwill on Consolidation having Gross carrying amount of ₹ 95.27 lakhs (Previous Year: ₹ 95.27 lakhs), Net carrying amount of ₹ Nil (Previous Year: ₹ Nil).
- vii. Capital Work-in-progress includes amount of ₹ Nil (Previous Year: ₹ 94.78 lakhs) towards improvement on Private Jetty, referred above.
- viii. **Impairment of Assets:**
 - a. The Company had incurred an aggregate sum of ₹ 8,107.17 lakhs (Previous Year: ₹ 8,107.17 lakhs) towards Expansion Project Assets and shown the same under Capital Work-in-progress (CWIP). The expenditure includes cost of imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised). During earlier years, spares of the value of ₹ 215.07 lakhs were consumed resulting to closing balance of CWIP at ₹ 7,892.10 lakhs.
 - b. In the year 2005, due to several adversities, the project was suspended. However, the Company intends to install the assets at a later date, depending on market conditions. As at March 31, 2022, the fair value of assets was estimated at ₹ 4,473.46 lakhs based on valuation report of the registered valuer. The assets are physically verified by the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Management and found that there has not been any material change in the condition of those assets. Considering the present condition and value in use, the asset valuation of ₹ 4,473.46 lakhs, carried out by an independent valuer during the financial year 2021-2022 holds good as at March 31, 2023. Since this value is higher than the carrying value of the assets after considering impairment loss of ₹ 4,597.78 lakhs as at March 31, 2022, no further provision for impairment has been made during the current financial year.

ix. Capital Work-in-Progress: Ageing**As at March 31, 2023**

₹ in lakhs

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Improvements within Cement Plant	338.86	1,069.78	169.08	165.46	1,743.18
Projects temporarily suspended [(Refer Note (viii))]	-	-	-	3,294.32	3,294.32
	338.86	1,069.78	169.08	3,459.78	5,037.50

As at March 31, 2022

₹ in lakhs

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Improvements within Cement Plant	2,385.59	840.98	267.23	64.54	3,558.34
Projects temporarily suspended [(Refer Note (viii))]	-	-	-	3,294.32	3,294.32
	2,385.59	840.98	267.23	3,358.86	6,852.66

x. Capital Work-in-Progress: Completion Schedule

Capital-work-in progress, whose completion is overdue compared to its original plan.

As at March 31, 2023

₹ in lakhs

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Improvements within Cement Plant				
Installation of Air Cooled Condenser for Thermal Power Plant (TPP)	1,389.59	-	-	-
Automation of Delivery System	160.06	-	-	-
Others	75.55	44.87	-	-
Projects temporarily suspended				
Expansion Project [(Refer Note (viii))]	-	3,294.32	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2022

₹ in lakhs

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Improvements within Cement Plant				
Installation of Air Cooled Condenser for Thermal Power Plant (TPP)	1,365.19	-	-	-
Projects temporarily suspended				
Expansion Project [(Refer Note (viii))]	-	-	3,294.32	-

xi. **Intangible Assets under Development: Ageing**

As at March 31, 2023

₹ in lakhs

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
ERP Implementation (New Requirement)	31.35	-	-	-	31.35
Automation of Delivery System	23.85	15.87	-	-	39.72
	55.20	15.87	-	-	71.07

As at March 31, 2022

₹ in lakhs

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress: ERP Implementation	831.32	153.50	-	-	984.82
	831.32	153.50	-	-	984.82

xii. Refer Note 16.1 and 19.1 for information on Property, Plant and Equipment hypothecated as security.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

				As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
3	Non-current Investments				
	a) Investments measured at Amortised Cost:				
	In Government Securities				
	Unquoted				
	6 Years National Savings Certificates			0.11	0.14
	(Maintained as security deposit with Government authorities)				
	b) Investments measured at Fair Value through Other Comprehensive Income (FVTOCI):				
	In Equity Instruments of Subsidiaries				
	i) Quoted (Fully paid equity shares)				
	Face Value	Investee company	No. of Shares		
	₹ per share				
		Current Year	Previous Year		
	10 MTZ (India) Limited #	-	870,500	-	0.02
	10 MTZ Polyfilms Limited #	-	3,000,000	-	0.10
	2 Bank of Baroda	22	22	0.04	0.02
	10 ACC Limited	1	1	0.02	0.02
	2 Ambuja Cements Limited *	1	1	-	-
	10 India Cement Limited *	1	1	-	-
	5 JK Lakshmi Cements Limited	1	1	0.01	0.01
	10 Mangalam Cement Limited *	1	1	-	-
	10 Prism Johnson Limited *	1	1	-	-
	10 Shree Digvijay Cement Co. Limited *	1	1	-	-
	10 Ultratech Cement Limited	1	1	0.08	0.07
	10 Zuari Agro Chemicals Limited *	1	1	-	-
	10 Zuari Global Limited *	1	1	-	-
				0.15	0.24
	# These investments have been written off				
	ii) Unquoted (Fully paid equity shares)				
	Face Value	Investee company	No. of Shares		
	₹ per share				
		Current Year	Previous Year		
	0.1 Chennai Super Kings Cricket Limited*	1	1	-	-
	50 Rajkot Nagrik Sahakari Bank Limited	2,001	2,001	1.00	1.00
	0.1 Bhadreshwar Vidyut Private Limited	865,000	865,000	0.09	1.64
	10 Saraswat Co-op Bank Limited	5,000	5,000	0.50	0.50
				1.59	3.14
	* Each investment is less than ₹ 0.01 lakhs				
	Aggregate Carrying Value of:				
	Quoted investments			0.15	0.24
	Unquoted investments			1.70	3.28
				1.85	3.52
	Aggregate Market Value of quoted investments			0.15	0.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
4 Loans		
Considered Good - Unsecured		
Staff Loans	9.58	13.26
	<u>9.58</u>	<u>13.26</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
5 Other Financial Assets		
Security Deposits		
For supply of Power - credit impaired	224.27	224.27
Others	356.95	302.10
	<u>581.22</u>	<u>526.37</u>
Less : Provision for impairment	<u>(224.27)</u>	<u>(224.27)</u>
	356.95	302.10
Fixed Deposits with Bank with maturity greater than 12 months		
Kept as Margin money against Guarantees and Letters of Credit	1,520.34	11.83
Kept as Security against Overdraft (Refer Note 19.1)	3,822.27	62.10
Others	2,494.22	95.26
	<u>8,193.78</u>	<u>471.29</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
6 Other Non-current Assets		
Capital Advances	2,661.99	1,573.13
Advances other than Capital Advances		
Taxes Paid [Net of Provision of ₹ 5.79 lakhs, Previous Year: ₹ 624.60 lakhs - (after MAT Credit utilised of ₹ 456.54 lakhs)]	1,189.90	871.06
Pre-deposit Balances with Statutory / Government Authorities against Appeals	407.78	395.22
Prepaid Expenses	14.18	21.06
	<u>4,273.85</u>	<u>2,860.47</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
7 Inventories		
Raw Materials (includes in transit of ₹ 2.80 lakhs, Previous Year: ₹ 0.01 lakhs)	3,747.49	2,546.46
Packing Materials	494.79	534.71
Work-in-progress	5,114.05	6,201.48
Finished Goods	2,115.60	1,835.03
Fuels (includes in transit of ₹ 59.25 lakhs, Previous Year: ₹ Nil)	3,874.25	4,902.16
Stores and Spare Parts (includes in transit of ₹ 5.08 lakhs, Previous Year: ₹ 30.76 lakhs)	2,685.51	2,578.58
	<u>18,031.69</u>	<u>18,598.42</u>

The cost of inventories recognised as an expense during the year is disclosed in Notes 26, 27, 28 and 31.

For mode of valuation of inventories : Refer Note 1.9

Inventories are hypothecated as security for Cash Credit facilities given by HDFC Bank Limited - Refer Note 19.1

8 Trade Receivables

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Considered Good - Unsecured	7,828.05	5,949.24
Trade Receivables - credit impaired	<u>34.19</u>	<u>23.39</u>
	7,862.24	5,972.63
Less : Provision for impairment	<u>34.19</u>	<u>23.39</u>
	<u>7,828.05</u>	<u>5,949.24</u>

8.1 Trade Receivables Ageing Schedule

As at March 31, 2023

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Considered Good - Unsecured							
Undisputed	3,416.78	4,360.42	22.89	11.70	0.02	0.63	7,812.44
Disputed	-	-	-	-	-	15.61	15.61
Trade Receivables - credit impaired							
Undisputed	-	-	-	-	-	-	-
Disputed	-	0.02	2.03	8.75	-	23.39	34.19
Less : Provision for impairment	-	(0.02)	(2.03)	(8.75)	-	(23.39)	(34.19)
	<u>3,416.78</u>	<u>4,360.42</u>	<u>22.89</u>	<u>11.70</u>	<u>0.02</u>	<u>16.24</u>	<u>7,828.05</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2022

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Considered Good - Unsecured							
Undisputed	2,376.64	3,533.35	13.94	6.53	0.78	-	5,931.24
Disputed	-	-	-	-	0.03	17.97	18.00
Trade Receivables - credit impaired							
Undisputed	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	23.39	23.39
Less : Provision for impairment	-	-	-	-	-	(23.39)	(23.39)
	<u>2,376.64</u>	<u>3,533.35</u>	<u>13.94</u>	<u>6.53</u>	<u>0.81</u>	<u>17.97</u>	<u>5,949.24</u>

8.2 Trade Receivables are hypothecated as security for Cash Credit facilities given by HDFC Bank Limited - Refer Note 19.1

8.3 Contract Balances

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Trade Receivables	7,828.05	5,949.24
Contract Liabilities - Advances from Customers (Refer Note 22)	5,677.22	4,959.36
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
9 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	800.56	322.02
	<u>800.56</u>	<u>322.02</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
10 Bank Balances other than Cash and Cash Equivalents		
Deposits with Banks (Maturity below 12 months from the date of Consolidated Balance Sheet)		
Kept as Margin Money against Guarantees and Letter of Credit	1,719.86	3,043.50
Kept as Security against Overdraft (Refer Note 19.1)	4,083.90	6,850.23
Others	1,062.04	10,659.21
	<u>6,865.80</u>	<u>20,552.94</u>
Earmarked Balances		
For Unpaid Dividend and Redemption of Preference Shares	41.14	41.38
	<u>41.14</u>	<u>41.38</u>
	<u>6,906.94</u>	<u>20,594.32</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs		As at March 31, 2022 ₹ in lakhs	
11 Loans				
Considered Good - Unsecured				
Staff Loans		11.42		10.98
		<u>11.42</u>		<u>10.98</u>
	As at March 31, 2023 ₹ in lakhs		As at March 31, 2022 ₹ in lakhs	
12 Other Financial Assets				
Interest accrued on Fixed Deposits		166.72		246.41
Export Benefits Receivable		-		7.28
Income Receivable		5.40		21.69
		<u>172.12</u>		<u>275.38</u>
	As at March 31, 2023 ₹ in lakhs		As at March 31, 2022 ₹ in lakhs	
13 Other Current Assets				
Considered Good - Unsecured				
Advances				
Balances with Statutory / Government Authorities		517.40		423.73
Advances Against Purchase of Raw Materials, Stores and Spares		243.38		435.38
Prepaid Expenses		177.91		290.89
Others		376.18		265.65
		<u>1,314.87</u>		<u>1,415.65</u>
Considered Doubtful				
Advances Against Purchase of Stores and Spares		24.46		24.46
		<u>1,339.33</u>		<u>1,440.11</u>
Less : Provision for Doubtful advances		24.46		24.46
		<u>1,314.87</u>		<u>1,415.65</u>
	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
14 Equity Share Capital				
Authorised				
Equity Shares of ₹ 10 par value (Refer Note 43)	772,700,000	77,270.00	772,700,000	77,270.00
		<u>77,270.00</u>		<u>77,270.00</u>
Issued				
Equity Shares of ₹ 10 par value	70,393,438	7,039.34	70,329,057	7,032.91
		<u>7,039.34</u>		<u>7,032.91</u>
Subscribed				
Equity Shares of ₹ 10 par value				
Subscribed and Fully Paid Up	56,719,902	5,671.99	56,655,521	5,665.55
Equity Shares - forfeited	-	-	15,269	0.31
(₹ 2 per share paid up)		<u>5,671.99</u>		<u>5,665.86</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**14.1 Reconciliation of the number of shares outstanding and amount of share capital**

	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares of ₹ 10 par value				
At the beginning of the year	56,655,521	5,665.55	69,818,375	6,981.84
Cancellation of Equity Shares, held by erstwhile Gujarat Sidhee Cement Limited, pursuant to scheme of Amalgamation (Refer Note 43)	-	-	(13,658,267)	(1,365.83)
	<u>56,655,521</u>	<u>5,665.55</u>	<u>56,160,108</u>	<u>5,616.01</u>
Shares issued during the year on exercise of employee stock options	64,381	6.44	495,413	49.54
At the end of the year	<u>56,719,902</u>	<u>5,671.99</u>	<u>56,655,521</u>	<u>5,665.55</u>

14.2 Rights, Preferences and Restrictions

Equity Shares

- The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.
- In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. At present, there is no outstanding Preference Shares.
- In respect of share based payments granted to employees (Employee Stock Options), refer Note 40.

14.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

(Refer para after Note 14.4 for calculation of % to total shares)

	As at March 31, 2023		As at March 31, 2022	
	Numbers	% to total shares	Numbers	% to total shares
Equity Shares				
Omna Enterprises LLP	10,522,431	18.55%	10,522,431	18.57%
Mehta Investments Mauritius Limited	20,190,939	35.60%	20,190,939	35.64%

14.4 Details of shares held by the Promoters

Sr. No.	Name of Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
		Numbers	% to total shares	Numbers	% to total shares	
i.	Mahendra N Mehta	-	0.00	28,480	0.05	(0.05)
ii.	Sunayanaben M Mehta	6,000	0.01	6,000	0.01	-
iii.	Jay M Mehta	43,110	0.08	14,630	0.03	0.05
iv.	Juhi Chawla Mehta	24,650	0.04	24,650	0.04	-
v.	Radha Mahendra Mehta	5,100	0.01	5,100	0.01	-
vi.	Arjun Jay Mehta	1,656,712	2.92	1,656,712	2.92	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Name of Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
		Numbers	% to total shares	Numbers	% to total shares	
vii.	Jahnvi Jay Mehta	1,656,713	2.92	1,656,713	2.92	-
viii.	Dhirendra N Mehta (Deceased)	-	0.00	44,050	0.08	(0.08)
ix.	Medhavini D Mehta	90,634	0.16	90,634	0.16	-
x.	Hemang D Mehta	95,584	0.17	51,534	0.09	0.08
xi.	Umade D Mehta	26,000	0.05	26,000	0.05	-
xii.	Kamalakshi D Mehta	18,400	0.03	18,400	0.03	-
xiii.	Anisha Hemang Mehta	100	0.00	100	0.00	-
xiv.	Devika Kallergis	100	0.00	100	0.00	-
xv.	Nirmala Ranvir Khatau	12,935	0.02	12,935	0.02	-
xvi.	Anandita Sudhir Shah	84,415	0.15	84,415	0.15	-
xvii.	Trishala Vikas Tandon	-	0.00	84,415	0.15	(0.15)
xviii.	Subash Chandra Khanna	130,000	0.23	130,000	0.23	-
xix.	Promilla Khanna	650,000	1.15	650,000	1.15	-
xx.	Arja Shridhar	200,000	0.35	200,000	0.35	-
xxi.	Mehta Investments Mauritius Limited	20,190,939	35.60	20,190,939	35.64	(0.04)
xxii.	The Mehta International Ltd	3,750	0.01	3,750	0.01	-
xxiii.	The Mehta International Mauritius Limited	1,773,599	3.13	1,773,599	3.13	-
xxiv.	Pallor Trading Company Private Limited	25,136	0.04	25,136	0.04	-
xxv.	Galaxy Technologies Private Limited	123,531	0.22	123,531	0.22	-
xxvi.	Omna Enterprises LLP	10,522,431	18.55	10,522,431	18.57	(0.02)
		37,339,839	65.83	37,424,254	66.06	(0.21)

The Number of shares held by promoters and % to total shares is calculated after taking into account cancellation of shares of the Company held by erstwhile Gujarat Sidhee Cement Limited but before allotment of Shares of the Company to shareholders of erstwhile Gujarat Sidhee Cement Limited. (Refer Note 43)

14.5 Details of Equity Shares reserved for issue under Share Options Outstanding at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares reserved for issue under Employee Stock Options (Refer Note 40)	557,738	55.77	443,689	44.37

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
15 Other Equity		
i. Share Application Money pending allotment	-	1.83
Share Application Money pending allotment *	-	4.27
ii. Reserves and Surplus		
a. Capital Reserve		
Government Subsidy	26.95	26.95

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Capital Reduction Account	6,921.68	6,921.68
On Amalgamation (Refer Note 43)	(5,250.00)	(5,256.84)
Others	2,721.59	2,721.28
	<u>4,420.22</u>	<u>4,413.07</u>
b. Capital Redemption Reserve	737.60	737.60
c. Securities Premium		
Balance as at the beginning of the year	12,181.80	11,543.83
Add: Exercise of Employee Stock Options	48.44	372.92
Add: Exercise of Employee Stock Options *	46.47	265.05
	<u>12,276.71</u>	<u>12,181.80</u>
d. Share Options Outstanding		
Balance as at the beginning of the year	460.36	1,098.33
Less: Exercise of Employee Stock Options	(48.44)	(372.92)
Less: Exercise of Employee Stock Options *	(46.47)	(265.05)
	<u>365.45</u>	<u>460.36</u>
e. General Reserve	5,786.29	5,786.29
f. Retained Earnings		
Balance as at the beginning of the year	56,818.95	54,917.94
Add: Profit / (Loss) for the year	(2,199.32)	2,310.95
Add/(Less): Remeasurement gain / (loss) on defined benefit plan (net of tax)	(25.29)	12.98
Less: Transfer from Equity Instruments through OCI on Investments write off (Refer Note 3)	(1,035.13)	-
Less: Appropriations		
Dividend on Equity Shares	-	422.92
	<u>53,559.21</u>	<u>56,818.95</u>
iii. Equity Instruments through Other Comprehensive Income (OCI)		
Balance as at the beginning of the year	(1,035.09)	(1,035.10)
Add/(Less): Effect of measuring Equity Instruments on Fair Value	(1.54)	0.01
Add: Transfer to Retained Earnings on Investments write off (Refer Note 3)	1,035.13	-
	<u>(1.50)</u>	<u>(1,035.09)</u>
	<u>77,143.98</u>	<u>79,369.08</u>

* of erstwhile Gujarat Sidhee Cement Limited

The description of the nature and purpose of each reserve within equity is as follows :

a. Share application money pending allotment

It represents share application money received from employees on exercise of stock options for which allotment of Nil equity shares [Previous Year: 61,036 equity shares (including 42,675 equity shares of erstwhile Gujarat Sidhee Cement Limited)] is pending as at the year end.

b. Capital Reserve

It represents reserve created on capital receipt. It also consists of,

- i. Reduction of paid up capital of erstwhile Gujarat Sidhee Cement Limited in earlier year in pursuance of Hon'ble BIFR order,
- ii. Government Subsidy received in earlier years and
- iii. Capital reserve on Common Control Business Combination.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**c. Capital Redemption Reserve**

This reserve was created on redemption of Preference Shares by transfer from General Reserve.

d. Securities Premium

It represents the amount of premium over face value on shares issued.

e. Share Options Outstanding

The Company has Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017) under which options to subscribe for the Company's shares have been granted to the senior management and executives from middle management. This reserve is used to recognise the value of equity settled share-based payments provided to option grantees. Refer Note 40 for further details of the plan.

f. General Reserve

The General reserve was created in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. General reserve is a free reserve available to the Company.

g. Retained Earnings

Retained Earnings are the profits that the Group has earned, net of amount distributed as dividends and including adjustments on account of transition to Ind AS.

h. Equity Instruments through Other Comprehensive Income

This represents cumulative gains / (losses) arising on the measurement of equity shares (other than subsidiaries and associate) at fair value through other comprehensive income.

	Non-Current		Current maturities of Long-term borrowings *	
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
16 Non-Current Borrowings				
Secured				
Term Loans				
From Banks	532.31	1,066.60	364.64	991.97
From Others	9.59	22.97	13.38	12.26
	<u>541.90</u>	<u>1,089.57</u>	<u>378.02</u>	<u>1,004.23</u>

* Amount disclosed under the head 'Borrowings' (Note 19).

16.1 Security and Repayment Terms:

i. Term Loans in respect of finance availed for purchase of vehicles / equipments are repayable in 36 to 60 equated monthly instalments carrying varied interest from 6.80% to 9% p.a. These loans are secured by hypothecation of vehicles and equipment financed there under.

ii. Term Loan in respect of finance availed for Waste Heat Recovery Power Plant was secured by exclusive First charge on Plant and Machinery including the said Power Plant and Current Assets of the erstwhile Gujarat Sidhee Cement Limited. This was further secured by personal guarantee of one Promoter Director and pledge of One Crore Equity Shares of the Company held by erstwhile Gujarat Sidhee Cement Limited.

The loan has been repaid during the current year and pledge of shares has been withdrawn by HDFC Bank Limited. These shares have been cancelled as per Scheme of Amalgamation - Refer Note 43. The personal guarantee of the director has been released.

Interest has been paid @ 10.15% for January 2023, 9.75% p.a. for November 2022 and December 2022, 8.75% p.a. upto October, 2022 (Previous Year : 8.75% p.a. w.e.f. October, 2021, 8.85% p.a. upto September, 2021).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- iii. The charges, which are required to be registered with the Registrar of Companies (ROC), have been registered within the time limit except charge in respect of vehicle loans taken from HDFC Bank Limited and BMW Financial Services India Private Limited ('the lenders') for which the lenders did not require to create the charge as vehicles were hypothecated in favour of the lenders with Regional Transport Office (RTO) as per the provisions of The Motor Vehicles Act, 1988. The principal amount of such loans as continued is ₹ 156.11 lakhs (Previous Year: ₹ 303.51 lakhs), the balance of which is ₹ 69.02 lakhs as at March 31, 2023 (Previous Year: ₹ 132.81 lakhs).

The satisfaction of charges which are required to be registered with the Registrar of Companies (ROC), have been registered within the time limit except satisfaction of charge in respect of loans taken from SREI Infrastructure Finance Limited ("the lender") due to non receipt of No Objection Certificate from the lender. The Company has repaid entire dues and there is no outstanding balance to the lender as at the end of current year and previous year.

- B** The Company has utilised funds raised from borrowings from banks and financial institutions for the specific purposes for which they were taken.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
17 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	1,291.93	1,456.21
Compensated absences	619.09	643.89
	<u>1,911.02</u>	<u>2,100.10</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
18 Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (Refer Note 39)	15,558.35	15,215.95
Deferred Tax Assets (Refer Note 39)	(8,221.17)	(7,146.36)
	<u>7,337.18</u>	<u>8,069.59</u>
	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
19 Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks		
Cash Credit	1.25	1,531.61
Working Capital Demand Loan	-	2,000.00
Overdraft	5,361.67	4,668.27
	<u>5,362.92</u>	<u>8,199.88</u>
Current Maturities of Long-term borrowings (Refer Note 16.1)		
Term Loans		
From Banks	364.64	991.97
From Others	13.38	12.26
	<u>378.02</u>	<u>1,004.23</u>
	<u>5,740.94</u>	<u>9,204.11</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**19.1 Security:****Cash Credit / Working Capital Demand Loan**

The Working Capital facilities are secured by first charge by way of hypothecation of current assets, namely stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts, both, present and future. It is also secured by Equitable Mortgage of Land and Building and hypothecation of Plant and Machinery, existing and future, situated at both Ranavav and Sidheegram Plants and personal guarantee of one Promoter Director of the Company.

Overdraft

Overdraft from bank is secured against lien of fixed deposits with bank of ₹ 7,906.17 lakhs (Previous Year: ₹ 6,912.33 lakhs) - Refer Notes 5 and 10.

19.2 Disclosure of borrowings obtained on the basis of security of current assets

The Company has Working Capital limit of ₹ 12,500 lakhs for its cement plants comprising of fund-based limit of ₹ 6,000 lakhs and non-fund based limit of ₹ 6,500 lakhs. For the said fund-based limit, the Stock and Debtors statement submitted at the quarter end are in agreement with the books of account other than those as set out below.

₹ in lakhs

Quarter ended	Name of bank	Particulars of Securities provided	Amount as per books of account (Excluding Paint Division)*	Amount as reported in the quarter end statement*	Amount of difference	Reason for material discrepancies
FY 2022-23						
June 30, 2022	HDFC Bank Limited	Inventories and Trade Receivables	27,018.94	28,030.32	1,011.38	Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.
September 30, 2022	HDFC Bank Limited	Inventories and Trade Receivables	20,792.82	21,567.55	774.73	Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.
December 31, 2022	HDFC Bank Limited	Inventories and Trade Receivables	28,425.71	28,922.34	496.63	Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Quarter ended	Name of bank	Particulars of Securities provided	Amount as per books of account (Excluding Paint Division)*	Amount as reported in the quarter end statement*	Amount of difference	Reason for material discrepancies
March 31, 2023	HDFC Bank Limited	Inventories and Trade Receivables	24,689.93	24,563.00	(126.93)	Change in value after completion of Statutory Audit for the year, after submission of statement to the bank.
FY 2021-22*						
June 30, 2021	HDFC Bank Limited	Inventories and Trade Receivables	24,876.82	20,856.46	(4,020.36)	<p>i. Stock under letter of credit, Debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 3,689.47 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.</p>
September 30, 2021	HDFC Bank Limited	Inventories and Trade Receivables	18,251.34	17,801.52	(449.82)	<p>i. Debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 176.58 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.</p>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Quarter ended	Name of bank	Particulars of Securities provided	Amount as per books of account (Excluding Paint Division)*	Amount as reported in the quarter end statement*	Amount of difference	Reason for material discrepancies
December 31, 2021	HDFC Bank Limited	Inventories and Trade Receivables	28,977.26	21,278.19	(7,699.07)	<p>i. Stock under letter of credit, debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 7,796.29 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Limited Review for the quarter, after submission of statement to the bank.</p>
March 31, 2022	HDFC Bank Limited	Inventories and Trade Receivables	23,389.62	23,382.35	(7.27)	<p>i. Debtors for other operating revenue and outstanding debtors > 120 days, amounting to ₹ 141.15 lakhs in aggregate, are not considered by the bank for drawing power calculation and hence not reported in the statement submitted to the bank.</p> <p>ii. Change in value after completion of Statutory Audit for the year, after submission of statement to the bank.</p>

* The amounts stated are total of Saurashtra Cement Limited and erstwhile Gujarat Sidhee Cement Limited, as reported on standalone basis, after eliminating inter company balances, if any.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
20 Trade Payables		
Due to Micro and Small enterprises	420.27	128.13
Due to Others	10,328.16	8,279.01
	<u>10,748.43</u>	<u>8,407.14</u>

20.1 Trade Payables Ageing Schedule

As at March 31, 2023						₹ in lakhs
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to Micro and Small enterprises						
Undisputed dues	218.68	201.59	-	-	-	420.27
Disputed dues	-	-	-	-	-	-
Due to Others						
Undisputed dues	8,861.50	1,269.56	73.61	37.72	85.77	10,328.16
Disputed dues	-	-	-	-	-	-
	<u>9,080.18</u>	<u>1,471.15</u>	<u>73.61</u>	<u>37.72</u>	<u>85.77</u>	<u>10,748.43</u>

As at March 31, 2022						₹ in lakhs
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to Micro and Small enterprises						
Undisputed dues	127.02	1.11	-	-	-	128.13
Disputed dues	-	-	-	-	-	-
Due to Others						
Undisputed dues	6,105.70	2,027.66	49.62	88.03	8.00	8,279.01
Disputed dues	-	-	-	-	-	-
	<u>6,232.72</u>	<u>2,028.77</u>	<u>49.62</u>	<u>88.03</u>	<u>8.00</u>	<u>8,407.14</u>

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
20.2 Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 :		
i. Principal amount remaining unpaid	420.27	128.13
ii. Interest accrued on the above amount and remaining unpaid	0.96	-
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16	-	-
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	0.96	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The above information has been determined to the extent such parties could be identified on the basis of information available with the Group regarding the status of suppliers under the MSME.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
21 Other Financial Liabilities		
Interest accrued but not due on borrowings	4.29	10.64
Unpaid Dividends	41.30	41.53
Amounts Payable on Redemption of Preference Shares	0.23	0.24
Security Deposits from Customers / Transporters	1,745.02	1,741.89
Remuneration Payable to Key Managerial Personnel [Refer Note 37.2(B)(i) (a&b)]	-	132.33
Liabilities for Expenses at the year-end	1,408.02	1,329.13
Others	69.92	67.49
	<u>3,268.78</u>	<u>3,323.25</u>

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
22 Other Current Liabilities		
Statutory Dues	8,751.70	8,831.89
Advances from Customers	5,677.22	4,959.36
Unearned Revenue	2,070.28	2,094.21
Others	154.55	139.08
	<u>16,653.75</u>	<u>16,024.54</u>

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
23 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	585.39	487.46
Compensated absences	432.22	369.30
	<u>1,017.61</u>	<u>856.76</u>

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
24 Revenue from Operations		
Sale of Products	163,482.17	143,972.15
Other Operating Revenue	1,047.24	1,116.10
	<u>164,529.41</u>	<u>145,088.25</u>

24.1 Sales by Performance Obligations

Performance obligations are satisfied at a point in time i.e. when the customer obtains control of goods on its receipt. In case of export of goods, the control of goods is transferred on receipt of bill of lading / mate receipt.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24.2 Revenue from Contracts with Customers

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
A Revenue from contracts with customers disaggregated based on nature of products or services		
i Revenue from Sale of Products		
Cement	157,746.15	137,678.55
Clinker	3,271.88	4,488.93
Paints	2,464.14	1,804.67
	<u>163,482.17</u>	<u>143,972.15</u>
ii. Other Operating Revenue		
AFR Processing Income	537.18	311.69
Sale of Power	21.88	334.64
Sale of Scrap	488.07	462.39
Export Entitlements	0.11	7.38
	<u>1,047.24</u>	<u>1,116.10</u>
	<u>164,529.41</u>	<u>145,088.25</u>
B Revenue from contracts with customers disaggregated based on geography		
i. Domestic	164,520.87	144,356.24
ii. Export	8.54	732.01
	<u>164,529.41</u>	<u>145,088.25</u>
24.3 Reconciliation of contract price with Revenue from Operations		
Contract price	167,891.32	147,911.21
Add: Reversal of Unearned Revenue of earlier years	641.26	431.46
	<u>168,532.58</u>	<u>148,342.67</u>
Less:		
Discounts and Rate differences	4,433.07	3,461.42
Customer loyalty programme	53.38	130.84
Incentives and Schemes	563.96	778.26
Revenue from sale of products	<u>163,482.17</u>	<u>143,972.15</u>
Add: Other Operating Revenue	1,047.24	1,116.10
Revenue from Operations	<u>164,529.41</u>	<u>145,088.25</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
25 Other Income		
Interest Income on		
Fixed Deposits with Banks	955.89	1,083.47
Financial Assets measured at amortised cost	2.85	4.45
Income Tax Refund	0.22	21.90
Others	5.14	4.20
	<u>964.10</u>	<u>1,114.02</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Dividend Income from Non-current Investments	0.10	0.71
Miscellaneous Income	63.16	53.28
Net Gain on Foreign Currency Transactions and Translation	-	206.16
Profit on Sale of Property, Plant and Equipment (Net)	-	64.17
Insurance Claims [includes ₹ 162.05 lakhs (Previous Year : ₹ 21.69 lakhs) on damaged PPE]	173.57	96.02
Bad Debts Recovered	4.00	-
Provision for Doubtful Debts / Advances Written Back	-	323.92
Less : Bad Debts / Advances written off	-	(323.92)
	-	-
Liabilities for Expenses no longer payable Written Back	17.37	8.57
Trade / Other Payables Written Back	86.25	63.23
	<u>1,308.55</u>	<u>1,606.16</u>

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
26 Cost of Materials Consumed		
Raw Materials		
Opening Stock	2,546.46	2,411.23
Add: Purchases	14,821.30	12,050.18
	<u>17,367.76</u>	<u>14,461.41</u>
Less: Closing Stock	3,747.49	2,546.46
	<u>13,620.27</u>	<u>11,914.95</u>
Royalty, Cess and Raw Material Handling Charges		
Limestone and Other Materials Handling Charges	2,638.14	3,080.78
Limestone / Marl Raising Charges	830.01	514.22
Royalty and Cess	2,584.95	3,025.22
	<u>6,053.10</u>	<u>6,620.22</u>
Packing Materials		
Opening Stock	534.71	428.53
Add: Purchases	4,198.96	4,569.84
	<u>4,733.67</u>	<u>4,998.37</u>
Less: Closing Stock	494.79	534.71
	<u>4,238.88</u>	<u>4,463.66</u>
	<u>23,912.25</u>	<u>22,998.83</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
27 Purchases of Stock-in-trade		
Purchases of Traded Goods		
Paints	161.41	223.28
	<u>161.41</u>	<u>223.28</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
28 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress		
Stocks at the end		
Finished Goods - Cement	1,677.73	1,408.00
Stock-in-trade - Paints	35.33	39.14
Finished Goods - Paints	402.54	387.89
Work-in-progress - Raw Flour and Clinker	5,114.05	6,201.48
	<u>7,229.65</u>	<u>8,036.51</u>
Less: Stocks at the Beginning		
Finished Goods - Cement	1,408.00	1,147.56
Stock-in-trade - Paints	39.14	-
Finished Goods - Paints	387.89	-
Work-in-progress - Raw Flour and Clinker	6,201.48	1,159.22
	<u>8,036.51</u>	<u>2,306.78</u>
	<u>806.86</u>	<u>(5,729.73)</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
29 Employee Benefits Expense		
Salaries, Wages and Bonus	8,759.74	8,406.06
Contribution to Provident and Other Funds	512.42	494.00
Gratuity Expense (Refer Note 35)	168.49	215.21
Staff Welfare Expenses	341.08	268.41
	<u>9,781.73</u>	<u>9,383.68</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
30 Finance Costs		
Interest expense		
On Borrowings	545.14	451.69
On Duties and Taxes	149.44	158.53
On Others	156.28	166.69
	<u>850.86</u>	<u>776.91</u>
Other Borrowing Costs	78.21	145.82
	<u>929.07</u>	<u>922.73</u>
	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
31 Other Expenses		
Stores and Spare Parts Consumed	5,544.02	5,768.74
Power and Fuel	76,094.71	59,303.41
Rent	613.13	489.10
Repairs and Maintenance:		
Buildings	665.70	802.25
Machinery	2,878.93	3,354.63
Others	1,117.30	1,358.30
	<u>4,661.93</u>	<u>5,515.18</u>
Insurance	376.20	348.79
Rates and Taxes	222.21	215.61
Advertisement and Business Promotion Expenses	3,247.99	2,907.75
Freight and Handling Expenses	28,519.01	29,144.10
Cement Packing Expenses	1,484.02	1,313.43
Packing and Handling Expenses - Paints	88.83	68.94
Commission	2,659.18	2,366.46
Directors' Fees	121.88	130.95
Charity and Donation (Refer Note 31.1)	405.51	4.75
Traveling and Conveyance	868.08	787.16
Legal and Professional Charges	1,010.98	1,228.98
Auditor's Remuneration (Refer Note 31.2)		
Audit Fees	30.76	29.72
Tax Audit Fees	7.20	7.20
For Other Services - Certification Work	10.98	9.53
	<u>48.94</u>	<u>46.45</u>
Provision for Doubtful Debts	10.79	-
Net Loss on Foreign Currency Transactions and Translation	60.55	-
Loss on Sale / Discard of Property, Plant and Equipment (Net)	58.22	-
Corporate Social Responsibility (CSR) Expenditure (Refer Note 33)	219.76	180.09
Miscellaneous Expenses	2,981.37	2,019.83
Cost of Cement Self Consumed	(25.23)	(7.45)
	<u>129,272.08</u>	<u>111,832.27</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

31.1 Charity and Donation includes donation of ₹ 400 lakhs (Previous Year: ₹ Nil) given to political parties.

31.2 It includes Remuneration paid / payable to Auditors of erstwhile Gujarat Sidhee Cement Limited.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
32 Contingent Liabilities and Commitments		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Company not acknowledged as debt - matters under disputes / appeals:		
i. Sales Tax / VAT	449.51	452.72
ii. Excise Duty *	4,789.57	4,789.57
iii. Service Tax *	143.72	143.72
iv. Goods and Services Tax *	1.42	1.42
v. Royalty	15.12	15.12
vi. Customs Duty *	122.85	122.85
vii. Income Tax *	383.32	383.32
viii. Octroi	38.49	38.49
ix. House Tax	41.50	40.12
x. Land Compensation	416.37	440.70
xi. Claims filed by workmen or their union against the Company	1.00	4.12
xii. On account of Power Supply	678.16	678.16
xiii. In the earlier years, the company had sold residential flats through a bidding process in which the bidder failed to make the payments as per the agreed schedule due to which the Earnest Money Deposit and part payments received against the failed bid were forfeited as per the agreed tender terms and the flats were sold to another person. The matter is under dispute as the original unsuccessful bidder has disputed the subsequent sale and the outcome / impact of the same is presently unascertainable.		
xiv. Other demands and claims	46.00	44.80
* Amount paid under protest : ₹395.22 lakhs (Previous Year : ₹ 395.22 lakhs)		
Notes:		
i. The Company does not expect any reimbursement in respect of the above contingent liabilities.		
ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.		
iii. The amounts stated are including interest and penalty, to the extent demanded.		
ii. Commitments:		
Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 2,661.99 lakhs, Previous Year: ₹ 1,573.13 lakhs) and not provided for.	5,413.36	3,252.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
33 Particulars of Corporate Social Responsibility (CSR) Expenditure		
Gross amount required to be spent by the Company during the year	219.70	180.07
Amount spent and paid on CSR activities included in the Consolidated Statement of Profit and Loss for the year :		
Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
Rural Development	18.07	4.16
Promoting Preventive Health Care, Environment and Sanitation	22.40	4.15
Education Promotion	179.29	171.78
	219.76	180.09
There is no unspent amount for the current year as well as for the previous year		

34 Disclosure pursuant to Ind AS 116 on "Leases"**A As a Lessee**

Following are the changes in the carrying value of right of use assets:

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 1, 2021	661.79	412.96	248.83
Additions	85.10	204.70	
Deletions	319.89	311.16	
Balance as at March 31, 2022	427.00	306.50	120.50
Additions	312.18	134.93	
Deletions	320.97	320.97	
Balance as at March 31, 2023	418.21	120.46	297.75

The aggregate depreciation expense amounting to ₹ 134.93 lakhs (Previous Year: ₹ 204.70 lakhs) on right of use assets is included under Depreciation and Amortization Expense in the Consolidated Statement of Profit and Loss.

B The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Current lease liabilities	132.38	79.39
Non current lease liabilities	179.55	50.75
	311.93	130.14

C The following is the movement in lease liabilities:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Balance as at the beginning of the year	130.14	268.83
Additions	312.19	83.48
Finance cost accrued	20.85	15.45
Deletions	-	9.30
Payment of lease liabilities	151.25	228.32
Balance as at the end of the year	311.93	130.14

The aggregate interest expense amounting to ₹ 20.85 lakhs (Previous Year: ₹ 15.45 lakhs) on Lease Liabilities is included under Finance Costs (Interest expenses - Others) in the Consolidated Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

D The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Less than one year	153.94	85.39
One to five years	190.37	53.97
More than five years	-	-
	<u>344.31</u>	<u>139.36</u>

The Group does not face a 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.

E The following amounts are recognised in the Consolidated Statement of Profit and Loss:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Depreciation charge on right of use assets	134.93	204.70
Interest expense on lease liabilities	20.85	15.45
Expense relating to short-term leases	111.91	134.53
Gain on termination of leases	-	0.56

F Total cash outflow for leases from Financing Activities recognised in the Consolidated Statement of Cash Flows is ₹ 151.25 lakhs (Previous Year: ₹ 228.32 lakhs).

As a Lessor:

G The table below provides details regarding the contractual maturities of lease payments to be received, on assets given on an operating lease on an undiscounted basis :

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Less than one year	3.45	9.30
One to five years	2.85	6.30
More than five years	-	-
	<u>6.30</u>	<u>15.60</u>

H Lease Income of ₹ 25.05 lakhs (Previous Year : ₹ 25.13 lakhs) has been recognised in the Consolidated Statement of Profit and Loss under Other Income - Miscellaneous Income.

35 Employee benefits

As per Ind AS-19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

35.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 512.42 lakhs (Previous Year: ₹ 494.00 lakhs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**35.2 Defined Benefit Plan: Gratuity**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the Defined Benefit Plan	Remarks
Benefit offered	$15 / 26 \times \text{Salary} \times \text{Duration of Service}$
Salary Definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

35.3 The fund is managed by a trust and it is governed by the Board of Trustees. Present strength of trustees is five. The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustee's duty to look after assets on behalf of employees who are entitled to benefit from those assets at future date. Investment of assets of fund is key responsibility of the trustees.

35.4 Risk to the Plan**i. Actuarial Risk:**

The plan is subject to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future.

ii. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

iii. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iv. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
35.5 i. Changes in Present Value of Obligations:		
Present Value of Obligation at the beginning of the year	1,955.64	2,144.13
Current Service Cost	78.32	81.20
Past Service Cost	-	-
Interest Cost	136.02	134.72
Actuarial (Gain) / Loss due to:		
- Change in Financial Assumptions	(35.88)	(48.47)
- Change in Demographic Assumptions	(1.25)	(0.55)
- Experience Changes	76.03	29.09
Benefits paid	(318.82)	(384.48)
Present Value of Obligation as at the end of the year	1,890.06	1,955.64

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
ii. Changes in Fair Value of Plan Assets:		
Fair value of Plan Assets at the beginning of the year	11.97	11.24
Expected return on Plan Assets	0.74	0.71
Contributions by the employer	178.84	192.49
Benefits paid from the fund *	(178.84)	(192.49)
Return on plan assets excluding amounts included in interest income	0.03	0.02
Fair value of Plan Assets as at the end of the year	12.74	11.97
* Benefits paid directly by employer, erstwhile Gujarat Sidhee Cement Limited, has not been considered		
iii. The amount recognised in Consolidated Balance Sheet		
Gross value of Present Obligation at the end of the year	1,890.06	1,955.64
Fair Value of Plan Assets at the end of the year	12.74	11.97
Net Liability / (Asset) recognised in Consolidated Balance Sheet	1,877.32	1,943.67
iv. Amount recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	78.32	81.20
Past Service Cost	-	-
Interest Cost	135.28	134.01
Expected return on Plan Assets	-	-
Expenses Recognised in the Consolidated Statement of Profit and Loss	213.60	215.21
v. Amount recognised in Other Comprehensive Income		
Components of Actuarial (Gain) / Loss:		
Change in Financial Assumptions	(35.88)	(48.47)
Change in Demographic Assumptions	(1.25)	(0.55)
Experience Changes	76.03	29.09
Return on plan assets excluding amounts included in interest income	(0.03)	(0.02)
Amount recognised in Other Comprehensive Income	38.87	(19.95)
vi. Category of Assets		
Insurer Managed Funds	12.74	11.97
vii. Maturity Profile of the Defined Benefit Obligation		
1 st Following Year (Within next 12 months)	585.39	487.46
2 nd Following Year	183.86	263.56
3 rd Following Year	234.02	298.46
4 th Following Year	192.18	213.00
5 th Following Year	233.41	174.40
Sum of Years 6 to 10	648.79	696.84
Sum of Years 11 and above	658.91	635.37

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
viii. Sensitivity Analysis for significant assumptions *		
Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
1% increase in discount rate	(66.39)	(70.68)
1% decrease in discount rate	73.74	78.52
1% increase in salary escalation rate	66.69	73.07
1% decrease in salary escalation rate	(61.69)	(67.62)
1% increase in employee turnover rate	11.21	8.74
1% decrease in employee turnover rate	(12.36)	(9.69)
ix. Assumptions		
Mortality Table - Indian Assured Lives Mortality 2012-14 (Urban)		
Discount Rate	7.46%	6.96%
Rate of increase in compensation levels	5.00%	5.00%
Expected Return on Plan Assets	7.46%	6.96%
Attrition Rate		
For service 4 years and below	15.00%	15.00%
For service 5 years and above	2.00%	2.00%
x. Weighted average duration of Defined Benefit Obligation	5 years	5 years
xi. The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.		
xii. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations which is 9 years.		
xiii. Asset Liability matching strategy		
The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.		
There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity.		
*The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**36 Segment Reporting**

The Group operates in two reportable segment i.e. manufacture of i. Cement and Clinker and ii. Paints as per Ind AS 108 - Operating Segment. Segments have been identified taking into account nature of product and differential risk and return of the segment. The business segments are reviewed by the Managing Director of the Company (CODM).

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
1 Segment Revenue :		
Revenue from Operations :		
a Cement and Clinker	162,065.16	143,282.79
b Paints	2,464.25	1,805.46
Total Revenue from Operations	<u>164,529.41</u>	<u>145,088.25</u>
2 Segment Results :		
Profit / (Loss) after depreciation but before finance cost :		
a Cement and Clinker	(516.10)	5,331.43
b Paints	(1,434.76)	(640.67)
c Others - Subsidiary Company	(32.43)	(21.22)
	<u>(1,983.29)</u>	<u>4,669.54</u>
d Less : Finance Cost	929.07	922.73
Net Profit / (Loss) before Tax	<u>(2,912.36)</u>	<u>3,746.81</u>
3 Segment Assets :		
a Cement and Clinker	128,956.29	132,754.66
b Paints	6,739.58	6,839.89
c Others - Subsidiary Company	52.60	35.39
Total Assets	<u>135,748.47</u>	<u>139,629.94</u>
4 Segment Liabilities :		
a Cement and Clinker	46,797.46	48,284.66
b Paints	733.85	920.31
c Others - Subsidiary Company	0.23	0.23
Total Liabilities	<u>47,531.54</u>	<u>49,205.20</u>

37 Related Party Disclosures**37.1 List of related parties:****i. Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Share Capital:**

- a. Pallor Trading Company Private Limited
- b. The Mehta International Limited
- c. Mehta Private Limited
- d. The Mehta International Mauritius Limited
- e. Mehta Investments Mauritius Limited
- f. Galaxy Technologies Private Limited
- g. Omna Enterprises LLP
- h. Shree Anandeya Investment Private Limited
- i. Treasurer's Trading Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- ii. **Key Management Personnel:**
- Mr. M. N. Mehta - Chairman
 - Mr. Jay Mehta - Executive Vice Chairman
 - Mr. M. S. Gilotra - Managing Director
 - Mr. Hemang D. Mehta - Non-Executive Director
 - Mr. Hemnabh R. Khatau - Non-Executive Director
 - Mr. M. N. Rao - Independent Director
 - Mr. B. P. Deshmukh - Independent Director
 - Mr. K. N. Bhandari - Independent Director
 - Mr. Bimal R. Thakkar - Independent Director
 - Mr. Ashwani Kumar - Independent Director
 - Mrs. Bhagyam Ramani - Independent Director
- iii. **Key Management Personnel of erstwhile Gujarat Sidhee Cement Limited:**
- Mrs. Juhi Chawla Mehta - Non-Executive Director
 - Mr. Venkatesh Mysore - Non-Executive Director
 - Mr. M. L. Tandon - Independent Director
 - Mr. M. N. Sharma - Independent Director
 - Mr. Rahul B. Gupta - Non-Executive Director *
 - Mrs. Leena Digambar Katdare - Non-Executive Director **
- * Ceased to be director w.e.f. August 19, 2022
- ** Appointed w.e.f. November 2, 2022

37.2 Transactions and Balances with related parties:		For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
A	Transactions with related parties:		
	i. Compensation paid / payable to Key Management Personnel: (Short-term employee benefits)		
	a. Mr. Jay Mehta	696.93	766.53
	b. Mr. M. S. Gilotra	570.49	619.88
	As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.		
	ii. Transactions with Key Management Personnel:		
	a. Directors sitting fees	103.65	113.85
	b. Dividend on Equity Shares	-	0.71
	iii. Transactions with relatives of Key Management Personnel:		
	Dividend on Equity Shares	-	26.56
	iv. Transactions with Key Management Personnel of erstwhile Gujarat Sidhee Cement Limited:		
	Directors sitting fees	18.23	17.10
	v. Transactions with Promoter Companies:		
	Dividend on Equity Shares	-	347.23
	vi. Transactions with Mehta Private Limited:		
	Rent Paid	110.96	105.97

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
B Outstanding Balances as at the year-end		
i. Key Management Personnel:		
a. Remuneration payable to Mr. M S Gilotra	-	56.71
b. Remuneration payable to Mr. Jay M Mehta	-	75.62
ii. Personal Guarantee given by Mr. Jay Mehta for Term Loan and Working Capital facility given by HDFC Bank Limited (Refer Note 16.1 and 19.1)		
Balance Term Loan outstanding	-	1,046.00
Working Capital facility outstanding	1.25	3,531.61

C Terms and conditions of transactions and balances with related parties

- i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.
- ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs through bank.
- iii. There have been no guarantees provided or received for any related party transaction.
- iv. The Group has not recorded any impairment of receivables relating to amounts owed by related parties during the current year and previous year.

38 Capital Management:

The primary objective of Group's Capital Management is to maximize shareholder value without having any adverse impact on interests of other stakeholders. At the same time, group strives to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's Capital Management, debt includes borrowings and current maturities of long term debt and equity includes issued equity share capital, share premium and all other equity.

The Group monitors capital using Net Debt to Equity ratio which is as under :

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Total Debt	6,282.84	10,293.68
Cash and Cash Equivalents and Fixed Deposits with Bank	12,262.99	17,988.82
Net Debt (A)	(5,980.15)	(7,695.14)
Total Equity (B)	88,216.93	90,424.74
Net Debt to Equity Ratio (A/B)	NA	NA

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
39 Disclosure pursuant to Ind AS 12 on "Income Taxes"		
39.1 Income tax expense recognised in the Consolidated Statement of Profit and Loss:		
i Current Income Tax		
In respect of current year	5.79	1,055.32
Adjustments in respect of tax of earlier years	-	19.22
Total current income tax	<u>5.79</u>	<u>1,074.54</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
ii Deferred Tax		
In respect of current year origination and reversal of temporary difference	(754.81)	428.16
In respect of MAT credit entitlement	-	(66.84)
In respect of MAT credit entitlement of earlier years	35.98	-
Total Deferred Tax	<u>(718.83)</u>	<u>361.32</u>
Income Tax expense	<u>(713.04)</u>	<u>1,435.86</u>
39.2 Income tax charge / (credit) recognised in Other Comprehensive Income:		
Deferred Tax		
In respect of remeasurement gain / (loss) of defined benefit plan	(13.58)	6.97
39.3 Classification of Income tax charge / (credit) recognised in Other Comprehensive Income:		
Income tax charge / (Credit) related to items that will not be reclassified to profit or loss	(13.58)	6.97
39.4 Reconciliation of Income Tax Expense with the accounting profit multiplied by Company's tax rate		
Accounting profit before tax	(2,912.36)	3,746.81
Applicable Tax Rate *	34.94%	33.38%
Computed Tax Expense	(1,017.70)	1,250.84
Effect of non deductible items	459.22	212.62
Effect of deductible items	(378.03)	(536.36)
Effect of Brought forward unused tax losses	-	(13.34)
Effect of unused tax losses	944.55	-
Effect of deductions under Chapter VI-A	-	(0.75)
Effect of Elimination of Dividend Income pursuant to Scheme of Amalgamation	-	34.20
Effect of Differential Applicable Tax Rate to erstwhile Gujarat Sidhee Cement Limited	-	42.07
Effect of Differential Applicable Tax Rate to Subsidiary	(2.25)	(0.80)
Adjustment of income tax of earlier year	-	19.22
Adjustment of MAT Credit entitlement of earlier years	35.98	-
Deferred tax adjustment	(754.81)	428.16
Tax Expenses recognised in Statement of Profit and Loss	<u>(713.04)</u>	<u>1,435.86</u>
Effective Tax Rate	<u>24.48%</u>	<u>38.32%</u>

* The tax rate used for reconciliation is the corporate tax rate of 34.94% (Previous Year: 33.38%) payable by corporate entities in India on taxable profits under Income-tax Act, 1961.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at April 1, 2022 ₹ in lakhs	Recognised in Profit and Loss	Recognised in OCI	MAT Credit entitlement / (utilised)	As at March 31, 2023 ₹ in lakhs
39.5 Components of Deferred Tax					
a. Deferred Tax Assets					
Provision for Impairment	1,606.65	-	-	-	1,606.65
Provision for expenses allowable on cash basis	1,423.56	51.82	-	-	1,475.38
Provision for Gratuity & Leave encashment	766.03	(23.44)	13.58	-	756.17
Unused tax losses - Unabsorbed Depreciation	-	944.55	-	-	944.55
MAT Credit Entitlement	3,258.28	(35.99)	-	-	3,222.29
Lease Liabilities	48.70	71.62	-	-	120.32
Others	43.14	52.67	-	-	95.81
	<u>7,146.36</u>	<u>1,061.23</u>	<u>13.58</u>	<u>-</u>	<u>8,221.17</u>
b. Deferred Tax Liabilities					
Property, Plant and Equipment and Intangible Assets	15,173.84	280.47	-	-	15,454.31
Right of Use Assets	42.11	61.93	-	-	104.04
	<u>15,215.95</u>	<u>342.40</u>	<u>-</u>	<u>-</u>	<u>15,558.35</u>
Deferred Tax Liabilities / (Asset) (Net)	8,069.59	(718.83)	(13.58)	-	7,337.18
	As at April 1, 2021 ₹ in lakhs	Recognised in Profit and Loss	Recognised in OCI	MAT Credit entitlement / (utilised)	As at March 31, 2022 ₹ in lakhs
a. Deferred Tax Assets					
Provision for Impairment	1,606.65	-	-	-	1,606.65
Provision for expenses allowable on cash basis	1,372.94	50.62	-	-	1,423.56
Provision for Gratuity & Leave encashment	826.95	(53.95)	(6.97)	-	766.03
MAT Credit Entitlement	3,646.33	66.84	-	(454.89)	3,258.28
Lease Liabilities	99.03	(50.33)	-	-	48.70
Others	136.43	(93.29)	-	-	43.14
	<u>7,688.33</u>	<u>(80.11)</u>	<u>(6.97)</u>	<u>(454.89)</u>	<u>7,146.36</u>
b. Deferred Tax Liabilities					
Property, Plant and Equipment and Intangible Assets	14,847.79	326.05	-	-	15,173.84
Right of Use Assets	86.95	(44.84)	-	-	42.11
	<u>14,934.74</u>	<u>281.21</u>	<u>-</u>	<u>-</u>	<u>15,215.95</u>
Deferred Tax Liabilities / (Asset) (Net)	<u>7,246.41</u>	<u>361.32</u>	<u>6.97</u>	<u>454.89</u>	<u>8,069.59</u>

40 Share Based Payments**40.1 Saurashtra Employee Stock Option Scheme 2017**

In the Annual General Meeting held on July 26, 2017, shareholders of the company approved Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017). The Nomination and Remuneration Committee at its meeting held on February 8, 2018 has approved grant of Stock Options under ESOS 2017 to the senior management and executives from middle management for their performance and to motivate them to contribute to the growth and profitability of the company as also to retain them. Each option carries the right to the holder to apply for one equity share of the company at par. The salient features of the Scheme are as below:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Details
No. of Options	16,33,253
Date of Grant	February 8, 2018
Exercise Price (₹ per share)	10
Vesting Schedule	Graded Vesting: i) 33% of Options granted to be vested at 1 st anniversary from the date of grant. ii) 33% of Options granted to be vested at 2 nd anniversary from the date of grant. iii) 34% of Options granted to be vested at 3 rd anniversary from the date of grant.
Exercise Period	5 years from the date of respective vesting
Fair Value on the date of Grant of Option (₹ per share)	75.31
Fair Value on the date of Grant of Option (₹ per share) - Refer below Note	41.55
Method of Settlement	Equity

Erstwhile Gujarat Sidhee Cement Limited had Employee Stock Option Scheme viz. Gujarat Sidhee Employee Stock Option Scheme 2017 (ESOS 2017). In accordance with the Scheme, stock options were granted on February 8, 2018.

Pursuant to the Scheme of Amalgamation, 1,60,069 options have been granted to eligible employees, in respect of outstanding options of erstwhile Gujarat Sidhee Cement Limited, taking into account the Share Exchange Ratio. The new options granted shall be governed by Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017).

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2023 Nos	Weighted average exercise price per option (₹)	As at March 31, 2022 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	443,689	10	945,463	10
Granted during the year	-		-	
Exercised during the year	46,020	10	501,774	10
Forfeited / lapsed during the year	-	10	-	10
No. of Options Granted on amalgamation of erstwhile Gujarat Sidhee Cement Limited	160,069		-	
Outstanding at the end of the year	557,738	10	443,689	10
Options exercisable at the end of the year	557,738	10	443,689	10

The weighted average share price during the period of exercise of options was ₹ 58.22 per share, Previous Year: ₹ 92.99. Weighted average remaining contractual life for the share options outstanding as at March 31, 2023 was 1 year and 3 months (Previous Year: 1 year and 9 months)

40.3 Fair Valuation

No options were granted during the year other than on amalgamation of erstwhile Gujarat Sidhee Cement Limited. The fair valuation of option granted during FY 2017-18 have been done by an independent firm on the date of grant using the Black-Scholes Model. Black-Scholes Model takes into account exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

- i. Risk Free Rate : 7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
- ii. Option Life : Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)], which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)
- iii. Expected Volatility * : 52.89% (Vest 1), 55.72% (Vest 2), 58.15% (Vest 3)
- iv. Dividend Yield : 1.15%

* Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40.4 Expenses arising from equity-settled share-based payments to employees debited to the Consolidated Statement of Profit and Loss is ₹ Nil in current and previous year.

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note No.	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Financial Assets at amortised cost:			
Trade Receivables	8	7,828.05	5,949.24
Loans	4 and 11	21.00	24.24
Investments	3	0.11	0.14
Cash and Bank Balances	9 and 10	7,707.50	20,916.34
Other Financial Assets	5 and 12	8,365.90	746.67
Financial Assets at fair value through Other Comprehensive Income:			
Investments	3	1.74	3.38
Total		23,924.30	27,640.01
Financial Liabilities at amortised cost:			
Term Loan from Banks (Non-current)	16	541.90	1,089.57
Borrowings (Current)	19	5,740.94	9,204.11
Trade payables	20	10,748.43	8,407.14
Lease Liabilities	34	311.93	130.14
Other Financial Liabilities	21	3,268.78	3,323.25
Total		20,611.98	22,154.21

The fair value of Bank Deposits with more than 12 months maturities & earmarked balances and fair value of borrowed funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

41.2 Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the Group based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.
- The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	0.15	0.24
Investments - Level 3	1.59	3.14
Total	1.74	3.38

There is no transfer between Level 1 and Level 3 during the year.

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Reconciliation of Level 3 Fair Value Measurements :		
Balance as at the beginning of the year	3.14	3.00
Add / (Less) : Changes during the year	(1.55)	0.14
Balance as at the end of the year	1.59	3.14

Since the Level 3 investment value is not significant, 1% increase (decrease) in the input will have negligible impact.

41.3 Financial Risk Management Framework:

Company: Saurashtra Cement Limited

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets comprises of trade and other receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company's senior management oversees the management of these risks. They provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
Credit Risk	Trade Receivables, Loans	Ageing Analysis, Credit Rating	Credit limit and credit worthiness monitoring, Criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Cash flow forecasts	Adequate unused credit facilities and sufficient Bank FDRs
Foreign Exchange Risk	Committed commercial transaction mainly import of Steam Coal	Sensitivity Analysis, foreign currency movement	Hedging through forward foreign exchange contracts
Commodity Price Risk	Movement in prices of commodities mainly Imported Steam Coal	Sensitivity Analysis, Commodity price tracking	Orders are placed based on the best price quoted by parties

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign exchange risk in a fluctuating market environment.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials and spare parts, capital expenditure and export of cement.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Trade Advances		
EUR	0.78	158.55
GBP	4.30	38.53
JPY	18.40	-
USD	2.86	-
Trade Payables		
GBP	-	5.32
CHF	1.71	-

Foreign currency sensitivity on unhedged exposure:

Since the exposure is not significant, 1% increase in foreign exchange rates will have negligible impact on profit before tax.

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 to i) overdraft against fixed deposits and ii) Cash Credit. The Company doesn't have foreign currency borrowings. The company parks surplus funds in fixed deposits and avails overdraft against same to meet temporary fund requirement. The interest rate on overdraft is linked with interest rate on fixed deposit. Any adverse movement in interest rate will not affect profit before tax since the same will be offset by interest income earned on corresponding fixed deposit. Hence the interest rate risk is self mitigated in the case of overdraft. The Cash Credit facility has floating interest rate.

Interest rate exposure:

Interest rate exposure is in respect of Cash Credit. Amount outstanding as at March 31, 2023 is ₹ 1.25 lakhs, Previous Year: ₹ 1,531.61 lakhs.

There is no significant interest rate risk in respect of overdraft against fixed deposits as the same has fixed margin over the interest rates of fixed deposits.

Interest rate sensitivity for unhedged exposure:

1% increase / decrease in interest rate will impact Profit before tax by ₹ 0.01 lakhs p.a., Previous Year: ₹ 15.32 lakhs p.a.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of coal, pet coke and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Credit Risk Management:**

Credit risk arises when a customer or counterparty does 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) and from its investing activities mainly deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivables:

Customer credit is managed as per Company's established policy procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

Export sales is mainly against advance payment or letter of credit.

Generally deposits are taken from domestic debtors. Apart from deposit, there is a third party agent area wise. In case any customer defaults, the amount is first recovered from third party agent, then from the agent's commission. Each outstanding customer receivable is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

Total Trade receivable as at March 31, 2023 is ₹ 7,862.24 lakhs, Previous Year: ₹ 5,972.63 lakhs.

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for impairment based on specific identification of debtors. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for impairment is as below:

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Opening Provision	23.39	23.39
Add: Provided during the year	10.80	-
Less: Utilised / written back during the year	-	-
Closing Provision	34.19	23.39

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic rating agencies.

Subsidiary: Agrima Consultants International Ltd

The Subsidiary Company's source of revenue is rental income which is not exposed to any kind of the market risk or credit risk since the same is derived from its Holding Company.

Group**Liquidity Risk:**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management. In addition, processes and policies related to such risks are overseen by senior management.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs

As at March 31, 2023	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	5,740.94	541.90	-	6,282.84
Trade payables	10,748.43	-	-	10,748.43
Lease Liabilities	153.94	190.37	-	344.31
Other financial liabilities	3,268.78	-	-	3,268.78
As at March 31, 2022	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	9,204.11	1,089.57	-	10,293.68
Trade payables	8,407.14	-	-	8,407.14
Lease Liabilities	85.39	53.97	-	139.36
Other financial liabilities	3,323.25	-	-	3,323.25

42 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2023:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	₹ in lakhs	As % of Consolidated Profit or (Loss)	₹ in lakhs	As % of Consolidated OCI	₹ in lakhs	As % of Consolidated TCI	₹ in lakhs
1	2	3	4	5	6	7	8	9
Parent : Saurashtra Cement Limited	99.94%	88,164.56	98.26%	(2,161.10)	100.00%	(26.83)	98.28%	(2,187.93)
Subsidiary (Indian): 1 Agrima Consultants International Limited	0.06%	52.37	1.74%	(38.22)	-	-	1.72%	(38.22)
Non controlling interest	-	-	-	-	-	-	-	-
Total	100.00%	88,216.93	100.00%	(2,199.32)	100.00%	(26.83)	100.00%	(2,226.15)

43 The Board of Directors of the Company at its meeting held on February 5, 2022 approved the scheme of amalgamation of Gujarat Sidhee Cement Limited ("erstwhile GSCL") with the Company, subject to necessary regulatory approvals, with effect from January 1, 2022, being the Appointed Date.

The Company has received order dated March 16, 2023 from Hon'ble National Company Law Tribunal, Ahmedabad (NCLT) approving amalgamation of erstwhile GSCL with the Company. The Order has become effective on March 30, 2023 on filing of Form INC-28 in accordance with the provisions of Section 232(5) of the Companies Act, 2013 and accordingly, the effect of the Scheme has been considered in the preparation and presentation of the consolidated financial statements of the Group for the year ended March 31, 2023.

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The Company has accounted for amalgamation in its books of account with effect from the Appointed Date as per the "Pooling of Interest Method", as prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103, "Business Combinations" specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act') as applicable. As per Appendix C, the Company and erstwhile GSCL are common controlled entities. Therefore the consolidated financial statements of the Group are restated as if the business combination had occurred from the beginning of the preceding period i.e. from April 1, 2021 for the purpose of disclosure.

As per the Scheme,

- i. the authorised share capital of the Company has increased by the authorised share capital of erstwhile GSCL amounting to ₹ 54,310.00 lakhs.
- ii. the shares held by the Company in erstwhile GSCL and the shares held by erstwhile GSCL in the Company are cancelled. As a result, the carrying amount of the investments in the equity shares and the corresponding amount included in Retained earnings and Equity Instruments through Other Comprehensive Income has been adjusted.
- iii. the shareholders of erstwhile GSCL will get 62 Equity Shares of the Company in exchange of 100 Equity Shares of erstwhile GSCL in proportion of their holdings. 5,40,09,641 Equity Shares have been allotted to shareholders of erstwhile GSCL on April 26, 2023. Pending allotment of shares as on March 31, 2023, the amount of these Equity Shares have been disclosed as Equity Share Capital Suspense Account in Balance Sheet.
- iv. all the assets and liabilities of erstwhile GSCL are transferred to the Company at their carrying amounts and in the same form as appearing in the audited financial statements of erstwhile GSCL.
- v. the balance of the retained earnings appearing in the audited financial statements of erstwhile GSCL, after adjustment as per Point No. (ii) above, are transferred and added with the corresponding balance of the retained earnings appearing in the consolidated financial statements of the Group.
- vi. the identity of reserves appearing in the audited financial statements of erstwhile GSCL are preserved and they are appearing in the consolidated financial statements of the Group in the same form in which they appeared in financial statements of erstwhile GSCL.
- vii. inter-company transactions and balances are cancelled.
- viii. the difference of the carrying amount of assets over the carrying amount of liabilities, retained earnings and reserves transferred to the Company and the sum of -
 - a. the face value of New Equity Shares issued by the Company on April 26, 2023, and
 - b. cancellation of investments, has been treated as Capital Reserve and the same is presented separately from other Capital Reserves.

The Capital Reserve on Amalgamation has been calculated as under:

₹ in lakhs

Amount of Assets transferred	60,416.78
Amount of Liabilities transferred	(23,541.29)
Net Assets	36,875.49
Elimination of Inter company balances	(28.98)
	36,846.51
Amount of Reserves transferred	(35,636.87)
	1,209.64
Cancellation of Investments	(2,666.32)
Cancellation of Equity Share Capital	1,365.83
Issue of Equity Shares, pending allotment	(5,326.79)
Capital Reserve as on April 1, 2021	(5,417.64)
Adjustment due to issue of shares from April 1, 2021 to December 31, 2021 *	35.17
Capital Reserve as on January 1, 2022, i.e., Appointed Date #	(5,382.47)
Adjustment due to issue of shares from January 1, 2022 to March 31, 2022 *	3.45
Capital Reserve as on March 31, 2022 #	(5,379.02)
Adjustment due to issue of shares from April 1, 2022 to March 31, 2023 *	6.84
Capital Reserve as on March 31, 2023 #	(5,372.18)

*Since April 1, 2021, there has been issue of 9,25,443 Equity Shares, 90,840 Equity Shares and 1,80,083 Equity Shares of erstwhile GSCL, during the period from April 1, 2021 to December 31, 2021,

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January 1, 2022 to March 31, 2022 and April 1, 2022 to March 31, 2023 respectively, on exercise of ESOP by its employees. To that extent, Capital Reserve on Amalgamation has been adjusted after taking into account Share Exchange Ratio.

#Capital Reserve on Amalgamation as per Note 15 is after considering Capital Reserve on Amalgamation of ₹ 122.18 lakhs as appearing in the books of erstwhile GSCL and transferred to the Company under the Scheme.

44 Disclosure of transactions with Struck off Companies

The Group does not have any transactions with struck-off companies except below.

Name of the struck off company	Nature of transactions with struck off company	As at March 31, 2023		As at March 31, 2022	
		Balance outstanding (₹ in lakhs)	Relationship with the struck off company, if any	Balance outstanding (₹ in lakhs)	Relationship with the struck off company, if any
Kulveer Metal Craft Private Limited	Trade Payables	0.81	-	0.81	-

45 Additional Regulatory Information

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Consolidated Financial Statements.

- i. The Group has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties, which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- ii. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- iii. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- iv. Ratios - Refer Note 46.
- v. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Group has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding, that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Additional Information

Additional Information pursuant to Clause 7(l) of General Instructions for preparation of Statement of Profit and Loss as given in Part II of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Consolidated Financial Statements.

- i. The Group does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- ii. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

46 Disclosure of ratios

Particulars	Formula	As at March 31, 2023		As at March 31, 2022		% Variance	Reason for variance
		Numerator ₹ in lakhs	Denominator ₹ in lakhs	Ratio	Ratio		
Current ratio	Current assets / Current liabilities	35,065.65	37,561.89	0.93	1.24	-25%	Decrease in current assets, mainly bank balances due to Non-current classification of Fixed Deposits with Bank with maturity greater than 12 months from the date of Balance Sheet
Debt-equity ratio	Total Debt / Shareholder's Equity	6,282.84	88,216.93	0.07	0.11	-36%	Decrease in debt, mainly current bank borrowings
Debt service coverage ratio	Earnings available for debt service / Debt Service	2,324.46	2,278.11	1.02	3.30	-69%	Consequential impact of decrease in profit
Return on equity ratio	Net Profit after taxes / Average Shareholder's Equity	(2,199.32)	89,320.84	-2.46%	2.59%	-195%	Decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully
Inventory turnover ratio	Net Sales / Average Inventory	163,482.17	18,315.06	8.93	9.18	-3%	
Trade receivables turnover ratio	Revenue from Operations / Average Trade Receivables	164,529.41	6,888.65	23.88	27.39	-13%	
Trade payables turnover ratio	Purchases / Average Trade Payables	103,206.16	3,780.58	27.30	24.19	13%	
Net capital turnover ratio	Revenue from Operations / Working Capital	164,529.41	(2,496.24)	(65.91)	15.65	-521%	Increase in sales and decrease in net working capital, mainly due to Non-current classification of Fixed Deposits, as stated above
Net profit ratio	Net Profit after taxes / Revenue from Operations	(2,199.32)	164,529.41	-1.34%	1.59%	-184%	Decrease in profit, mainly due to Higher Cost of Power and Fuel which could not be passed on fully
Return on capital employed	Earning before interest and taxes / Capital Employed	(2,367.22)	98,542.18	-2.40%	3.99%	-160%	Consequential impact of decrease in profit
Return on investment	Dividend on shares / Investment in shares	0.10	1.65	6.06%	40.80%	-85%	Receipt of less dividend in current year

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

47 Earnings Per Share	For the Year ended March 31, 2023 ₹ in lakhs	For the Year ended March 31, 2022 ₹ in lakhs
Basic earnings per share		
Net Profit/(Loss) for the year	(2,199.32)	2,310.95
Weighted average number of equity shares outstanding	110,658,702	110,120,202
Basic earnings per share (in ₹)	<u>(1.99)</u>	<u>2.10</u>
Diluted earnings per share		
Net Profit/(Loss) for the year	(2,199.32)	2,310.95
Weighted average number of equity shares outstanding	110,658,702	110,120,202
Add: Weighted average number of potential equity shares on account of outstanding Employee Stock Options	445,540*	591,860
Weighted average number of equity shares outstanding for diluted EPS	<u>110,658,702</u>	<u>110,712,062</u>
Diluted earnings per share (in ₹)	<u>(1.99)</u>	<u>2.09</u>

* As the Company has incurred loss during the year, dilutive effect of potential equity shares on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

K C Patel

Partner

Membership No. 30083

Place: Mumbai

Date : May 25, 2023

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)

Executive Vice Chairman

M. S. Gilotra (DIN:00152190)

Managing Director

Place: Mumbai

Date : May 25, 2023

K. N. Bhandari (DIN:00026078)

Director

V. R. Mohnot

Chief Financial Officer

Sonali Sanas

President (CS, Legal & Strategy)

(Membership No. :A16690)

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary

(₹ in Lakhs)

Sl. No.	1
Name of the Subsidiary Company	Agrima Consultants International Limited
Share Capital	40.41
Other Equity	11.96
Total Assets	52.60
Total Liabilities	0.23
Investments	0.25
Turnover	55.80
Profit / (Loss) before taxation	23.01
Provision for taxation	5.79
Profit / (Loss) after taxation	17.22
Proposed Dividend	-
% of shareholding	100%

For and on behalf of the Board of Directors

Jay Mehta (DIN:00152072)
Executive Vice Chairman

M. S. Gilotra (DIN:00152190)
Managing Director

K. N. Bhandari (DIN:00026078)
Director

V. R. Mohnot
Chief Financial Officer

Sonali Sanas
President (CS, Legal & Strategy)
(Membership No. :A16690)

Place: Mumbai
Date : May 25, 2023



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