VINAY CEMENT LIMITED

Annual Report
2019-20

CORPORATE INFORMATION

BOARD OF DIRECTORS	Shri Dharmender Tuteja	Non Executive Director
	Shri DGVG Krishna Swaroop	Non Executive Director
	Shri Naveen Jain	Independent Director
	Shri Vikram Dhokalia	Independent Director
	Shri R. Vaidyanathan	Independent Director
KEY MANAGERIAL PERSONNEL	Shri Sunil Aggarwal	Manager
	Shri Sudhir Singhvi	Chief Financial Officer
	Smt. Rita Dedhwal	Company Secretary

REGISTERED OFFICE

Jamunanagar, Umrangshu,
District : North Cachar Hills, Assam - 788 931
Phone - 91 361 2132 569 / 91 361 7156 700

CORPORATE OFFICE

3rd & 4th Floor, Anil Plaza II,
ABC, G.S. Road,
Guwahati- 781005, Assam

AUDITORS

S.R. Batliboi & Co. LLP
Chartered Accountants
Golfview Corporate Tower-B,
Sector-42, Sector Road
Gurgaon- 122002 (Haryana)

INTERNAL AUDITORS

PricewaterhouseCoopers Private Limited (PWC)
Chartered Accountants
Plot Nos 56 & 57
Block DN-57, Sector-V
Salt Lake Electronics Complex
Kolkata - 700 091, West Bengal

PLANT

Jamunanagar, Umrangshu,
District : North Cachar Hills, Assam - 788 931

REGISTRAR AND SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road, 5th Floor,
Kolkata - 700 001.
Phone : (033) 2243 5029/5809
Fax : (033) 2248 4787
mail : mdpldc@yahoo.com

VINAY CEMENT LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their thirty fourth (34th) report alongwith the Audited Financial Statements of the Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year under review is as under-

Particulars	**Amount (₹ in Lakhs)**	
	FY 19-20	**FY 18-19**
Gross Revenue	1,075.95	1,265.63
Less: Excise Duty	-	-
Net Revenue	1,075.95	1,265.63
Profit before interest, depreciation and tax (EBITDA)	183.10	755.72
Add: Finance Income	435.55	1,023.22
Less: Finance Cost	3,858.86	4,134.22
Profit/(Loss) before depreciation and tax (PBDT)	(3,240.21)	(2,355.28)
Less: Depreciation	142.74	116.30
Profit/(Loss) before tax (PBT)	(3,382.95)	(2,471.58)
Provision for current tax	-	-
Provision for deferred tax	-	-
Prior year tax charge (written back)	-	-
Profit/(Loss) after tax (PAT)	(3,382.95)	(2471.58)
Other comprehensive Income/(Loss)	(0.29)	0.20
Profit/(Loss) after tax (PAT)	(3,412.81)	(2471.37)

OPERATIONS AND BUSINESS PERFORMANCE

Your Company recorded net revenue of ₹1,075.95 lakhs in the FY 2019-20, which has decreased by 15% as compared to the net revenue of ₹ 1,265.63 lakhs in the FY 2018-19.

Earnings before Interest, Depreciation and Taxes (EBIDTA) for the FY 2019-20 has decreased by 76% to ₹ 183.10 lakhs as compared to ₹ 755.94 lakhs in the FY 2018-19. During the financial year under review, the Company posted a net loss of ₹ 3,412.81 lakhs as compared to net loss of ₹ 2,471.37 lakhs in the FY 2018-19.

The operations of the Company were impacted in the last month of the financial year 2019-20 due to temporary shutdown of plant following nationwide lockdown by the Government of India in view of COVID-19 pandemic.

DIVIDEND

Due to losses during the year, your Directors did not recommend any dividend for the FY 2019-20.

NATURE OF BUSINESS

The Company continues to be engaged in the same line of business during the financial year 2019-20. There have been no material changes or commitments, affecting the financial position of the Company between the end of the financial year and the date of this report.

BOARD OF DIRECTORS AND MEETINGS

The Board meetings are convened on a quarterly basis and as and when required. During the year under review, the Board of Directors of the Company met four times in its meetings held on 7-5-2019; 31-7-2019; 15-10-2019 and 6-2-2020. The Board meetings are conducted in due compliance with; and following the procedures prescribed in the Companies Act, 2013 and applicable Secretarial Standards

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Shri Dharmender Tuteja (DIN:02684569) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. He has furnished requisite declaration in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified from being appointed as a Director of the Company.

Shri Sudhir Singhvi, Chief Financial Officer (CFO) and Smt. Rita Dedhwal, Company Secretary, continued to hold their respective offices as Key Managerial Personnel (KMP) during the year under review.

Shri George Chacko, Manager had resigned from the position of Manager with effect from February 6, 2020 and Shri Sunil Aggarwal was appointed as a Manager and KMP of the Company in his place on the same date. The Board places on record its appreciation for the valuable advice and guidance of Shri George Chacko during his tenure as Manager of the Company. The Board has approached the members of the Company for appointment of Shri Sunil Aggarwal as the Manager of the Company in terms of section 196, 197 and 203 of the Companies Act, 2013.

During the year under review, Shri R.Vaidyanathan, Shri Naveen Jain and Shri Vikram Dhokalia, being the Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Independent Directors have also held separate meeting wherein they inter alia reviewed the performance of the Non-Independent Directors, Chairman and the Board as a whole.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 134(3)(c) of the Companies Act, 2013, your Directors do hereby confirm that:—

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for that period;

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors have prepared the annual accounts on a going concern basis; and

v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY

In terms of the Companies Act, 2013, your Board has formulated the Nomination and Remuneration Policy of the Company which lays down the constitution and role of the Nomination and Remuneration Committee. The policy has been framed with the objective –

(a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removal are in compliance with the applicable provisions of the Companies Act, 2013.

(b) to set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;

(c) to adopt best practices to attract and retain talent by the Company; and

(d) to ensure diversity of the Board of the Company.

The policy specifies the manner of effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board or by the Nomination and Remuneration Committee and review its implementation and compliance.

The said Nomination and Remuneration Policy of the Company on Director's appointment and remuneration can be accessed at web address www.dalmiacement.com.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

During the financial year under review, the formal annual evaluation of the performance of the Board, its committees and individual Directors was carried by the Independent Directors, Nomination and Remuneration Committee and the Board of Directors in accordance with the Companies Act, 2013.

The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meetings of the Board, functions of the Board, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on inter-alia the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Directors were evaluated on various aspects such as attendance and contribution at Board/Committee meetings and guidance/support to the Management outside Board/Committee meetings.

The performance of Non-Independent Directors, Board as a whole and the Chairman was evaluated in a separate meeting of Independent Directors. Similar evaluation was also carried out by the Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Based on the feedback of the Directors and on due deliberations of the views and counter views, the evaluation was carried out in terms of the Nomination and Remuneration Policy.

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2020, the Nomination and Remuneration Committee of the Board comprises of Shri Dharmender Tuteja, Shri Naveen Jain and Shri Vikram Dhokalia as members as on March 31, 2020.

The Committee met in its meeting held on 6-2-2020 during the financial year under review.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Pursuant to the provisions of section 178(5) of the Companies Act, 2013, the Stakeholder's Relationship Committee of the Board comprises of Shri Dharmender Tuteja and Shri Naveen Jain as members as on March 31, 2020. The Committee did not meet during the financial year under review.

AUDIT COMMITTEE

As on March 31, 2020, the Audit Committee of the Board comprises of Shri Dharmender Tuteja, Shri R.Vaidyanathan, Shri Naveen Jain and Shri Vikram Dhokalia as members.

During the financial year under review, the Committee met four times on 7-5-2019; 31-7-2019; 15-10-2019 and 6-2-2020.

INVESTMENTS, LOANS AND GUARANTEES

The particulars of investments made by the Company and the details of loans given by the Company are furnished in note no 3 and note no 7 of the attached standalone financial statements for the year ended March 31, 2020. The particulars of guarantee given during the year under review are furnished in note no-39 of the said financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has requisite policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal control systems are subjected to regular reviews, self-assessments and audits and based on such reviews, your Company believe that these systems provide reasonable assurance that internal financial controls are designed effectively and are operating as intended.

SUBSIDIARIES

The Company has two subsidiaries as on March 31, 2020. There has been no material changes in the nature of business of these subsidiaries.

Pursuant to first proviso to section 129(3), a statement containing the salient features on the financial position of the Company's Subsidiaries, i.e. RCL Cements Limited and SCL Cements Limited, for the year ended March 31, 2020 in Form AOC-1 is attached as **Annexure-I** to this report.

The financial statements of the Company/its subsidiaries and the consolidated financial statements of the Company including all other documents required to be attached thereto, are placed at the web address- www.dalmiacement.These documents will also be available for inspection on all working days, during business hours, at the registered office of the Company and any member desirous of obtaining a copy of the same may write to the Company Secretary.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), this Annual Report includes consolidated financial statements for the financial year 2019-20 which have been prepared based on audited financial statements of all subsidiaries.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the FY under review are on arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013.

Details of contracts/arrangements/transactions with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are provided in **Annexure-II** in Form AOC-2 and forms part of this Report.

EXTRACTS OF ANNUAL RETURN

The extract of the annual return in Form MGT-9 in compliance with sub-section (3) of section 92 of the Companies Act 2013 read with Rule 12 of the Companies (Management & Administration) Rules 2014 is attached and marked as **Annexure-III** and forms part of this report.

PARTICULARS OF EMPLOYEES

During the year under review, there was no employee in the Company who was in receipt of remuneration in excess of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, a statement showing names and other particulars of the top ten employees in terms of remuneration drawn is attached as **Annexure IV**.

HUMAN RESOURCES

HR practices of your Company aim to enhance the capability of the organization through creating performance and result driven culture, employee value proposition and supporting operations through effective systems and processes. The Company continued to invest in creating progressive human resources practices to create value for its customers, stakeholders and investors.

STATUTORY AUDITORS

M/s. S.R Batliboi & Co. LLP, Chartered Accountants, the retiring Statutory Auditors will be completing their term of ten years by the conclusion of the ensuing Annual General Meeting (AGM) of the Company.

On the recommendation of the Audit Committee, the Board recommends to the shareholders of the Company, the appointment of Deloitte Haskins & Sells (Firm Regn. No. 015125N) as the Auditors of the Company to hold office for a term of five years commencing from the conclusion of ensuing AGM till the conclusion of sixth subsequent AGM of the Company in accordance with Section 139 of the Companies Act, 2013

During the FY under review, the Auditors have not reported any matter pursuant to provisions of section 143(12) of the Companies Act, 2013.

REPORT OF STATUTORY AUDITORS

The Statutory Auditors of your Company have mentioned one qualification in their report with regard to non recoverability of certain loans given to its subsidiaries. The clarification in respect to this qualification is mentioned in note no. 36 of the notes to accounts of standalone financial statements which is self-explanatory and clarifies to the qualification made by Statutory auditors in their report. Your Directors believe that there is no impairment in the carrying and value of such investments and all the loans are fully recoverable. They also drew attention towards uncertainty related to going concern status of the Company which is explained in note no. 37 of the said financial statements and is self explanatory.

The Auditors have emphasised on one matter referring to note no. 27 (b) of the notes to accounts of the standalone financial statements and consolidated financial statements which pertains to the dispute between two major group of shareholders of the holding company which is currently sub-judice. However, Auditors have mentioned in their report that that the Company is confident of improvement in its financial health based on its financial projections and continued support from its intermittent holding company i.e. Dalmia Cement (Bharat) Limited.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India from time to time and approved by the Central Government.

ORDERS PASSED BY REGULATORS

No orders have been passed by the regulators or courts or tribunals impacting the status of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

During the FY under review, no activity was undertaken by the Company for conservation of energy/technology absorption and the Company reported nil foreign exchange earnings/outgoings.

PUBLIC DEPOSITS

During the FY under review, the Company has not accepted any deposits from the public/member under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to ensuring that all are treated with dignity and respect. The Human Resource in collaboration with other functions, ensure protection against sexual harassment of women at workplace and for the prevention and redressal of complaint in this regard.

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the financial year 2019-20, no complaint has been received by ICC.

HEALTH, SAFETY AND ENVIRONMENT

Health and safety of employees and clean environment receive utmost priority at all locations of your Company. It has already implemented EHS System and provided safe working environment at its plants and mines. Use of personal protective equipment by employees have become compulsory and training programs on Health, Safety and Occupational Health are being conducted on a continuous basis. Our endeavor is to make all our plants safe plants and keep all its employees healthy.

In view of the COVID-19 pandemic, your Company has adhered to the lockdown directions and has taken all such steps as are required to ensure health & safety of Company's people including work from home, social distancing, hygiene practices and deep cleaning of premises at Company's various locations as per the directions from the Central & State Governments and local bodies.

INDUSTRIAL RELATIONS

The industrial relations during the year under review remained harmonious and cordial.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the assistance and co-operation extended by the Government authorities, financial institutions, banks, customers, vendors, dealers and members during the year under review. Your Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors
of Vinay Cement Limited

	Dharmender Tuteja	**DGVG Krishna Swaroop**
Date: June 10, 2020	Director	Director
Place: New Delhi	DIN-02684569	DIN-06861407

Annexure-I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1	SL No	1	2
2	Name of the subsidiary	**SCL Cements Limited**	**RCL Cements Limited**
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding (31st March of every year)	Same as Holding (31st March of every year)
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
5	Share capital	2,97,48,000	3,63,32,000
6	Reserves & surplus	(54,68,45,443)	47,61,549
7	Total assets	1,07,88,849	33,54,80,670
8	Total Liabilities	52,78,85,293	29,43,87,321
9	Investments	NIL	31,06,84,000
10	Turnover	(39,59,704)	(1,23,41,206)
11	Profit before taxation	(10,06,06,274)	(4,96,04,075)
12	Provision for taxation	NIL	(56,36,663)
13	Profit after taxation(including OCI)	(10,06,06,274)	(4,39,67,412)
14	Proposed Dividend	NIL	NIL
15	% of shareholding	100%	100%

Names of subsidiaries which are yet to commence operations: NIL
Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures: NIL

For and on behalf of the Board of Directors
of Vinay Cement Limited

Dharmender Tuteja
Director

DGVG Krishna Swaroop
Director

Place: New Delhi
Date: June 10, 2020

Annexure-II

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:- None

2. Details of material contracts or arrangement or transactions at arm's length basis:-

(b) Nature of contracts/arrangements/transactions relationship	Calcom Cement India Limited (CCIL)(Holding Company)
	1) Sale of crushed limestone 2) Reimbursement of expenses for limestone extraction under production sharing agreement. 3) Mining expenses 4) Management Service Charges
(c) Duration of the contracts / arrangements/ transactions	April 1, 2019 to March 31, 2020
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Below transactions were entered into in the ordinary course of business at arms length price: 1) Sale of crushed limestone for Rs. 1,046.44 Lakhs 2) Reimbursement of expenses for limestone extraction under production sharing agreement by CCIL to the Company for Rs. 2,108.27 lakhs. 3) Mining expenses for Rs. 411.65 lakhs 4) Managemet Service Charges 220.86 lakhs
(e) Date(s) of approval by the Board, if any:	06-02-2019 and 06-02-2020
(f) Amount paid as advances, if any:	NIL

Annexure-III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
on the financial year ended on 31.03.2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U26942AS1986PLC002553
ii)	Registration Date	09-7-1986
iii)	Name of the Company	Vinay Cement Limited
iv)	Category/ Sub- Category of the Company	Public Company limited by shares
v)	Address of the Registered office and Contact Details	Jamunanagar, Umrangshu, Dist. North Cachar Hills, Assam - 788 931
vi)	Whether Listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. Registrar & Share Transfer Agent , 23, R.N. Mukherjee Nagar, 5th Floor, Kolkata-700001 Contact : 033-22482248, 2243-5809, Fax : 033-22484787

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1.	Cement Manufacturing	2394	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: –

S.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1.	Dalmia Bharat Limited Dalmiapuram-621651, Dist.Tiruchirapalli, Tamil Nadu	L40109TN2006PLC058818	Ultimate Holding	NIL	2(46)
2.	Dalmia Cement(Bharat) Limited Dalmiapuram-621651, Dist.Tiruchirapalli, Tamil Nadu	U65191TN1996PLC035963	Intermittent Holding	NIL	2(46)
3.	Calcom Cement India Limited 3rd & 4th Floor, Anil Plaza II, Abc, G.S. Road, Guwahati-781005, Assam	U26942AS2004PLC007538	Holding	97.21 %	2(46)
4.	RCL Cements Limited 3rd & 4th Floor, Anil Plaza II, Abc, G.S. Road, Guwahati-781005, Assam	U26941AS1997PLC005279	Subsidiary	NIL	2(87)
5.	SCL Cements Limited 3rd & 4th Floor, Anil Plaza II, Abc, G.S. Road, Guwahati-781005, Assam	U26959AS1999PLC008422	Subsidiary	NIL	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	18373461	-	18373461	97.2147	18373461	-	18373461	97.2147	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**18373461**	**-**	**18373461**	**97.2147**	**18373461**	**-**	**18373461**	**97.2147**	
(2) Foreign	-	-	-	-	-	-	-	-	
a) NRIs Individuals	-	-	-	-	-	-	-	-	
b) Other- Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any Other…	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**18373461**	**0**	**18373461**	**97.2147**	**18373461**	**0**	**18373461**	**97.2147**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub- total (B)(I):-	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**
2. Non Institutions									
a) Bodies Corp.									
i. Indian	13083	112	13195	0.0698	13373	112	13485	0.0713	0.00015
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual Share holders holding nominal share capital upto ₹ 2 Lakh	386178	82430	4686-8	2.4794	386841	82230	469071	2.4819	0.0025

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
ii. Individual Share holders holding nominal share capital in excess of ₹ 2 Lakh	30000	0	30000	0.1587	30000	0	30000	0.1587	0.00
c) Others									
(d) NRI	9704	0	9704	0.0513	10753	0	10753	0.0569	0.0056
(e) Clearing Member	4902	0	4902	0.0259	3100	0	3100	0.0164	-0.0095
Sub- total (B)(2):-	443867	82542	526409	2.7851	444067	82342	526409	2.7852	0.0001
Total Public Shareholding (B)=(B)(1)+(B)(2)	443867	82542	526409	2.7851	444067	82342	526409	2.7852	0.0001
C. Shares Held By Custodian For GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	18817328	82542	18899870	100.00	18817528	82342	18899870	100.000	0

ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the compa-ny	% of Shares Pledged/ encumber ed to total shares	No. of Shares	% of Total Shares of the comnpany	% of Shares Pledged/ encumbered to total shares	% Change hareholding during the year
1	Calcom Cement India Limited	18373461	97.2147	0	18373461	97.2147	0.00	0.00
	Total	18373461	97.2147	0	18373461	97.2147	0.00	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change) : None

S.No	Particulars	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	18373461	97.2147	18373461	97.2147
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year	18373461	97.2147	18373461	97.2147

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	For Each of the Top 10 Shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the company
1. Llyods Properties Pvt. Ltd	At the beginning of the year	8000	0.0423	8000	0.0423
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	8000	0.0423
2. Sham Sunder	At the beginning of the year	10000	0.0529	10000	0.0529
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	10000	0.0529
3. Hemendra Ratilal Mehta	At the beginning of the year	30000	0.1587	30000	0.1587
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	30000	0.1587
4. Ram Kishor Gupta	At the beginning of the year	3000	0.0159	3000	0.0159
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	3000	0.0159

S.No.	For Each of the Top 10 Shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the company
5. Manjula Haridas Asher	At the beginning of the year	5950	0.0315	5950	0.0315
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	5950	0.0315
6. Ajay Shah	At the beginning of the year	4500	0.0238	4500	0.0238
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	4500	0.0238
7. Jawaharlal Gulabrai Tulsiani	At the beginning of the year	6785	0.0359	6785	0.0359
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	6785	0.0359
8. Kapildeo Prasad Singh	At the beginning of the year	2979	0.0158	2979	0.0158
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	2979	0.0158

S.No.	For Each of the Top 10 Shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the company
10. Paresh L Patel	At the beginning of the year	3000	0.0159	3000	0.0159
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	0	0
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	3000	0.0159
10. Poonam Pankaj Shah	At the beginning of the year	4000	0.021	-	-
30/06/2019 - Transfer	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-1000	0.0053	3000	0.0159
30/06/2019 - Transfer		1000	0.0053	4,000	
	At the End of the Year (or on the date of separation, if separated during the year)	-	-	4000	0.0212

v) Shareholdings of Directors and Key Managerial Personnel - Nil

	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total share of the company
	At the beginning of the year	-	-	-	-
	Date wise increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	1,50,00,000	1,53,50,50,827		1,55,00,50,827
ii. Interest due but not paid	-	34,12,54,837		34,12,54,837
iii. Interest accrued but not due	-	76,00,50,497	NIL	76,00,50,497
Total (i+ii+iii)	**1,50,00,000**	**2,63,63,56,161**		**2,65,13,56,161**
Change in Indebtedness during the Financial Year·				
● Addition·				
Principal	-	2,89,77,42,408	NIL	282,838,645
Interest		38,50,77,963		38,50,77,963
● Reduction	(1,50,00,000)	2,28,51,36,754		2,27,01,36,754
Net Change	**(1,50,00,000)**	**99,76,83,617**		**98,26,83,617**
Indebtedness at the end of the Financial Year				
i. Principal amount	-	2,14,76,56,835		2,14,76,56,835
ii. Interest due but not paid	-	-	NIL	-
iii. Interest accrued but not due	-	10,54,77,334		10,54,77,334
Total (i+ii+iii)		**2,25,31,34,169**		**2,25,31,34,169**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: Salary to the Manager is drawn from the Holding Company.

(Amount in ₹)

S.No	Particulars of Remuneration	Name of the MD / WTD / Manager				Total Amount
		-	-	-	-	-
1.	Gross Salary (a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in Lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission- As % of profit- Others, specify….	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other Directors:

Particulars of Remuneration	Name of the Directors					Total Amount ₹
1. Independent Directors	R. Vaidya-nathan	Naveen Jain	Vikram Dhokalia	-	-	
● Fee for attending Board / Committee Meeting	10,000	50,000	50,000			1,10,000
● Commission	-	-	-	-	-	
● Others, please specify	-	-	-	-	-	
Total (1)	10,000	50,000	50,000			1,10,000
2. Other Non-Executive Directors				Dharmender Tuteja	Krishna Swaroop	
● Fee for attending Board / Committee Meeting	-	-	-	25,000	10,000	35,000
● Commission	-	-	-	-	- -	-
● Others, please specify	-	-	-	-	- -	-
Total (2)	-	-	-	25,000	10,000	35,000
Total = (1+2)	10,000	50,0000	50,000	25,000	10,000	1,45,000
Total Managerial Remuneration	**1,45,000**					
Overall Ceiling as per the Act	Since the Company has losses, the ceiling limit prescribed under schedule V will be applicable in case managerial remuneration is paid.					

C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD - Nil

(Amount in ₹)

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option				
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Others, specify….	 - -	 - -	 - -	 - -
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT -NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

VINAY CEMENT LIMITED

Details of top ten employees drawing remuneration during FY 2019-20 as per Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Annexure-IV

S. No.	Name	Age (years)	Qualifications	Experience (Years)	Desgination	Date of Commen-cement of employm-ent	Last Employment held	Designa-tion	Remuner-ation Received (₹)	Whether releated to a Director/ Manager
A.	**EMPLOYED THROUGHOUT THE YEAR**									
1	GOLAP NATH	52	B.E-CHEMICAL	23.0	Assistant General Manager	12-09-2008	MEGHALAYA CEMENTS LTD	SR.DEPUTY MANAGER	2319590	No
2	SURATHA SUNDAR BEHERA	44	M.TECH (HRD & MANAGEMENT); B.E. (MINING)	13.0	Manager	16-04-2012	GURUBEDA IRON ORE MINES	2ND CLASS MINES ASSITANT MANAGER	1538754	No
3	DIPAK BORAH	52	HSLC (CERTIFICATE IN MINES FOREMAN)	21.0	Assistant Manager	26-04-2012	GREEN VALLEY MEGHALAYA	MINES FOREMAN	951093	No
4	PEEYUSH PANKAJ	37	B.SC.	11.0	Assistant Manager	07-09-2012	PURBANCHAL CEMENT	CHEMIST	820901	No
5	RAMBADAN SARMA	55	IX	32.0	Executive	01-07-1996	VINAY CEMENT LTD	FITTER	776242	No
6	PRANAB KUMAR BAIDYA	52	Diploma In Electrical Engg.	17.0	Senior Executive	02-07-2012	JUD Cement Ltd	Engineer	707177	No
7	CHANDRA PRAKASH MISHRA	39	B.A. (Diploma in Industrial Safety)	9.0	Senior Executive	19-09-2012	Punj Lloyd Ltd	Safety Officer	701213	No
8	PRODIP DUTTA	52	HSSLC	11.0	Executive	12-01-2006	#VALUE!	STAFF	600398	No
9	LILA HAZARIKA	53	B.A	25.0	Deputy Manager	29-04-1995	—	—	582709	No
10	ASHOK KUMAR UPADHYAY	34	B.A	5.0	SENIOR EXECUTIVE	19-03-2012	MURLI INDUSTRIES LTD,SPARTA	Junior Executive	558018 551161	No
11	NIRMAL GOGOI	54	X/ITI(M.M.V.)	-	OFFICER	02-01-1988	-	-		No
B.	**Emloyed for part of the year**		NIL							

INDEPENDENT AUDITOR'S REPORT
To the Members of Vinay Cement Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of Vinay Cement Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Sstatement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for Qualified Opinion' paragraph of our report below, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We report that, as referred in Note 36, the Company is carrying investments of Rs.296.48 lakhs (as at March 31, 2019: Rs. 296.48 lakhs) in a subsidiary company namely "SCL Cements Limited". As per the latest audited standalone Ind AS financial statements of the subsidiary company, accumulated losses of the company has resulted in erosion of its net worth fully.

The Company has not made provision for diminution in the value of investment in the subsidiary company, in view of long term strategic investments in the said company. Accordingly, had a provision for diminution in the value of investments been recorded for aforesaid amounts, provision for diminution in the value of investments would have been increased by Rs. 296.48 lakhs, net loss would have increased by Rs.296.48 lakhs and shareholder's funds would have been reduced by Rs.296.48 lakhs.

Our audit report for the year ended March 31, 2019 was also modified in respect of above matter.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 37 in the standalone Ind AS financial statements which, indicate that the Company has accumulated losses and its net worth has been fully/substantially eroded, the Company has incurred a net loss during the current and previous years and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 37, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our audit opinion is not qualified in respect of the above matter.

Emphasis of Matter (EOM)

We draw attention to Note 27 (b) (i) to the standalone Ind AS financial statements regarding the dispute between two major shareholders of the holding company, Calcom Cement India Limited (CCIL). The matter, which is more fully described in the said note, was referred for arbitration by the National Company Law Tribunal ('NCLT'), Guwahati Bench (earlier Company Law Board, Kolkata) via order dated January 5, 2017 and the application filed under Section 8 of the Arbitration and Conciliation Act, 1996 was allowed. The order of the NCLT has been challenged by the Bawri Group before Hon'ble High Court of Guwahati in February, 2017. Interim Order Issued by Hon'ble High Court of Guwahati in the said appeal has been vacated by the Hon'ble Supreme Court in May 2017 and the appeals are pending adjudication before Hon'ble High Court at Guwahati. The issues between the parties are pending for adjudication before the

Arbitral Tribunal. Pending final resolution of the matter, no adjustments have been made by the management in these standalone Ind AS financial statements.

Our audit opinion is not qualified in respect of the above matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act,

we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and except for the matter described in the 'Basis for Qualified Opinion' paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Except for the matter described in the "Basis for Qualified Opinion paragraph above, 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) The matter described in the Basis for Qualified Opinion and matter described under Material Uncertainty Related to Going Concern paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company;

f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

i) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020.

j) 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 Ind AS financial statements – Refer Note 27(a) to the standalone Ind AS 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.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN : 20087921AAAABI3500

Place of Signature: New Delhi
Date: June 10, 2020

Annexure 1 referred to in paragraph 1 of the Section on "Report on other legal and regulatory requirements" of our report of even date

Re: Vinay Cement Limited **("the Company")**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company..

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

(iii) (a) The Company has granted loans that are re-payable on demand, to two Companies covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the interest of the Company.

(b) The loans granted and interest thereon are repayable on demand. We are informed that the borrowing company had repaid the loans and interest as and when demanded by the Company and as such there has been no default on the repayment of the principal and interest.

(c) There are no amounts of loan granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans and investments made and guarantee given have been complied with by the Company. There are no securities granted in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Company has net worth and turn over less than the threshold limits prescribed in the companies (cost records and audit) rules, 2014. Hence in our opinion, provision of clause 3 (vi) of the order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, royalty on limestone extraction, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, royalty on limestone extraction, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to records of the Company, the dues outstanding of income tax, sales-tax, service tax, value added tax, goods and service tax, and cess which have not been deposited on account of any dispute, are as follows:

Name of the statue	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Dima Hasao district (Tases on entry of goods into Markets), Regulation, 1965 [earlier The North Cachar Hills districts (Tases on entry of goods into Markets), Regulation, 1965	Entry Tax	3.79	2010-11	Executive Committee, Dima Hasao district Autonomous council, (The North Cachar Hills Autonomous Council)
Income Tax Act, 1961	Income Tax	2.99	2002-03	Deputy Commissioner of Income Tax, Guwahati

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which these were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) As fully explained in Note 27 (b) to the financial statements, there is a dispute between two major set of shareholders of the intermittent holding Company, Calcom Cement India Limited (‘CCIL’), wherein the other shareholders, in addition to certain other matters, has disputed the related party transactions. However, all related party transactions have been approved by the audit committee of CCIL. Presently the matter is subjudice at Guwahati High Court. We have drawn attention to such matter in EOM para in our report of even date and hence, not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN : 20087921AAAABI3500

Place of Signature: New Delhi
Date: June 10, 2020

ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE

STANDALONE FINANCIAL STATEMENTS OF VINAY CEMENT LIMTED

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

We have audited the internal financial controls over financial reporting of **Vinay Cement Limited** ("the Company") as of March 31, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statementsand their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 qualified audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

The Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of investments made in a subsidiary were not operating effectively which could potentially result in the Company not recognizing sufficient provision there against.

Our audit report for the year ended March 31, 2019 was also qualified in respect of above matter.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, except for the effects of the material weakness described in the Qualified opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2020.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss, including the statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of Vinay Cement Limited and this report affect our report dated June 10, 2020, which expressed a qualified opinion on those financial statements.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN : 20087921AAAABI3500

Place of Signature: New Delhi
Date: June 10, 2020

Vinay Cement Limited
Balance sheet as at March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	Notes	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
ASSETS			
Non-current assets			
Property, plant and equipment	**2(i)**	35.07	298.52
Right-of-use-asset	**2(ii)**	125.16	-
Investments	**3**	5,312.38	5,312.38
Financial assets			
Loans	**4(i)**	14.86	12.29
Other financial assets	**4(ii)**	18.96	30.20
Other non-current assets	**5**	-	-
Income tax assets		367.31	566.43
		5,873.74	**6,219.82**
Current assets			
Inventories	**6**	34.83	42.41
Financial assets			
Loans	**7(i)**	9.81	3,823.56
Trade receivables	**7(ii)**	-	286.58
Cash & cash equivalents	**7(iii)**	15.51	21.31
Bank balances other than 7(iii) above	**7(iv)**	6.09	5.72
Other financial assets	**7(v)**	14.49	3,148.00
Other current assets	**8**	24.77	65.49
		105.50	**7,393.07**
TOTAL ASSETS		**5,979.24**	**13,612.89**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**9**	1,889.99	1,889.99
Other equity	**10**	(19,100.17)	(15,687.36)
Total Equity		**(17,210.18)**	**(13,797.37)**
Liabilities			
Non- current liabilities			
Financial liabilities			
Borrowings	**11**	-	-
Provisions	**12**	149.21	109.75
Government grants	**13**	-	0.01
		149.21	**109.76**
Current liabilities			
Financial liabilities			
Borrowings	**14(i)**	21,476.57	15,350.51
Trade payables	**14 (ii)**		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		75.78	56.23
Other financial liabilities	**15**	1,085.27	11,187.34
Other current liabilities	**16**	386.90	694.46
Provisions	**17**	14.32	7.86
Government grants	**13**	-	2.73
Current tax Liabilities (net)		1.37	1.37
		23,040.21	**27,300.50**
TOTAL EQUITY AND LIABILITIES		**5,979.24**	**13,612.89**
Summary of significant accounting policies	**1**		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

Vinay Cement Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	Notes	For the Year Ended March 31, 2020 (₹)	For the Year Ended March 31, 2019 (₹)
Income			
Revenue from operations	**18**	1,075.95	1,265.63
Other income	**19**	441.33	1,107.48
Total income (I)		**1,517.28**	**2,373.11**
Expenses			
Cost of raw materials consumed	**20 (i)**	500.76	274.67
Change in inventories of work- in- progress	**20 (ii)**	(0.16)	1.81
Employee benefits expenses	**21**	229.25	210.88
Power and fuel		73.16	75.45
Other expenses	**22**	95.62	31.35
Depreciation and amortization expense	**23**	142.74	116.30
Finance costs	**24**	3,858.86	4,134.22
Total expenses (II)		**4,900.23**	**4,844.69**
(Loss) for the year		**(3,382.95)**	**(2,471.58)**
Other comprehensive Income			
Items that will not be reclassified to profit or (loss)			
- Re-measurement gain/(loss) on defined benefit plans		(29.86)	0.20
Other comprehensive Income for the year- (loss)/gain		**(29.86)**	**0.20**
Total comprehensive (Loss) for the year		**(3,412.81)**	**(2,471.38)**
Earnings per share			
Basic and diluted earnings (loss) per share (in Rs.)	**25**	(17.90)	(13.08)
[Nominal value of share Rs.10 (Rs.10) each]			
Summary of significant accounting policies	**1**		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

Vinay Cement Limited
Statements of Cash Flow for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

Particulars	For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
A. Cash flow from operating activities		
(Loss) before tax	(3,382.95)	(2,471.57)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	142.74	116.30
Liability/provisions no longer required written back	-	(79.50)
(Profit) on sale of Property Plant and Equipment (Net)	(5.78)	-
Impairment allowance on financial assets	52.54	
Interest income	(435.55)	(1,023.24)
Finance costs	3,858.86	4,134.22
Operating profit before working capital changes	**229.86**	**676.21**
Movements in working capital:		
Decrease in inventories	7.58	7.87
(Increase)/Decrease in trade receivables	286.58	(12.33)
Decrease in other Current /Non Current assets and current and non current financials assets	231.06	86.97
Increase/(Decrease) in trade payables and other current liabilities	(282.26)	297.96
Increase /(Decrease) in current and non current provisions	8.98	(28.46)
Cash flow from operations activities	**481.80**	**1,028.21**
Direct taxes (paid)/refund (net)	199.16	(112.10)
Net cash flows from operating activities	**680.96**	**916.11**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(7.69)	(11.55)
Proceeds from sale of property, plant and equipment	6.27	-
Investment in Fixed Deposits (Net)	10.49	11.83
Loans given to subsidiary company	(75.98)	(303.92)
Loans repaid by subsidiary company	3,895.04	71.00
Interest received	3,318.69	134.44
Net cash flows from/(used in) investing activities	**7,146.82**	**(98.20)**
C. Cash flows from financing activities		
Repayment of long term borrowings	(150.00)	(150.00)
Proceeds from short term borrowings	28,977.42	-
Repayment of short term borrowings	(22,851.37)	(139.30)
Interest paid	(13,809.63)	(513.52)
Net cash flows (used in) financing activities	**(7,833.58)**	**(802.82)**
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(5.80)**	**15.09**
Cash and cash equivalents at the beginning of the year	21.31	6.22
Cash and cash equivalents at the end of the year	**15.51**	**21.31**
E. Components of cash and cash equivalents		
Balances with scheduled banks		
- On current accounts	15.51	21.31
Total cash and cash equivalents (Refer note 7(iii))	15.51	21.31

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid up	No. of Shares	(₹)
As at April 01, 2018	18,899,870	1,889.99
Issue of share capital	-	-
As at March 31, 2019	**18,899,870**	**1,889.99**
As at April 1, 2019	**18,899,870**	1,889.99
Issue of share capital	-	-
As at March 31, 2020	**18,899,870**	**1,889.99**

b. Other equity: (₹)

	Other Equity			
	Securities Premium Reserve	Capital reserve	Retained Earnings	Total other equity
As at April 01, 2018	2,224.97	700.00	(16,140.95)	(13,215.98)
(Loss) for the year		-	(2,471.58)	(2,471.58)
Other comprehensive income for the year- Gain	-		0.20	0.20
Total Comprehensive (loss) for the year	**-**	**-**	**(2,471.38)**	**(2,471.38)**
As at March 31, 2019	**2,224.97**	**700.00**	**(18,612.33)**	**(15,687.36)**
(Loss) for the year	-	-	(3,382.95)	(3,382.95)
Other comprehensive income				
for the year- (loss)	-	-	(29.86)	(29.86)
Total comprehensive (loss) for the year	**-**	**-**	**(3,412.81)**	**(3,412.81)**
As at March 31 , 2020	**2,224.97**	**700.00**	**(22,025.14)**	**(19,100.17)**

Accompanying notes are integral part of the financial statements

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

Vinay Cement Limited
Notes to standalone Ind AS financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

Note 1
Significant Accounting Policies

A. Corporate Information

Vinay Cement Limited (“the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Jamuna Nagar, Umrangshu Dist: North Cachar Hills.

The Company is primarily engaged in the manufacturing and selling of Crushed Limestone having its manufacturing facility at Umrangshu, Assam. Information on the Company’s related party relationships are provided in note 39.

The standalone Ind AS financial statements of the Company for the year ended March 31, 2019 were approved in accordance with a resolution passed in the meeting of the Board of Directors on June 10, 2020.

B. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on an accrual basis and under the historical cost convention. and

At the date of transition to Ind AS, the Company has measured certain property, plant and equipment except vehicle, furniture and fixtures, office equipment and Computer at fair value and used that as its deemed cost. In respect of vehicle, furniture and fixtures, office equipment and computer, the Company had applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 01, 2015

The financial statements are presented in Indian Rupees (Rs.lakhs), except number of shares, face value of share, earning per share or wherever otherwise indicated.

C. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company had elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, have been carried forward with no adjustment.

D. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

E. Fair value measurement

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. 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

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.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property, plant and equipment. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The management and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 26)
- Quantitative disclosures of fair value measurement hierarchy (note 28b)
- Financial instruments (including those carried at amortised cost) (note 28a)
- Financial instruments (including those carried at fair value and carrying value) (note 28a)

F. Revenue from contracts with customer

Revenue from contracts includes revenue from customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes .

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods (including sale of scrap included under other operating revenue)

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods Amounts disclosed as revenue are net of returns and allowances, trade discounts, cash discounts and volume rebates.

The Company collects Goods and Service Tax (‘GST’) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

The Company considers the effects of variable consideration, non-cash incentives and consideration payable to the customer (if any). No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Where the sale of goods provide customers with discounts, volume rebates etc., such discounts, volume rebates etc. give rise to variable consideration.

Rebates are offset against amounts payable by the customer.

The Company follows the ‘most expected value’ method in estimating the amount of variable consideration. The Company estimates the variable consideration based on an analysis of accumulated historical experience.

Non-cash incentives

The Company provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. The fair value of the non-cash incentive is deferred and recognised as revenue when the associated incentive is released.

Revenue from services

Revenues from management services are recognized at the point in time i.e. as and when services are rendered. The Company collects service tax/ Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue

Interest

For all debt instruments/ subsidies measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument/ subsidies or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in “Other income” in the statement of profit and loss.

Insurance & Other claims

Insurance claims and other claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Contract balances - *Trade receivables*

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

G. Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant related to income are deferred and it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate. The Company has chosen to present grants related to income to be deducted in reporting the related expense.

Government grant relating to the purchase of property, plant and equipment are presented based on their classification, Government grant and are credited to the statement of profit and loss on a straight-line basis over the useful lives of the related assets. The Company has chosen to present grants related to property, plant and equipment to be deducted in reporting the depreciation and amortisation expense.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of profit and loss of the period in which it becomes receivable. Government grants are recognised in the Statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Income from subsidies in the nature of operations are included under ‘Revenue from operations’.

Other government grants including Customs duty saved on property, plant and equipment imported under Export Promotion Capital Goods (EPCG) scheme are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the respective entity will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue on a systematic basis.

H. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit and loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit and loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

I. Property, plant and equipment

The Company had measured property, plant and equipment except vehicles, furniture and fixture, office equipment and computers at fair value as on transition date i.e. April 1, 2015 which had become its deemed cost. In respect of Vehicle, furniture and fixtures, office equipment and computer, the Company had applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind As as at transition date

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss if any. losses, if any. Capital work in progress are stated at cost, net of impairment loss, if any. Cost comprises the purchase price, including import duties and non- refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs if the recognition criteria are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories

Capital work-in-progress (CWIP)

Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised till the period of commissioning has been completed and the asset is ready for its intended use.

Depreciation expense

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives as prescribed under Schedule II to the Companies Act, 2013. The useful lives considered by the Company to provide depreciation on its property, plant and equipment is 5 years which is different from useful lives as prescribed under Schedule II to the Companies Act, 2013 based on technical assessment done by the management.

The Company capitalises machinery spares if such spares are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one year.

Capitalised spares are depreciated over their own estimated useful life or the remaining estimated useful life of the related asset, whichever is lower.

The Company applies accelerated depreciation on property, plant and equipment considering the useful life as 5 years which is different from useful lives as prescribed as under Schedule II to the Companies Act 2013, based on technical assessment made by expert and management estimates.

Land bearing mineral reserves are amortized over their estimated commercial life based on the unit of production method.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Mines developments -Refer Note 1(N).

J. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest (calculated using the effective interest rate method) and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

J. Leases

Policy applicable with effect from April 1, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the lease term. Leasehold land is amortized on a straight-line basis over the period of lease.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (M) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases, leases of low-value assets and Contingent rentals

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets 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 expense on a straight-line basis over the lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Policy relating to leases till March 31, 2019

Where the Company is lessee

A lease was classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Contingent rentals were recognised as expenses in the periods in which they are incurred.

A leased asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments were recognised as a expense in the statement of profit and loss on a straight line basis over the period of the lease term, unless the payment to lessor and structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

L. Inventories

All Inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, fuel and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average except fuel and spares where cost is determined on moving weighted average.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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

M. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases their impairment calculation on fair value less cost of disposal. The fair value less cost to sell is computed using the composite rate method based on the demand, location, structural conditions, state of repairs and present condition of the assets reduced by depreciation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

N. Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamations liability

The Company records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows, with a corresponding amount being capitalised at the start of each project. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are capitalised in property, plant and equipment and are depreciated over the estimated commercial life of the related asset based on the unit of production method.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements

O. Retirement and other employee benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund is defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to this scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates one defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the 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 that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

P. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

Q. Investment in subsidiaries

Investment in subsidiaries and holding Company are measured at cost in accordance with Ind AS 27. As per Ind AS 101, on date of transition, the Company elects to measure its investments at deemed cost which is equivalent to previous GAAP carrying amount at the date of transition.

A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109

R. Financial Instruments

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.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (F) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as Debt instruments at amortised cost.

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of - cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)
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 (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company, 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 Other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivable, loans and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

The Company has not designated any financial asset (debt instruments) at FVTOCI.

Financial assets designated at fair value through OCI (FVTOCI) (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not designated any financial asset (equity instruments) as at FVTOCI.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Financial Asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. The Company has designated investment in mutual funds (debt instruments) as at FVTPL.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

The Company considers a financial asset in default when contractual payments are '180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables.

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.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of statement of profit and loss.

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.

T. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above they are considered an integral part of the Company's cash management.

1.1 **Changes in accounting policies and disclosures:**

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective/ notified.

(A) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

The Company also applied the available practical expedients wherein it:

· Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 1, 2019:

· Right-of -use assets of Rs. 131.42 lakhs were recognised and presented separately in the balance sheet on account of reclassification of Leasehold land recognised previously under finance leases under Property, plant and equipment (refer note-2(ii)).

The adoption of Ind AS 116 did not have any impact on the profit and earnings per share of the current year.

(B) Amendment to existing issued Ind AS

The MCA has also carried out amendments in the following accounting standards. These are:

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments
ii) Amendments to Ind AS 109, Financial instruments: Prepayment Features with Negative Compensation
iii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement
iv) Amendments to Ind AS 28, Investment in Associates and Joint Ventures: Long-term interests I n associates and joint ventures
v) Ind AS 103 Business Combinations
vi) Ind AS 111 Joint Arrangements
vii) Amendment to Ind AS 12, Income Taxes
viii) Amendment to Ind AS 23, Borrowing costs

The effect on adoption of above-mentioned amendments were insignificant on the financial statements of the Company.

(All amounts are in ₹ lakhs except wherever stated otherwise)

2. (i) Tangible assets

i) Property, Plant and Equipment (in ₹)

	Leasehold-Land*	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipments	Mines Development**	Computers	Total
Cost or valuation									
As at April 01, 2018	**132.00**	**154.82**	**394.54**	**13.55**	**26.57**	**24.25**	**-**	**16.14**	**761.87**
Additions during the year	11.55	-	-	(0.00)	-	-	32.74	-	44.29
Deletions during the year		-	-	-	-	-	-	(0.32)	(0.32)
As at March 31, 2019	**143.55**	**154.82**	**394.54**	**13.55**	**26.57**	**24.25**	**32.74**	**15.82**	**805.84**
Reclassified on account of adoption of IND AS 116*	(143.55)	-	-	-	-	-	-	-	(143.55)
Additions during the year	-	-	0.56	0.00	0.00	-0.00	7.12	-	7.68
Deletions during the year		-	(3.30)	(0.15)	(0.29)	(0.40)		(0.00)	(4.14)
As at March 31, 2020	**-**	**154.82**	**391.80**	**13.40**	**26.28**	**23.85**	**39.86**	**15.82**	**665.83**
Depreciation									
As at April 01, 2018	8.80	97.71	235.05	4.85	9.32	18.11	-	14.77	388.61
Charge for the year	3.33	30.07	68.44	0.96	4.09	5.06	6.58	0.50	119.03
Deletions during the year	-	-	-	-	-	-	-	(0.32)	(0.32)
As at March 31, 2019	**12.13**	**127.78**	**303.49**	**5.81**	**13.41**	**23.17**	**6.58**	**14.95**	**507.32**
Reclassified on account of adoption of IND AS 116 *	(12.13)	-	-	-	-	-	-	-	(12.13)
Charge for the year (refer note 26 (d))	-	25.49	86.75	7.10	11.55	0.95	6.65	0.73	139.22
Deletions during the year	-	-	(3.10)	(0.15)	-	(0.40)	-	-	(3.65)
As at March 31, 2020	**-**	**153.27**	**387.14**	**12.76**	**24.96**	**23.72**	**13.23**	**15.68**	**630.76**
Net book value									
As at March 31, 2020	**-**	**1.55**	**4.66**	**0.64**	**1.32**	**0.13**	**26.63**	**0.14**	**35.07**
As at March 31, 2019	**131.42**	**27.04**	**91.05**	**7.74**	**13.16**	**1.08**	**26.16**	**0.87**	**298.52**

Notes :

* The net block of Leasehold land of Rs. 131.42 (Gross block – Rs. 143.55 and accumulated depreciation - Rs. 12.13) has been reclassified to “Right-of-Use” assets on account of adoption of Ind AS 116 “Leases” (refer note 1.1(A))

** Refer Note 12

All movable and immovable are subject to charge created against term loans on first pari passu charge basis (Refer note 11)

2 (ii). Right-of-use assets

The Company has lease contract for Leasehold land. Lease term of Leasehold land is expiring on March 31, 2040. The Company’s obligations under its leases are secured by the lessor’s title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	Leasehold land
Cost or Valuation	
As at April 1, 2019- (refer note-1.1(A))	**131.42**
Addition	-
Deletion	-
As at March 31, 2020	**131.42**
Accumulated depreciation	
As at April 1, 2019	**-**
Charge for the year - (refer note -23)	6.26
As at March 31, 2020	**6.26**
Net carrying value as at March 31, 2020	**125.16**

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
3. Investments (carried at cost)				
Unquoted equity shares (Investment in subsidiaries)				
2,974,800 (March 31, 2019: 2,974,800) equity shares of Rs. 10 each, fully paid up in SCL Cements Limited**	296.48		296.48	
3,633,200 (March 31, 2019: 3,633,200) equity shares of Rs. 10 each , fully paid up in RCL Cements Limited*	3,122.74		3,122.74	
Unquoted equity shares (Investment in holding company)* **				
18,931,600 (March 31, 2019:18,931,600) equity shares of Rs. 10 each , fully paid up in Calcom Cement India Limited	1,893.16		1,893.16	
		5,312.38		5,312.38
Total		**5,312.38**		**5,312.38**

Note-
* Although, there is a diminution in the value of the aforesaid investments in view of accumulated losses in investee companies as on March 31, 2020, yet considering the future business plans and projections, the management believes that there is no impairment in the investments.

**Although, there is a diminution in the value of the aforesaid investments in view of erosion of net worth substantially in investee Company as on March 31, 2020, yet, considering the future business plans and projections, the management believes that there is no impairment in the value of investments.

***The fair value of investment is higher than the carrying value. However, the Company is carrying these investments as deemed cost on conservative basis.

4. Non current financial assets (Unsecured and considered good, unless otherwise stated)

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
(i). Loans (carried at amortised cost)* **				
Loan and advances to				
- Employees		13.72		7.50
Security deposits*		1.14		4.79
	Total	**14.86**		**12.29**

*Includes Rs.Nil (March 31, 2019: Rs. 2.00)from related party. (Refer note no 39)

(ii) Other financial assets (carried at amortised cost)* **				
Interest receivable		4.05		4.43
Subsidy receivable				
Unsecured, considered doubtful	10.00		10.00	
Total	**10.00**		**10.00**	

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
Less: Impairment allowance	(10.00)	-	(10.00)	-
Deposit with original maturity of more than 12 months**		14.91		25.77
Total		**18.96**		**30.20**

** Includes Rs. 10.00 (Rs.10.00, as on March 31,2019), deposit receipts whereof are pledged with Banks against bank guarantee.

*** All other assets (including loans) are pledged against term loans on second pari passu charge basis.(Refer note 11)

5. Other non-current assets (Unsecured and considered doubtful)*

Capital advances				
Unsecured, considered doubtful	33.23		33.23	
	33.23		33.23	
Less: Provision for doubtful debts and advances	(33.23)	-	(33.23)	-
Other advances				
Unsecured, considered doubtful	36.18		36.18	
Less: Provision for doubtful debts and advances	(36.18)	-	(36.18)	-
Total		**-**		**-**

* All other assets are pledged against term loans on second pari passu charge basis. (refer note 11)

6. Inventories*
(At lower of cost or net realisable value)

Raw materials	4.13	15.22
Work-in-progress	2.33	2.17
Fuel	19.38	7.40
Stores and spares	8.99	17.62
Total	**34.83**	**42.41**

*Inventories are pledged against term loans on second pari passu charge basis.(Refer note 11)

7. Current financial assets (Unsecured and considered good, unless otherwise stated)
(i). Loans (carried at amortised cost)*

Loan and advances to		
- Employees	9.81	4.49
- Related parties (Refer note no 39)	-	3,819.07
	9.81	**3,823.56**

*All the others assets are pledged against term loans on second pari passu charge basis. (refer note 11)

(ii). Trade receivables*
(Carried at amortised cost)

Trade receivables**		
Receivables from others	-	-
Receivables from related parties (Refer note no. 39)*	-	286.58
Total	**-**	**286.58**
Break-up for security details:		
Trade receivables (unsecured)		
Unsecured, considered good	-	286.58
Unsecured, considered doubtful	1,305.85	1,305.85
Total	**1,305.85**	**1,592.44**

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Less: Impairment allowance (allowance for bad and doubtful receivables)	(1,305.85)	(1,305.85)
Total	**-**	**286.58**

*No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any person.For terms and conditions relating to related party receivables. (Refer Note 39)

**Trade receivables are non-interest bearing and are generally on terms of 0-21 days. All the receivables are pledged against term loans on second pari passu charge basis. (Refer Note 11)

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
(iii). Cash and cash equivalents		
Balances with banks:		
- On current accounts	15.51	21.31
	15.51	**21.31**
(iv). Bank balances other than (iii) above		
- On deposit accounts with remaining maturity of less than 12 months*	6.09	5.72
	6.09	**5.72**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks:		
– On current accounts	15.51	21.31

*Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Company and on interest at the respective short-term deposit rates ranging from 5.5% -7.3%.*includes Rs.Nil (Rs.Nil), deposit receipts whereof are pledged to fulfill collateral requirements of the Company.

Changes in liabilities arising from financing activities

Particulars	**1st April 2019**	**Cash Flows**	**Other**	**31st March 2020**
Current borrowings	15,350.51	6,126.06	-	21,476.57
Non current borrowings (including current maturities)	150.00	(150.00)	-	-
Total liabilities from financing activities	**15,500.51**	**5,976.06**	**-**	**21,476.57**
Particulars	**April 01, 2019**	**Cash Flows (Net)**	**Other**	**March 31, 2020**
Current borrowings	15,489.81	(139.30)	-	15,350.51
Non current borrowings (including current maturities)	300.00	(150.00)	-	150.00
Total liabilities from financing activities	**15,789.81**	**(289.30)**	**-**	**15,500.51**

(v). Other financial assets*(Unsecured and considered good, unlees otherwise stated)				
Interest receivable on loans to related parties (refer note 39)		3.30		2,897.20
Interest receivable		11.19		0.05
Subsidy receivable				
Unsecured, considered good	-		250.74	
Unsecured, considered doubtful	3.51		-	
Total	**3.51**		**250.74**	
Less: Impairment allowance	(3.51)	-	-	250.75
		14.49		**3,148.00**

*All the others assets are pledged against term loans on second pari passu charge basis.(Refer note 11)

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
8. Other current assets (Unsecured and considered good, unless otherwise stated)*				
Advances**		13.80		11.57
Prepayments		1.08		4.48
Deposit and balances with Government departments and other authorities				
Unsecured, considered good	9.89		49.44	
Unsecured, considered doubtful	49.04		-	
	58.93		49.44	
Less: Provision for doubtful debts and advances	(49.04)	9.89	-	49.44
		24.77		**65.49**

*All the others assets are pledged against term loans on second pari passu charge basis. (Refer note 11)

**Incudes Rs.0.25 (March 31, 2019: Rs. nil) from related party. (Refer note 39)

9. Equity Share capital

Authorised :	**As on March 31, 2020**		**As at March 31 2019**	
	No. of Shares	**Rs.**	**No. of Shares**	**Rs.**
At the beginning of the year	30,000,000	3,000.00	30,000,000	3,000.00
Increase/Decrease during the year	-	-	-	-
At the end of the year	**30,000,000**	**3,000.00**	**30,000,000**	**3,000.00**

Issued, subscribed and fully paid up :		
18,899,870 (18,899,870)		
Equity Shares of Rs. 10/- each	1,889.99	1,889.99
	1,889.99	**1,889.99**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As on March 31, 2020		**As at March 31 2019**	
	No. of Shares	**Rs.**	**No. of Shares**	**Rs.**
Equity shares of Rs. 10 each fully paid up				
At the beginning of the year	18,899,870	1,889.99	18,899,870	1,889.99
At the end of the year	**18,899,870**	**1,889.99**	**18,899,870**	**1,889.99**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in proportion to the number of equity shares held by them.

c. Equity shares held by holding company

Name of share holder	**As on March 31, 2020**		**As at March 31 2019**	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**
Calcom Cement India Limited, the holding company	18,373,461	1,837.35	18,373,461	1,837.35

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)

d. Details of shareholders holding more than 5% shares in the Company

Name of share holder	As on March 31, 2020		As at March 31 2019	
	No. of Shares	% holding	No. of Shares	% holding
Calcom Cement India Limited, the holding company	18,373,461	97.21%	18,373,461	97.21%

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

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
10. Other equity		
Securities premium reserve*		
Opening balance as per last financial statements	2,224.97	2,224.97
Closing balance	**2,224.97**	**2,224.97**
Capital reserve**	**700.00**	**700.00**
Surplus/(Deficit) in the statement of profit and loss		
Loss/(Profit) as per last financial statements	(18,612.33)	(16,140.96)
(Loss) for the year	(3,412.81)	(2,471.37)
Net (deficit)/surplus in the statement of profit and loss	**(22,025.14)**	**(18,612.33)**
Total other equity	**(19,100.17)**	**(15,687.36)**

11. Financial liabilities
Borrowings (at ammortised cost)
Term loan (secured)*

Term loans (secured)	Rate of Interest (In ₹)	Maturity	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
From other#				
Dalmia Cement (Bharat) Limited (Rs. 225.00)	Base rate plus 2%	March 2020	-	150.00
			-	150.00
Less: Shown in current maturities of long term borrowings (Note 15)			-	150.00
			-	**-**

* Term loan was secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible asstes) of the Company and its subsidiary (SCL Cements Limited) , both present and future and a second charge on all other assets of the Company and its subsidiary (SCL Cements Limited). Besides, the above loan is additionally secured by the personal guarantee of two of the erstwhile directors of the Company.The loan was further secured by corporate guarantee given by its subsidiary (SCL Cements Limited).

Particulars	Terms of repayment and security
Axis Bank TL1	Existing Term Loan (ETL) Repayable in 24 structured quarterly installments starting from June' 2014 to March' 2020.

\# During the previous year, intermittent holding company namely Dalmia Cement (Bharat) Limited has taken over Loan (Rs. 225.00) from Axis Bank after entering into Novation agreement with Vinay Cement Limited along with Axis bank. The terms of Security and repayment remains the same for the Company towards Dalmia Cement (Bharat) Limited as was the case with the respective Banks.

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
12. Provisions		
Provision for mines reclamation liability*	89.87	78.14
Gratuity	59.34	31.61
	149.21	**109.75**
***Mines reclamation liability**		
At the beginning of the year	78.14	39.76
Created during the year	7.12	32.74
Unwinding of discount on such liability (Refer note 24)	4.61	5.64
At the end of the year	**89.87**	**78.14**

*In respect of mine possessed by the Company, the Company used to provide for restoration liability of mine based on extraction of lime stone (raw material). During the current year, the Company has reassessed the amount of provision required to meet the restoration obligation at time of closure of lime stone mines based on present value of such obligation. This has resulted in additional accrual of Rs.7.12 (Rs.32.74) which has been debited to the cost of mines development (amortised based on the extraction of lime stones in future years)(Refer Note 2). This does not have material impact on the operating results of the Company.

13. Government grant*		
Deferred capital investment subsidy	-	2.74
	-	**2.74**
*** At the beginning of the year**	2.74	5.47
Released to the statement of profit and loss (Refer note no 23)	(2.74)	(2.73)
At the end of the year	**-**	**2.74**
Current	-	2.73
Non Current	-	0.01
14. Financial liabilities#		
(i). Borrowings (at amortised cost)		
Unsecured		
From holding company*	21,476.57	5,164.12
From intermittent holding company*	-	10,186.39
Total borrowings (A+B)	**21,476.57**	**15,350.51**

* Loan from holding company and intermittent holding company are repayable on demand and carry interest @ 15%-18% p.a. refer note 39

14(ii). Trade payables (at amortised cost)		
Total outstanding dues of micro enterprises and small enterprises (Refer note 32 for details of dues to micro and small enterprises)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	74.79	55.22
Trade payable to related parties (refer note 39)	0.99	1.01
	75.78	**56.23**
15. Other financial liabilities (at amortised cost) #		
Current maturities of long term borrowings (refer note 11)	-	150.00
Interest accrued but not due on borrowings from related party (refer note 39)	1,054.77	7,600.50
Interest accrued and due on borrowings from related party (refer note 39)	-	3,412.55
Security deposits received from related party (refer note 39)	-	1.00
Security deposits received from others	1.24	1.24
Employee accrued liability	21.26	14.47
Ineterest payable on Income tax	8.00	7.58
	1,085.27	**11,187.34**

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)

#Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 30- 60-day terms
For terms and conditions with related parties, refer to Note 39
For explanations on the company's credit risk management processes, refer to Note 30.

16. Other current liabilities		
Advances		
-from related parties (refer note 39)	40.14	-
Other liabilities		
- Statutory dues	342.27	689.97
- Others	4.49	4.49
	386.90	**694.46**
17. Provisions		
Gratuity	7.98	2.43
Leave encashment	6.34	5.43
	14.32	**7.86**

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
18. Revenue from operations		
A. Revenue from contracts with customers		
Sale of products to related party (refer note 39)		
Finished goods	1,046.44	1,002.03
Subtotal (A)	**1,046.44**	**1,002.03**
B. Other operating revenue		
Sale of stores and spares to related party (refer note 39)	-	2.61
Management service Income from related party (refer note 39)	220.86	201.59
Subsidy on Excise (refer note 40)	(191.35)	59.40
Subtotal(B)	**29.51**	**263.60**
Revenue from operations (A+B)	**1,075.95**	**1,265.63**
19. Other Income		
Liabilities/provisions no longer required written back	-	79.50
Miscellaneous receipts	-	4.74
Profit on sale of property, plant & equipment	5.78	-
Interest		
On bank deposits	1.97	3.21
On loans to related parties (refer note 39)	398.37	1,016.05
Interest income on income tax	35.21	3.98
	441.33	**1,107.48**
20(i) Cost of raw materials consumed		
Raw materials consumed		
Inventory at the beginning of the year	15.22	12.22
Add: Purchases	489.67	277.68
	504.89	289.90
Less: Inventory at the end of the year	4.13	15.23
Cost of raw materials consumed	**500.76**	**274.67**
20(ii). Change in inventories of work in progress		
- Closing stock	2.33	2.17
- Opening stock	2.17	3.98
(Increase)/ decrease in inventories	(0.16)	**1.81**
21. Employee benefits expenses		
Salaries, wages and bonus	210.82	198.64
Contribution to provident and other funds	13.69	8.21
Gratuity expense (refer note 29)	3.93	2.13
Workmen and staff welfare expenses	0.81	1.90
	229.25	**210.88**
22. Other expenses		
Consumption of stores and spares parts	11.34	0.58
Rates and taxes	2.83	4.92
Insurance	5.16	5.21
Telephone and communication	0.52	0.97
Legal and professional charges	8.73	6.77
Bank Charges	0.50	0.34
Travelling and conveyance	0.97	3.14
Director sitting fees (refer note 39)	1.45	2.05
Payments to auditors (refer details below)	2.00	2.00
Impairment allowance on financial assets	3.51	-
Provision for doubtful debts and advances	49.04	-
Miscellaneous expenses	9.57	5.37
	95.62	**31.35**

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
Payments to auditors		
As auditor:		
Audit fees	2.00	2.00
	2.00	**2.00**
23. Depreciation and amortization expense		
Depreciation on tangible assets	139.22	119.03
Depreciation on Right-of- use assets (refer note- 2(ii))	6.26	-
Less: Adjusted against deferred capital investment subsidy (refer note 13)	(2.74)	(2.73)
	142.74	**116.30**
24. Finance costs		
Interest		
On term loans*	9.32	26.11
On loans from related parties (refer note 39)	3,841.46	4,098.35
On defined benefit obligation	2.47	4.36
On others**	5.19	5.40
- On income tax balances	0.42	-
	3,858.86	**4,134.22**

*include Rs.9.32 (7.19) from related parties (Refer Note 39)
** includes Unwinding of discount on Mines reclamation liability of Rs.4.61 (5.64) (refer note 12)

25. Basic Earning and diluted per share (EPS)
The following reflects the income and share data used in the basic and diluted EPS computations:

Net (loss) for calculation of basic and diluted EPS	**(3,382.95)**	**(2,471.58)**
Total number of equity shares outstanding at the end of the year	18,899,870	18,899,870
Weighted average number of equity shares in calculating basic and diluted EPS	18,899,870	18,899,870
Basic and diluted EPS (Rs.)	**(17.90)**	**(13.08)**

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26. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Company's 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.

Judgements, estimates and assumptions

The judgements and 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 based its judgements, 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.

a. Taxes

The Company has deferred tax assets (unabsorbed depreciation and losses under income tax law) in excess of deferred tax liabilities. In the absence of reasonable certainty that sufficient future taxable income would be available against which such deferred tax assets can be realized, the Company has not recognized the net deferred tax.

b. Defined benefit plans (gratuity benefits)

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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
Further details about gratuity obligations are given in Note 29.

c. 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 DCF 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 at each reporting date. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 28 (a) and note 28 (b) for further disclosures.

d. Property, plant and equipment

The Company measures property, plant and equipment at fair values as deemed cost with changes in fair value being recognised in retained earnings as on transition date and use it as its deemed cost as at the date of transition. The Company engaged an independent valuation specialist to assess fair value at April 1, 2015 for revalued property, plant and equipment. Property, plant and equipment were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined based on Schedule II rates as specified in note 1(I) by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Change in Estimate

During the year, the residual value of property, plant and equipment is reviewed and re-assessed by the Company so that the revised residual value properly reflect the values which the Company expects to realise on completion of useful life of the respective asset.

Consequent to above, (i) depreciation charge for the year ended March 31, 2020 is higher by Rs.13.38

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Impairment of property , plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

e. Impairment of financial assets

The impairment provisions for financial assets disclosed in Note 4 and 7 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f. Provision for mines reclamations (refer note 2)

The Company has recognised a provision for mine reclamation until the closure of mine. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines. The carrying amount of the provision as at March 31,2020 is Rs.89.87 (March 31, 2019:Rs.78.14). The Company estimates that the costs would be incurred in approx. 2-41 years upon the closure of mines and calculates the provision using the DCF method based on the following assumptions:

• Inflation rate – 2.96%
• Discount rate – 6.76%
• Expected future cost of reclamation and decommissioning of mines – Rs.96.09
• Expected balance of reserves available in mines - 8.41 MMT (As at March 31 , 2019: 10.57 MMT)

If the estimated pre-tax discount rate and inflation rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been decreased by Rs. 2.66 and increased by Rs. 4.58 respectively.

27. Contingent liabilities / litigations:

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Claims by suppliers and third parties, not acknowledged as debts	98.62	98.62
b)	Demand raised by following authorities in dispute/appeal:		
i)	Excise and Service Tax	-	294.33
ii)	Excise remission including interest under dispute	-	
iii)	Entry Tax	31.18	78.18
c)	Corporate guarantees issued to lenders against term loan of holding company	26,010.58	37,874.78
d)	Royalty demands under dispute	-	190.40
	Total	**26,140.38**	**38,730.90**

(b)(i) The Holding Company has two major sets of shareholders, one Dalmia Cement Bharat Limited (DCBL) holding 76% of the voting rights in the Holding Company and Bawri Group (BG) holding 21% of the voting rights in the Holding Company. During the year 2015-16, the Holding Company , in view of the fact that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ Articles of Association (referred as Inter-se Agreement or 'ISA' hereinafter), sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) / NCLT under Sections 397 and 398 of the Companies Act, 1956 alleging oppression and mismanagement by the Holding Company . NCLT, Guwahati Branch, has concluded in response to an application filed under Section 8 of the Arbitration and Conciliation Act 1996 by Holding Company, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the said petition and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their disputes.

BG has challenged the order of NCLT Guwahati before the Hon'ble High Court, Guwahati and the same is pending for adjudication. The disputes between the parties are pending adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

(c) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company will evaluate its position and act, as clarity emerges.

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28a. Fair Values
See out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Note	Carrying Value (Rs.)		Fair Value (Rs.)	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets at amortized cost					
Loans and advances to employees and related parties	4(i) and 7(i)	23.52	3,831.06	23.52	3,831.06
Security Deposits	4(i)	1.14	4.79	1.14	4.79
Subsidy receivable	7(v)	-	250.75	-	250.75
Interest receivable	4(ii) and 7(v)	18.54	2,901.68	18.54	2,901.68
Total financial assets		**43.20**	**6,988.28**	**43.20**	**6,988.28**
Financial liabilities at amortized cost					
Floating rate borrowings	11 and 15	-	150.00	-	150.00
Total financial liabilities		**-**	**150.00**	**-**	**150.00**

The fair value of the financial assets and liabilities is 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:

The Company assessed that cash and cash equivalents, trade receivables, bank deposits (including interest accrued) , trade payables, other current financial liabilities (except current maturities of long term borrowings) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is 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:

Borrowings
'- The fair values of the Company's interest-bearing borrowings are determined by using discount rate that reflects the company's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

Security deposits, Subsidy receivable, loans, and interest receivable
The fair value of security deposits, loans , subsidy receivable and interest receivable approximates the carrying value and hence the valuation technique and inputs have not been given.

28b. Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

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Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

₹

Particulars	Total	Fair value measurement using significant unobservable inputs (Level 3)
Liabilities for which fair values are disclosed		
Borrowings	-	-
Financial Assets for which fair values are disclosed		
Security Deposits	1.14	1.14
Subsidy receivable	-	-
Interest receivable	18.54	18.54
Loans and advances to employees and related parties	23.52	23.52

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

₹

Particulars	Total	Fair value measurement using significant unobservable inputs (Level 3)
Liabilities for which fair values are disclosed		
Borrowings	150.00	150.00
Financial Assets for which fair values are disclosed		
Security Deposits	4.79	4.79
Subsidy receivable	250.75	250.75
Interest receivable	2,901.68	2,901.68
Loans and advances to employees and related parties	3,831.06	3,831.06

The fair value of above assets/liabilities approximates the carrying value and hence the valuation technique and inputs have not been given.

29. Gratuity

The Company has a defined gratuity plan. The gratuity is governed by the payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

The following tables summarize the components of net employee benefit expenses recognised in the Statement of Profit and Loss.

Total amount recognised in balance sheet and movement in the net defined obligation over the year are as follows

Gratuity (₹)

Particulars	Present Value of Obligation
April 01, 2019	**34.04**
Acquisition adjustment on account of transfer of employees	-
Sub total (A)	**34.04**
Current service cost (Shown under Gratuity expense)	3.93
Interest cost (Shown under Finance cost)	2.47
Total amount recognised in statement of profit & loss account (B)	**6.40**
Remeasurements	
Actuarial changes arising from changes in financial assumptions	5.00
Actuarial changes arising from changes in demographic assumptions	0.81
Actuarial changes arising from changes in experience adjustments	24.05
Total Amount recognised in other comprehensive income-Loss (C)	**29.86**
Benefit paid (D)	(2.99)
March 31, 2020 (A+B+C+D)	**67.31**

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April 01, 2018	**55.19**
Acquisition adjustment on account of transfer of employees	(25.78)
Sub total (A)	**29.41**
Current service cost	2.13
Interest cost	4.36
Total amount recognised in statement of profit & loss account (B)	**6.49**
Remeasurements	
Actuarial changes arising from changes in financial assumptions	1.78
Actuarial changes arising from changes in experience adjustments	(1.97)
Total Amount recognised in other comprehensive income-(Gain) (C)	**(0.19)**
Benefit paid (D)	(1.65)
March 31, 2019 (A+B+C+D)	**34.04**

The principal assumptions used in determining gratuity and other defined benefits for the Company are shown below:

Particulars	Gratuity	
	March 31, 2020 %	**March 31, 2019 %**
Discount rate	6.40	7.25
Future salary increases	6.00	6.00

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 and March 31, 2019 is as shown below:

Gratuity

Particulars	**March 31, 2020**		**March 31, 2019**	
Defined Benefit Obligation (Base) (₹)	**67.31**		**34.04**	
Particulars	**March 31, 2020**		**March 31, 2019**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+1%)	72.34	62.85	37.03	31.42
% change compared to base due to sensitivity	7.50%	-6.60%	8.80%	-7.70%
Salary Growth Rate (-/+1%)	62.79	72.31	31.37	37.04
% change compared to base due to sensitivity	-6.70%	7.40%	-7.90%	8.80%
Attrition Rate (-/+1%)	66.91	67.64	33.98	34.11
% change compared to base due to sensitivity	-0.60%	0.50%	-0.20%	0.20%
Mortality Rate (-/+1%)	67.31	67.32	34.03	34.05
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%

Demographic Assumption
Gratuity

Particulars	**As on**	
	March 31, 2020	**March 31, 2019**
Mortality Rate (% of IALM 2012-14 (2006-08))	100%	100%
Normal retirement age	58 Years	58 Years
Withdrawal rates based on age: (per annum)		
Upto 28 years	5.00%	0.10%
29-45 years	5.00%	0.30%
Above 45 years	5.00%	0.60%

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The following is the maturity profile of defined benefit obligations

Particulars	Gratuity	
	March 31 2020	March 31 2019
Weighted average duration (based on discounted cash flows)	7 Years	10 Years
Expected cash flows over the next (valued on undiscounted basis)	**Rs.**	**Rs.**
1 Year	7.98	2.43
2 to 5 Year	24.63	10.46
6 to 10 year	36.85	23.21
More than 10 year	44.58	33.91

Risk exposure
Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time.

Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in a increase in the ultimate cost of providing the above benefit and will thus result in as increase in the value of the liability (as shown in financial statements)

Liquidity risk: This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may rise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

Salary escalation risk: The present value of the defined plan is calculated with the assumptions of salary increases rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increases in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

30. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and 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 include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure 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:

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk Financial instruments affected by market risk include deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are nearly constant at March 31, 2020 and March 31, 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020 and March 31, 2019.

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

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the company's profit/(loss) before tax/ is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on profit/ (loss) before tax (₹.)
March 31, 2020		
INR	+50 bps	-
INR	-50 bps	-
March 31, 2019		
INR	+50 bps	(1.16)
INR	-50 bps	1.16

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

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

Trade receivables
Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.
The Company has provided for their trade receivables and holds adequate advances against the residual trade receivables in group companies . Hence, the company is not exposed to any kind of credit risk arising from trade receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved banks/ mutual funds/ commercial paper and within limits assigned to each bank by the Company.

Liquidity risk
Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure ,as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company monitors its risk of a shortage of funds through fund management exercise at regular intervals.

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The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted principal payments.

₹

As at March 31, 2020	On demand	0-12 months	1 to 5 year	> 5 years	Total
Borrowings					
Term Loan (refer note 39)	-	-	-	-	-
Current borrowings					
Loans from related parties (refer note 39)	21,476.57	-	-	-	21,476.57
Other financial liabilities					
Interest accrued	1,054.78	-	-	-	1,054.78
Security Deposits	1.24	-	-		1.24
Others payable		29.27			29.27
Trade payables					
Trade payables *	-	75.77	-	-	75.77

As at March 31, 2019	On demand	0-12 months	1 to 5 year	> 5 years	Total
Borrowings					
Term loan	-	150.00	-	-	150.00
Short term borrowings					
Loans from related parties (refer note 39)	15,350.51	-	-	-	15,350.51
Other financial liabilities					
Interest accrued	11,013.06	-	-	-	11,013.06
Security Deposits	-	2.24	-	-	2.24
Others payable	-	22.05			22.05
Trades and other payables					
Trade payables *	-	56.23	-	-	56.23

*Trade payables are non-interest bearing and are normally settled on 30-60-day terms, however as per terms of agreements with certain vendors, the credit period may extend beyond normal terms.

31. Capital management

The Company is accountable to its sole shareholder, Calcom Cement India Limited. The performance as well as management of the Company is supported by the holding Company and intermittent holding Company. The net worth of the Company is negative and the holding Company and intermittent holding Company by itself or through sister subsidiary companies influxes capital to maintain or adjust the capital structure of the Company and reviews the fund management at regular intervals and takes necessary actions to maintain the requisite capital structure. In view of the regular losses, negative net worth and minimal operation in the Company, the capital gearing ratio is not meaningful.There are no major changes to the objectives policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Particulars	As at March, 31, 2020 ₹	As at March, 31, 2019 ₹
Borrowings (including current maturities and interest accrued)	22,531.34	26,513.56
Trade payables	75.77	60.72
Others payable	30.51	24.30
Less: Cash and cash equivalents	15.51	21.31
Net debt	**22,622.13**	**26,577.29**
Equity share capital	1,889.99	1,889.99
Other equity	(19,100.17)	(15,687.36)
Total capital	(17,210.18)	(13,797.37)
Capital and net debt	**5,411.95**	**12,779.92**
Gearing ratio	NA	NA

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

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No changes were made in the objectives policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

32. Details of dues to Micro and Small Enterprises as per MSMED Act 2006

The company has not received any memorandum from any party (as required to be filled by the suppliers with the notified authority under The Micro, Small and Medium Enterprises Act, 2006, as ammeded) claiming their status as Micro, Small and medium enterprises. Consequently the amount paid/payable to these parties during the year is NIL and no disclosures therefore are required to be made.

33. The Company has given/taken loans and advances to/from various companies. Loans and advances outstanding as at year end are given in below mentioned table as required u/s 186(4) of the Companies Act, 2013:

Particulars	Year ended	Opening	Interest Converted	Loan/ Advances taken	Repayment	Closing
Loans from related parties						
Calcom Cement India Ltd.	March 31, 2020	5,164.12	-	28,977.42	12,664.98	21,476.57
	March 31, 2019	5,303.42	-	-	139.30	5,164.12
Dalmia Cement (Bharat) Limited - Term Loan* (Gross of transaction cost)	March 31, 2020	150.00	-	-	150.00	-
	March 31, 2019	-	-	225.00	75.00	150.00
Dalmia Cement (Bharat) Ltd.	March 31, 2020	10,186.39	-	-	10,186.39	-
	March 31, 2019	10,186.39	-	-	-	10,186.39
Loans to related parties						
SCL Cements Ltd.	March 31, 2020	2,360.64	-	7.00	2,367.64	-
	March 31, 2019	2,340.62	-	66.02	46.00	2,360.64
RCL Cements Ltd.	March 31, 2020	1,458.42	-	68.98	1,527.40	-
	March 31, 2019	1245.52	-	237.90	25.00	1,458.42

*Refer note 11
The above loans are unsecured and repayable on demand and carries interest @ 15%-18% p.a.

34. The Company has debited direct expenses relating to limestone mining to cost of raw materials purchased amounting to Rs.489.67 for the year ended March 31, 2020 (Rs277.68 for the year ended March 31, 2019). These expenses if reclassified on 'nature of expense' basis as required by Schedule III will be as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates & Taxes *#	461.67	251.04
Consumption of Stores & Spares	28.00	26.64
Total	**489.67**	**277.68**

* Royalty and Taxes for Rs. 115.16 PMT is charged on extraction of Limestone.# Includes amount of Rs. 190.00 and Rs. 21.14 pertaining to demand of 'Royalty on Limestone' and 'service tax' related to earlier years.paid of earliar year.

35. Segment information
Crushed limestone is the only identifiable operating segment of the Company, Further, the entire sales of the Company are affected in the domestic market hence there is only one reportable geographical segment i.e. India. Hence no other disclosures are required in terms of Ind AS-108 ('Operating Segments')

Revenue from major customers with percentage of total Revenue are as below:-

	For the year Ended March 31, 2020		For the year Ended March 31, 2019	
	Revenue	Revenue %	Revenue	Revenue %
Calcom Cement India Limited	1,267.30	100.00%	1,206.23	100%

* Percentage has been calculated excluding the reversal amount pertaining to earlier years. (Refer note 40)

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Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

36. The Company has made investment in subsidiary Company amounting to Rs.296.48 (As at March 31, 2019: Rs.296.48) and loans and advances given to subsidiary (including interest thereon) amounting to Rs.2.19 (As at March 31, 2019: Rs. 4429.53). Based on the financial projections and business plans of the subsidiary, the management believes that there is no diminution other than temporary in the carrying value of such investment and all the loans and advances are fully recoverable. Accordingly, no impairment allowance has been considered necessary against such investment/loans and advances.

37. The Company has incurred a loss of Rs. 3412.81 for the year ended March 31,2020 (for the year ended March 31, 2019: Rs.2,471.37) and its net current liability stands at Rs.22,934.70 as at the year ended March 31, 2020 (Rs.19,907.44 as at March 31, 2019). The management is confident of improvement in the financial health of the Company based on its financial projections and continued support from its intermittent holding Company Dalmia Cement (Bharat) Limited and its holding company Calcom Cement India Limited. In view of this the books of account have been drawn based on going concern assumption.

38. The Company's operations were impacted in the month of India in view of COVID-19, a pandemic caused by the novel Coronavirus. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and other assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business. From April 29, 2020, operations of plants have resumed in a phased manner taking into account directives from the Government'.

Notes to Financial Statements as at March 31, 2020
(All amounts stated are in Rs. lakhs except wherever stated otherwise)

(b) Related party transactions
Transaction carried out during the year with related parties referred in (a) above, in the ordinary course of business, are as follows:

(₹ In crore)

	Holding Company		Fellow Subsidiary Company		Key Management Personnel & their relatives		Enterprises over which Key Management Personnel and/or their relatives have significant influence	
	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019
Sale of products -(Revenue from operation)								
Calcom Cement India Limited	1,046.44	1,002.03	-	-	-	-	-	-
Sale of stores and spares (Other operating revenue)								
Calcom Cement India Limited	-	2.61	-	-	-	-	-	-
Interest income								
RCL Cements Limited	-	-	133.87	336.04	-	-	-	-
SCL Cements Limited	-	-	264.50	680.01	-	-	-	-
Reimbursement of expenses by the Company to								
Calcom Cement India Limited	411.65	382.36	-	-	-	-	-	-
Management service income (Other operating revenue)								
Calcom Cement India Limited	220.86	201.59	-	-	-	-	-	-

Figures in double brackets are absolute amounts and not rounded off.

Vinay Cement Limited
Notes to Financial Statements as at March 31, 2020
(All amounts stated in Rs. are in Rs. lakhs except wherever stated otherwise)

(₹ In crore)

	Holding Company		Fellow Subsidiary Company		Key Management Personnel & their relatives		Enterprises over which Key Management Personnel and/or their relatives have significant influence	
	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019
Reimbursement of expenses incurred by the Company on behalf of								
Dalmia Bharat Group Foundation	-	-	-	-	-	-	-	-
Calcom Cement India Limited	2,108.27	1,954.11	-	-	-	-	-	-
Loan given by the Company								
SCL Cements Limited	-	-	7.00	66.02	-	-	-	-
RCL Cements Limited	-	-	68.98	237.90	-	-	-	-
Loan Repaid to the Company								
SCL Cements Limited	-	-	2,367.64	46.00	-	-	-	-
RCL Cements Limited	-	-	1,527.40	25.00				
Loan Taken			-	-				
Calcom Cement India Limited (Current borrowings)	28,977.42	-						
Dalmia Cement (Bharat) Limited (current borrowings)	-	-	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)(refer note 11)	-	225.00						
Loan repaid by the Company								
Calcom Cement India Limited (Current borrowings)	12,664.98	139.30	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)	150.00	75.00	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited (current borrowings)	10,186.39	-						
Security Deposit refunded								
RCL Cements Limited			-	1.00				
SCL Cement Limited			1.00					
Security Deposit refund received								
Calcom Cement India Limited	2.00	-						
Interest on borrowings (Finance Cost)								
Calcom Cement India Limited	3,030.00	1,991.81	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited	811.46	2,106.55	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)	9.32	7.19						
Director's Sitting Fees								
Vaidyanathan Ramamurthy	-	-	-	-	0.10	0.30	-	-
D G V G Krishna Swaroop	-	-	-	-	0.10	0.10	-	-
Pradip Bansal	-	-	-	-	-	0.15	-	-
Dharmendra Tuteja	-	-	-	-	0.25	0.30	-	-
Naveen Jain	-	-	-	-	0.50	0.60		
Vikram Dhokalia	-	-	-	-	0.50	0.60		

Figures in double brackets are absolute amounts and not rounded off.

Vinay Cement Limited
Notes to Financial Statements as at March 31, 2020
(All amounts stated in Rs. are in Rs. lakhs except wherever stated otherwise)

(₹ In crore)

	Holding Company		Fellow Subsidiary Company		Key Management Personnel & their relatives		Enterprises over which Key Management Personnel and/or their relatives have significant influence	
	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019	Year ended March 31st, 2020	Year ended March 31st, 2019
Corporate guarantee given by the guara-company against term loan and Bank ntee outstanding of holding company								
Calcom Cement India Limited	26,010.58	37,874.78	-	-	-	-	-	-
Corporate guarantee given by subsidiary company against term loan of the company								
SCL Cements Limited			-	150.00	-	-	-	-
Trade Payable								
SCL Cements Limited			0.99	1.01				
Advance from Related Party (Other Current Liabilities)	-	-	-	-	-	-	-	-
Calcom Cement India Limited	40.14	-	-	-	-	-	-	-
Advance to Related Party (Other Current Assets)	-	-	-	-	-	-	-	-
Dalmia Bharat Group Foundation	-	-	-	-	-	-	0.08	-
Dalmia Cement (Bharat) Limited(NE)	0.17	-	-	-	-	-	-	-
Trade Receivable								
Calcom Cement India Limited	-	286.58	-	-	-	-	-	-
Current Borrowing (unsecured)								
Calcom Cement India Limited	21,476.57	5,164.12	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited	-	10,186.39	-	-	-	-	-	-
Term loans (secured) Borrowing								
Dalmia Cement (Bharat) Limited	-	150.00						
Other financial liabilities								
Interest Accrued and due (Other financial liabilities)								
Dalmia Cement (Bharat) Limited	-	1.83						
Interest Accrued but not due (Other financial liabilities)	-	-						
Calcom Cement India Limited	1,054.77	7,598.68	-	-	-	-	-	-
Interest Accrued and due (Other financial liabilities)								
Dalmia Cement (Bharat) Limited	-	3,412.55						
Security Deposit (Other financial assets)								
Calcom Cement India Limited	-	2.00						
Security Deposit (other financial liabilities)								
SCL Cements Limited			-	1.00				
Interest Accrued and not Due (Other financial assets)	-	-						
SCL Cements Limited	-	-	2.19	2,068.89	-	-	-	-
RCL Cements Limited	-	-	1.11	828.31	-	-	-	-
Loans to Related Parties (current financial assets)								
RCL Cements Limited	-	-	-	1,458.42	-	-	-	-
SCL Cements Limited	-	-	-	2,360.64	-	-	-	-
Personal Guarantee received against term loan of the Company								
Binod Kumar Bawri	-	-	-	-	-	150.00	-	-
Ritesh Bawri	-	-	-	-	-	150.00	-	-

Figures in double brackets are absolute amounts and not rounded off.

Vinay Cement Limited
Notes to financial statements for the year ended March 31, 2020
(All amounts are in ₹ lakhs except wherever stated otherwise)

Terms and conditions of transactions with related parties

1. Loans from Holding Company and intermittent holding Company:

The Company has received loan from Holding Company and intermittent Holding Company which are unsecured and repayable on demand. These loans carry interest @ 18% - 15% p.a.The loans have been utilized by the related parties for meeting the working capital requirements.

2. Service Income:

a) All the direct expenses to be charged on cost to markup basis

3. Sale/Purchase:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs by RTGS/NEFT.There have been no guarantees provided or received for any related party receivables or payables. Trade payables are non-interest bearing and are normally settled on 30-60 day term.Trade receivables are non-interest bearing and are normally settled on 0-21 day term.

4. Loans to subsidiaries:

The Company had given loan to subsidiaries which was unsecured and repayable on demand. These loans carry interest @18% p.a.The loans was utilized by the related parties for meeting the working capital requirements. For the year ended March 31, 2020, the Company has not recorded any impairment of such receivables (included Interest accrued thereon) relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

5. Corporate Guarantee

1. The Company had given corporate guarantee in favour of lenders in respect of loans taken by the Holding Company.
2. One of the subsidiary company, had given guarantee in favour of lenders in respect of loans taken by the Company.

6. Personal Guarantee given by Directors against the term loan of the Company

The loans of the Company are secured by the personal guarantee of two former directors of the Company.

7. Charge against Term loan :

The term loan of the Company was secured by first pari passu charge on all the Property, plant & equipment and a second pari passu charge on all other assets, trade receivables and inventory of the subsidiary company namely 'SCL Cements Limited'. The carrying value of such loan outstanding is Rs. Nil (150))

40. The Government of India ('GOI') on December 24, 1997 announced industrial policy for development of industries in North East region with a promise to give 100% exemption on Excise Duty (paid in cash) by way of 'remission' for 10 years from the date of commencement of commercial production, and the same was continued in the second policy issued on April, 2007.In the year 2008, the GOI abruptly modified remission entitlement vide notifications dated March 27, 2008 and June 10, 2008 restricting the remission amount to value addition ('notified rate') . Department started refunding excise remission as per notified rate but not 100 % of excise duty paid from PLA.The Company approached Gauhati High Court for sanction of 100 % remission on principal of promissory estoppel along with other petitions and the same was allowed vide order dated November 20, 2014. Accordingly, the Company had accrued 100 % remission income in the books.Against the order of High Court, department filed a SLP(C) before the Hon'ble Supreme Court, for stay of the order of Gauhati High Court. The Supreme Court stayed order of high Court ('Interim Order') with a condition to refund 50% of the disputed amount on December 07, 2015. Finally, the Supreme Court pronounced decision on April 22, 2020 and held that amendment in notification is in continuance of earlier policy.Accordingly , the Company has ,during the current year written off amount of Rs. 191.35 lacs which was pending for refund.

41.Impairment of property , plant and equipment In terms of Ind AS 36 the management has carried out the impairment testing of property, plant and equipment. The carrying value of each cash generating unit (CGU) is lower than their respective recoverable value arrived at based on their 'fair value less cost to sell' adjusted by depreciation. 'Fair value less cost to sell' is computed using the adjusted composite rate method based on the demand, location and present condition of the assets reduced by depreciation. There is impairment loss of Rs. Nil recognized for the year ended March 31, 2020 (for the year ended March 31, 2019- Rs. Nil).

42. Previous year's figures are given in brackets. Previous year's figures have been regrouped/ re-classified wherever necessary to confirm with current year's classifications.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

INDEPENDENT AUDITOR'S REPORT
To the Members of Vinay Cement Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Vinay Cement Limited ("the Parent Company"), its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 35 in the consolidated Ind AS financial statements which, indicate that the Group has accumulated losses and its net worth has been fully/substantially eroded, the Group has incurred a net loss during the current and previous years and, the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 35, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Our audit opinion is not qualified in respect of the above matter.

Emphasis of Matter (EOM)

We draw attention to Note 27 (b) (i) to the consolidated Ind AS financial statements regarding the dispute between two major shareholders of the Holding Company, Calcom Cement India Limited (CCIL). The matter, which is more fully described in the said note, was referred for arbitration by the National Company Law Tribunal ('NCLT'), Guwahati Bench (earlier Company Law Board, Kolkata) via order dated January 5, 2017 and the application filed under Section 8 of the Arbitration and Conciliation Act, 1996 was allowed. The order of the NCLT has been challenged by the Bawri Group before Hon'ble High Court of Guwahati in February, 2017. Interim Order Issued by Hon'ble High Court of Guwahati in the said appeal has been vacated by the Hon'ble Supreme Court in May 2017 and the appeals are pending adjudication before Hon'ble High Court at Guwahati. The issues between the parties are pending for adjudication before the Arbitral Tribunal. Pending final resolution of the matter, no adjustments have been made by the management in these consolidated Ind AS financial statements.

Our audit opinion is not qualified in respect of the above 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 Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the 'Material Uncertainty Related to Going Concern' paragraph we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures performed by us, including these procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Incentive receivable from government *(as described in note 42 of the consolidated Ind AS financial statements)*	
The subsidiary company has incentive receivable of Rs. 7.66 lakhs against various schemes of the state government. The subsidiary company have recognized such incentive receivable as per the various provisions of the schemes. The amount of such incentives are re-verified at the various levels by the government agencies and funds are released according to the availability of the overall funds for disposal with these agencies. Therefore, the above process require a period of time for which management uses assumptions in respect of discount rate and estimated time for receipt of funds from government as specified in note 26(d) of the consolidated Ind AS financial statement. The subsidiary company has accounted such incentives/subsidies receivables at fair value based on the expected period of realization using adjusted incremental borrowings rate. Such expected period has been estimated considering the past trend of the realization. Considering the nature and amount of receivables and estimating the expected time period of realization of receivables, which requires application of significant judgement to record them at fair value, we consider this as a significant key audit matter from the perspective of our audit.	Our audit procedures included the following: ● We assessed that the subsidy / incentives are recognized by the subsidiary company, and checked the compliance with the eligibility criteria. ● We have evaluated the process of estimation of time period of realisation by the management.· We have tested the documentation on a sample basis regarding the procedural delays in realizing the said incentives / subsidies. ● We have assessed the methodology applied by the subsidiary company to comply with the requirements of Ind AS-20 and Ind AS-39. ● We have evaluated the design and tested the operating effectiveness of controls around over the measurement of the said incentives / subsidies. ● We have tested arithmetical accuracy by performing recalculation procedure on fair value measurement of the said incentives / subsidies where applicable. ● We have assessed the adequacy of the disclosures included in Note 42 to the consolidated Ind AS financial statements.

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Parent 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 consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements 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 preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated Ind AS 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.

Those 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable 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 Ind-AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind-AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described under the Material Uncertainty related to Going Concern and Emphasis of Matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the respective directors of the Parent Company and its subsidiaries as on March 31, 2020 taken on record by the respective Board of Directors, none of the directors of the Group Companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Parent Company and its subsidiaries incorporated in India, refer to our separate report in “Annexure 1” to this report.

(h) The provisions of Section 197 read with schedule V of the Act are not applicable to the Parent Company and its subsidiaries for the year ended March 31, 2020.

(i) 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 consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, Refer Note 27 (a) to the consolidated Ind AS 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 Parent Company and its subsidiaries during the year ended March 31, 2020.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN : 20087921AAAABK2789

Place of Signature: Delhi
Date: June 10, 2020

ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VINAY CEMENT LIMTED

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

We have audited the internal financial controls over financial reporting of Vinay Cement Limited (hereinafter referred to as "the Parent Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which are companies incorporated in India, as of March 31, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent Company and its subsidiaries 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 Parent Company and its subsidiaries policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to these consolidated financial statements 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 Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Parent Company and its subsidiaries incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN : 20087921AAAABK2789

Place of Signature: Delhi
Date: June 10, 2020

Vinay Cement Limited and its Subsidiaries
Consolidated Ind AS balance sheet as at March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	Notes	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Assets			
Non-current assets			
Property, plant and equipment	**2(i)**	48.66	653.44
Right-of-use-asset	**2(ii)**	190.78	-
Investments	**3**	3,380.00	3,380.00
Financial assets			
Loans	**4(i)**	15.74	28.72
Other financial assets	**4(ii)**	54.89	60.52
Income tax assets		498.99	887.12
Other non-current assets	**5**	4.00	4.00
		4,193.06	**5,013.80**
Current assets			
Inventories	**6**	34.83	43.09
Financial assets			
Loans	**7(i)**	25.30	4.49
Trade receivables	**7(ii)**	0.00	349.04
Cash & cash equivalents	**7(iii)**	20.84	25.89
Bank balances other than 7(iii) above	**7(iv)**	6.09	8.92
Other financial assets	**7(v)**	91.80	487.31
Other current assets	**8**	26.50	196.68
		205.35	**1,115.42**
Total assets		**4,398.41**	**6,129.22**
Equity and liabilities			
Equity			
Equity share capital	**9**	1,889.99	1,889.99
Other equity	**10**	(28,899.68)	(24,038.46)
		(27,009.68)	**(22,148.47)**
Liabilities			
Non- current liabilities			
Financial liablities			
Borrowings	**11**	-	-
Provisions	**12**	153.12	111.32
Government grants	**13**	-	5.78
		153.12	**117.10**
Current liabilities			
Financial liablities			
Borrowings	**14(i)**	28,789.19	15,542.13
Trade payables	**14(ii)**		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		84.70	64.42
Other financial liabilities	**15**	1,638.41	11,615.36
Other current liabilities	**16**	511.50	714.47
Provisions	**17**	164.65	150.58
Government grants	**13**	-	7.11
Liabilities for current tax (net)		66.52	66.52
		31,254.97	**28,160.59**
Total equity and liabilities		**4,398.41**	**6,129.22**
Summary of significant accounting policies	**1**		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

Vinay Cement Limited and its Subsidiaries
Statement of profit and loss for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

Particulars	Notes	For the Year Ended March 31, 2020 (₹)	For the Year Ended March 31, 2019 (₹)
Income			
Revenue from operations	**18(i)**	912.93	1,342.18
Other income	**18(ii)**	295.81	139.99
Total Income (I)		**1,208.74**	**1,482.17**
Expenses			
Cost of raw materials consumed	**19**	500.76	274.67
Change in inventories of work in progress and finished goods	**20**	0.52	1.81
Power and fuel		75.41	98.81
Employee benefits expenses	**21**	246.79	229.59
Other expenses	**22**	150.86	94.47
Depreciation and amortization expense	**23**	407.77	359.72
Finance costs	**24**	4,711.69	4,227.06
Total expenses (II)		**6,093.80**	**5,286.13**
(Loss) before tax III (I-II)		**(4,885.05)**	**(3,803.96)**
Tax expense			
Adjustment of tax relating to earlier periods		(56.37)	-
Total tax expense (reversed) (IV)		**(56.37)**	**-**
(Loss) for the year		**(4,828.69)**	**(3,803.96)**
Other comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement (loss)/gains on defined benefit plans		(32.53)	0.70
Other comprehensive income for the year - (loss)/gain		**(32.53)**	**0.70**
Total comprehensive (Loss) for the year		**(4,861.21)**	**(3,803.26)**
(Loss) for the year		**(4,861.21)**	**(3,803.26)**
Earning per share			
Basic and diluted earning (loss) per share (In Rs.)	**25**	(25.55)	(20.13)
[Nominal value of share Rs.10 (Rs.10) each]			
Summary of significant accounting policies	**1**		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
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DIN : 06861407

Sudhir Singhvi
Chief Financial Officer

Rita Dedhwal
Company Secretary

Place: New Delhi
Date: June 10, 2020

Vinay Cement Limited and its Subsidiaries
Cash Flow Statement for the year ended on March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	Particulars	For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
A.	**Cash flow from operating activities**		
	(Loss) before tax	**(4,885.05)**	**(3,803.96)**
	Adjustments to reconcile (loss) before tax to net cash flows		
	Depreciation and amortisation expense	407.77	359.72
	Liabilities/Provisions no longer required written back	(0.14)	(97.91)
	Profit on sale of property,plant and equipment (net)	(8.64)	-
	Subsidy written off	-	43.86
	Impairment allowance on financial assets	7.84	0.71
	Provision for doubtful debts and advances	89.96	-
	Interest income	(287.03)	(36.81)
	Finance costs	4,711.69	4227.06
	Operating profit before working capital changes	**36.40**	**692.67**
	Movements in working capital:		
	(Increase)/Decrease in trade receivables	349.04	(38.43)
	Decrease in other current / non current assets and current/ non current financial assets	541.34	270.75
	Decrease in inventories	8.26	7.87
	Increase/(decrease) in trade payables, other current and fianancial liabilities	(176.42)	193.89
	Increase/(decrease) in provisions	8.05	(29.59)
	Cash flow from operations	**766.67**	**1,097.16**
	Income tax (paid)/refund (net)	444.49	(105.02)
	Net cash flows from operating activities (A)	**1,211.15**	**992.14**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(7.69)	(12.78)
	Sales of property, plant and equipment	9.68	-
	Realisation of/(Investment) in fixed deposits	10.08	(3.69)
	Interest received	204.12	44.34
	Net cash flows from investing activities (B)	**216.18**	**27.87**
C.	**Cash flows from financing activities**		
	Repayment of long term borrowings	(350.00)	(310.00)
	Proceeds from short term borrowing	43,474.48	0.00
	Repayment of short term borrowing	(30,227.42)	(139.30)
	Interest paid	(14,329.46)	(555.34)
	Net cash flows (used in) financing activities (C)	**(1,432.39)**	**(1,004.64)**
D.	**Increase/(Decrease) in cash and cash equivalents (A+B+C)**	**(5.06)**	**15.36**
	Cash and cash equivalents at the beginning of the year	25.89	10.53
	Cash and cash equivalents at the end of the year	**20.84**	**25.89**
E.	**Components of cash and cash equivalents**		
	Balances with scheduled banks		
	- On current accounts	20.84	25.89
	Total cash and cash equivalents (refer note	**20.84**	**25.89**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer
Place: New Delhi
Date: June 10, 2020

Rita Dedhwal
Company Secretary

Vinay Cement Limited and its Subsidiaries
Statement of changes in equity for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid up	No. of Shares	(₹)
As at March 31, 2018	18,899,870	1,889.99
Issue of share capital	-	-
As at March 31, 2020	18,899,870	1,889.99
Issue of share capital	-	-
As at March 31, 2020	18,899,870	1,889.99

b. Other Equity: (₹)

	Other Equity			
Particulars	**Securities Premium Reserve**	**Capital reserve**	**Retained Earnings**	**Total**
As at April 01, 2018	**2,224.97**	**2,500.94**	**(24,961.11)**	**(20,235.20)**
(Loss) for the year	-	-	(3,803.96)	(3,803.96)
Other comprehensive income- gain	-	-	0.70	0.70
Total comprehensive (loss)	**-**	**-**	**(3,803.26)**	**(3,803.26)**
As at March 31, 2019	**2,224.97**	**2,500.94**	**(28,764.37)**	**(24,038.46)**
(Loss) for the year	-	-	(4,828.69)	(4,828.69)
Other comprehensive income-loss	-	-	(32.53)	(32.53)
Created during year		-		-
Total comprehensive (loss)	**-**	**-**	**(4,861.21)**	**(4,861.21)**
As at March 31, 2020	**2,224.97**	**2,500.94**	**(33,625.58)**	**(28,899.68)**

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer

Rita Dedhwal
Company Secretary

Place: New Delhi
Date: June 10, 2020

Vinay Cement Limited and its Subsidiaries
Notes to Consolidated Financial Statements for the year ended March 31, 2020

Note 1: Significant Accounting Policies

A. Corporate Information

The consolidated Ind AS financial statements comprise financial statements of Vinay Cement Limited ("the Parent Company") and its subsidiaries (collectively, the Group) as at and for the year ended March 31, 2020. The Parent Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Parent Company is located at Jamuna Nagar, Umrangshu Dist.: North Cachar Hills.

The Group is principally engaged in the manufacturing and selling of cement and Crushed lime stone having its manufacturing facility at Umrangshu, Assam. Information on other related party relationships of the Group are provided in note 39

The consolidated Ind AS financial statements for the year ended March 31, 2020 were approved in accordance with a resolution passed in the meeting of the Board of Directors on June 10, 2020.

The consolidated Ind AS financial statements of the Group includes subsidiaries listed in the table below:

Information about subsidiaries

Name	Country of Incorporation	Principle Activities	% of Equity interest	
			As at March 31, 2020	As at March 31, 2019
RCL Cements Limited	India	Manufacturing and sale of cement	100%	100%
SCL Cements Limited	India	Manufacturing and sale of cement	100%	100%

The Holding Company

The Holding Company of Vinay Cement Limited is Calcom Cement (India) Limited and intermittent holding company is Dalmia Cement (Bharat) Limited which is incorporated in India and its debentures are listed in India. The ultimate holding Company is Dalmia Bharat Limited which is incorporated in India and its shares are listed in India.

B. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention and

At the date of transition to Ind AS, the Group has measured property, plant and equipment except vehicles, furniture and fixtures, office equipments and computers at fair value and used that as its deemed cost. In respect of vehicles, furniture and fixtures, office equipments and computers, the Group has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

The consolidated Ind AS financial statements are presented in Indian Rupees (Rs. Lakhs), except number of shares earning per share, earning/ (loss) per share or wherever otherwise indicated.

C. Basis of Consolidation

The consolidated Ind AS financial statements comprise the Ind AS financial statements of the Group and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Ind AS consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Ind AS consolidated financial statements to ensure conformity with the group's accounting policies.

The Ind AS financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31, 2020.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Ind AS financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

D. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with no adjustment.

E. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

F. Fair value measurement

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. 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

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.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS 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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property, plant and equipment. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The management and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Refer note no. 26)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 29(b))
- Financial instruments (including those carried at amortised cost) (Refer note 29(a) and 29(b))
- Financial instruments (including those carried at fair value and carrying value) (Refer note 29(a) and 29(b))

G. Revenue from contracts with customer

Revenue from contracts includes revenue from customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes .

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Sale of goods (including sale of scrap included under other operating revenue)

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods. Amounts disclosed as revenue are net of returns and allowances, trade discounts, cash discounts and volume rebates.

The Group collects Goods and Service Tax ('GST') on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

The Group considers the effects of variable consideration, non-cash incentives and consideration payable to the customer (if any). No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Where the sale of goods provide customers with discounts, volume rebates etc., such discounts, volume rebates etc. give rise to variable consideration.

Rebates are offset against amounts payable by the customer.

The Group follows the 'most expected value' method in estimating the amount of variable consideration. The Group estimates the variable consideration based on an analysis of accumulated historical experience

Non-cash incentives

The Group provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. The fair value of the non-cash incentive is deferred and recognised as revenue when the associated incentive is released.

Revenue from services

Revenues from management services are recognized at the point in time i.e. as and when services are rendered. The Group collects service tax/ Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue

Interest

For all debt instruments/ subsidies measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument/ subsidies or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Finance income" in the statement of profit and loss.

Insurance & Other claims

Insurance claims and other claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

Contract balances - Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

H. Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant related to income are deferred and it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate. The Group has chosen to present grants related to income to be deducted in reporting the related expense.

Government grant relating to the purchase of property, plant and equipment are included in liabilities as Government grant and are credited to the statement of profit and loss on a straight-line basis over the useful lives of the related assets. The Group has chosen to present grants related to property, plant and equipment to be deducted in reporting the depreciation and amortisation expense.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the respective entity with no future related costs are recognised in the statement of profit and loss of the period in which it becomes receivable. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Income from government grant in the nature of operations are included under 'Revenue from operations'.

Other government grants including Customs duty saved on property, plant and equipment imported under Export Promotion Capital Goods (EPCG) scheme are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the respective entity will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue on a systematic basis.

I. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit and loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit and loss‘
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

J. Property, plant and equipment

The Group has measured property, plant and equipment (PPE) except vehicles, furniture and fixtures, office equipments and computers at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixtures, office equipments, and computers, the Group has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at transition date.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of impairment loss, if any. Capital work in progress are stated at cost net of impairment loss if any. losses, if any. Cost comprises the purchase price, including import duties and non- refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use, Such cost includes the cost of replacing part of the plant and equipment and borrowing costs if the recognition criteria are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories

Capital work-in-progress (CWIP)
Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised till the period of commissioning has been completed and the asset is ready for its intended use.

Depreciation expense

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives as prescribed under Schedule II to the Companies Act, 2013. The useful lives considered by the Group to provide depreciation on its property, plant and equipment is 5 years which is different from useful lives as prescribed under Schedule II to the Companies Act, 2013 based on technical assessment done by the management.

The Group capitalises machinery spares if such spares are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

The Group applies accelerated depreciation on property, plant and equipment considering the useful life as 5 years which is different from useful lives as prescribed as under Schedule II to the Companies Act 2013, based on technical assessment made by expert and management estimates.

Land bearing mineral reserves are amortized over their estimated commercial life based on the unit of production method.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Mines developments -Refer Note 1(O).

K. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest (calculated using the effective interest rate method) and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

L. Leases

Policy applicable with effect from April 1, 2019
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

i. Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the lease term. Leasehold land is amortized on a straight-line basis over the period of lease.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (N) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii. Short-term leases, leases of low-value assets and its contingent rentals

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets 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 expense on a straight-line basis over the lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Contingent rentals were recognised as expenses in the periods in which they are incurred.

Policy relating to leases till March 31, 2019

Where the Group is lessee

A lease was s classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group was classified as a finance lease.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

A leased asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments were recognised as a expense in the statement of profit and loss on a straight line basis over the period of the lease term, unless the payment to lessor and structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

M. Inventories

All Inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials/fuel (including packing materials) and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis except fuel and spares where cost is determined on moving weighted average.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

N. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases their impairment calculation on fair value less cost of disposal. The fair value less cost to sell is computed using the composite rate method based on the demand, location, structural conditions, state of repairs and present condition of the assets reduced by depreciation.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

O. Provisions and contingent liabilities

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine reclamation liability

The Parent Company records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows, with a corresponding amount being capitalised at the start of each project. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are capitalised in property, plant and equipment and are depreciated over the estimated commercial life of the related asset based on the unit of production method.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

P. Retirement and other employee benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund is defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to this scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates one defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the 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 that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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Q. Earnings per Share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity share holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

R. Investment in Holding Company.

Investment in Holding Company are measured at cost in accordance with Ind AS 27. As per Ind AS 101, on date of transition, the Group elects to measure its investments at deemed cost which is equivalent to previous GAAP carrying amount at the date of transition.

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109.

S. Financial Instruments

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.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (G) Revenue from contracts with customer.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as debt instruments at amortised cost.

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of -cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)

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 (SPPI) on the principal amount outstanding.

This category is most relevant to the Group, 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 Other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

The Group has not designated any financial asset (debt instruments) at FVTOCI.

Financial assets designated at fair value through OCI (FVTOCI) (equity instruments)

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has not designated any financial asset (equity instruments) as at FVTOCI.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Financial Asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. The Group has designated investment in mutual funds (debt instruments)as at FVTPL.

Derecognition
A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are '180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables.

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.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of statement of profit and loss.

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.

T. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Vinay Cement Limited and its Subsidiaries
Notes to Consolidated Financial Statements for the year ended March 31, 2020

1.1 Changes in accounting policies and disclosures:
New and amended standards

The Group has applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective/ notified.

(A) **Ind AS 116 Leases**
Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

The Group also applied the available practical expedients wherein it:

· Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 1, 2019:

· Right-of -use assets of Rs. 200.32 lakhs were recognised and presented separately in the balance sheet on account of reclassification of Leasehold land recognised previously under finance leases under Property, plant and equipment (refer note- 2(ii)).

The adoption of Ind AS 116 did not have any impact on the profit and earnings per share of the current year

(B) Amendment to existing issued Ind AS
The MCA has also carried out amendments in the following accounting standards. These are:

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments
ii) Amendments to Ind AS 109, Financial instruments: Prepayment Features with Negative Compensation
iii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement
iv) Amendments to Ind AS 28, Investment in Associates and Joint Ventures: Long-term interests I n associates and joint ventures
v) Ind AS 103 Business Combinations
vi) Ind AS 111 Joint Arrangements
vii) Amendment to Ind AS 12, Income Taxes
viii) Amendment to Ind AS 23, Borrowing costs

The effect on adoption of above-mentioned amendments were insignificant on the financial statements of the Group.

Vinay Cement Limited

Notes to Financial Statements as at and for the year ended March, 31, 2020

All amounts are in ₹ lakhs except wherever stated otherwise

2. Tangible assets

i) Property, Plant and Equipment (in ₹)

	Land-Leasehold*	Mines Development**	Building	Plant and equipments	Furniture & fixtures	Vehicles	Office Equipments	Computers Development**	Total
Cost or valuation									
As at April 1, 2018	**213.07**	**-**	**342.84**	**1,562.69**	**13.55**	**28.41**	**24.25**	**16.13**	**2,200.94**
Additions during the year	11.55	32.74	-	-	-	-	-	-	**44.29**
Disposals during the year	-	-	-	-	-	-	-	(0.32)	(0.32)
As at March 31, 2019	**224.62**	**32.74**	**342.84**	**1,562.69**	**13.55**	**28.41**	**24.25**	**15.81**	**2,244.91**
Reclassified on account of adoption of IND AS 116*	(224.62)	-	-	-	-	-	-	-	**(224.62)**
Additions during the year	-	7.12	-	0.57	0.00	0.00	(0.00)	-	**7.70**
Deletions during the year	-	-	-	(6.36)	(0.15)	(0.31)	(0.40)	-	(7.22)
As at March 31, 2020	**-**	**39.86**	**342.84**	**1,556.90**	**13.41**	**28.10**	**23.85**	**15.82**	**2,020.77**
Accumulated Depreciation									
As at April 1, 2018	**17.93**	**-**	**210.53**	**969.75**	**4.85**	**10.75**	**18.10**	**14.77**	**1,246.68**
Charge for the year	6.37	6.58	67.66	253.88	0.96	4.09	5.07	0.49	345.13
Disposals during the year	-	-	-	-	-	-	-	(0.32)	(0.32)
As at March 31, 2019	**24.30**	**6.58**	**278.19**	**1,223.63**	**5.81**	**14.86**	**23.17**	**14.94**	**1,591.49**
Reclassified on account of adoption of IND AS 116*	(24.30)	-	-	-	-	-	-	-	(24.30)
Charge for the year (refer note 26 f)2		6.65	61.22	322.60	7.10	11.87	0.95	0.74	411.12
Disposals during the year	-	-	-	(5.64)	(0.15)	-	(0.40)	-	(6.19)
As at March 31, 2020	**-**	**13.23**	**339.41**	**1,540.58**	**12.77**	**26.73**	**23.72**	**15.68**	**1,972.11**
Net book value									
As at March 31, 2020	**-**	**26.63**	**3.43**	**16.31**	**0.64**	**1.37**	**0.13**	**0.14**	**48.66**
As at March 31, 2019	**200.32**	**26.16**	**64.65**	**339.06**	**7.74**	**13.55**	**1.08**	**0.87**	**653.44**

Notes :

*The net block of Leasehold land of Rs. 200.32 (Gross block – Rs. 224.62 and accumulated depreciation - Rs. 24.30) has been reclassified to "Right-of-Use" assets on account of adoption of Ind AS 116 "Leases" (refer note 1.1(A))

** refer note 12

All movable and immovable assets are subject to charge created against term loans on first pari passu charge basis (refer note 11)

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

2 (ii). Right-of-use assets

The Group has lease contract for Leasehold land. Lease term of Leasehold land is expiring on March 31, 2040. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold-land
Cost or Valuation	
As at April 1, 2019- (refer note-1.1(A))	**200.32**
Addition	-
Deletion	-
As at March 31, 2020	**200.32**
Accumulated depreciation	
As at April 1, 2019	
Charge for the year - (refer note -23)	9.54
As at March 31, 2020	**9.54**
Net carrying value as at March 31, 2020	**190.78**

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
3. Investments (carried at cost)				
Unquoted equity shares				
(Investment in holding Company)*				
50,000,000 (March 31 2019: 50,000,000) Shares of Rs.10/- each fully paid up in Calcom Cement India Limited		3,380.00		3,380.00
Total		**3,380.00**		**3,380.00**
Aggregate book value of unquoted investments		3,380.00		3,380.00

*Note:The fair value of investment is higher than the carrying value. However, the Group is carrying these at deemed cost on conservative basis.

4.Non current financial assets (Unsecured and considered good, unless otherwise stated)

(i). Loans (carried at amortised cost) ***				
Loan and advances to				
- Employees		13.73		7.50
Security deposits.*		2.01		21.22
		15.74		**28.72**
(ii) Other financial assets (carried at amortised cost)***				
Interest Receivable		7.22		5.60
Subsidy receivable				
Unsecured, considered doubtful	10.00		10.00	
Less Impairement allowance	(10.00)	-	(10.00)	-
Deposits with banks having remaining maturity of more than 12 months**		47.67		54.92
		54.89		**60.52**

*Incudes Rs.Nil (March 31, 2019: Rs. 2.00) from related party refer note no 39
** Includes Rs. 10.00 (Rs.10.00 as on March 31,2019), deposit receipts whereof are pledged with Banks against bank guarantee.
*** All other assets (including loans) are pledged against term loans on second pari passu charge basis.(refer note 11)

5. Other non-current assets (Unsecured and considered good, unless otherwise stated) *

Capital advances				
Considered doubtful	52.84		52.84	
Less :Provision for doubtful advances	(52.84)	-	(52.84)	-
Other advances				
Considered doubtful	45.22		45.22	
Less: Impairment allowance	(45.22)	-	(45.22)	-
Deposit and balances with Government Department and other authorities		4.00		4.00
		4.00		**4.00**

*All other assets are pledged against term loans on second pari passu charge basis.(refer note 11)

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

		As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
6. Inventories*			
(At lower of cost or net realizable value)			
Raw materials		4.13	15.22
Work-in-progress		2.33	2.17
Finished goods		-	0.68
Fuel		19.38	7.40
Stores and spares		8.99	17.62
Total		**34.83**	**43.09**

*Inventories are pledged against term loan on second pari passu charge basis.(refer note 11)

7. Current financial assets (Unsecured and Considered good)
(i) Loans (carried at amortised cost)*

		As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Loans and advances to:			
- Employees		10.29	4.49
Security deposit		15.01	-
Total		**25.30**	**4.49**

*All the other assets (Including loans) are pledged against term loan on second pari passu charge basis.(refer note 11)

(ii). Trade receivables (carried at amortised cost)**
Trade receivables**

		As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Receivables from related parties (refer note no. 39)-		-	349.04
Receivables from other		2,394.59	2,394.59
Total Trade receivables		**2,394.59**	**2,743.63**
Break-up for security details :			
Trade receivables (Unsecured)			
Unsecured, considered good		-	349.04
Unsecured, considered doubtful		2,394.59	2,394.59
Total		**2,394.59**	**2,743.63**
Less: Impairment allowance			
(Allowance for bad and doubtful receivables)		**(2,394.59)**	**(2,394.59)**
Trade Receivables	**Total**	**0.00**	**349.04**

**Trade receivables are non-interest bearing and are generally on terms of 0-21 days.
**No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any person.
All the receivables are pledged against term loans on second pari passu charge basis. (refer Note 11)

		As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
(iii). Cash and cash equivalents			
Balances with banks:			
- On current accounts		20.84	25.89
		20.84	**25.89**
(iv). Bank balances other than (iii) above			
- On deposit accounts with remaining maturity of less than 12 months*		6.09	8.92
		6.09	**8.92**

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)

*Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group and on interest at the respective short-term deposit rates ranging from 5.50% -7.30%.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Balances with banks:		
– On current accounts	20.84	25.89
	20.84	**25.89**

Changes in liabilities arising from financing activities

Particulars	1st April 2019	Cash Flows (net)	Other	31st March 2020
Current borrowings	15,542.13	13,247.06	-	28,789.19
Non current borrowings (including current maturities)	350.00	(350.00)	-	-
Total liabilities from financing activities	**15,892.13**	**12,897.06**	**-**	**28,789.19**

Particulars	1st April 2018	Cash Flows (net)	Other	31st March 2019
Current borrowings	15,681.43	(139.30)	-	15542.13
Non current borrowing (including current maturities)	660.00	(310.00)	-	350.00
Total liabilities from financing activities	**16,341.43**	**(449.30)**	**-**	**15892.13**

(v). Other financial assets (carried at amortised cost) *

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
(Unsecured and considered good, unless otherwise stated)				
Interest receivable		84.14		3.53
Subsidy receivable **				
Unsecured, considered good	7.66		483.78	
Unsecured, considered doubtful	7.84		-	
	15.50		483.78	
Less: Impairment Allowance	(7.84)	7.66	-	483.78
		91.80		**487.31**

*All the other assets are pledged on second pari passu charge basis.(refer note 11)

**During the previous year, there was short approval of capital subsidy amounting to Rs. 86.86 (Present value at inception: Rs29.81) by State Level Committee on May 31, 2018. The subsidiary company had reversed the total interest amortised and total recoupment done till May 31, 2018 on/from capital investment subsidy amounting to Rs. 57.05 and Rs. 21.72 respectively.

8. Other current assets (Unsecured and considered good, unless otherwise stated)*

		As at March 31, 2020 (₹)		As at March 31, 2019 (₹)
Advances **		13.89		11.66
Prepayments		1.08		4.49
Deposit and balances with government departments and other authorities				
Unsecured, considered good	11.53		180.53	
Unsecured, considered doubtful	89.96		-	
Total	101.49		180.53	
Less: Provsion for doubtful advance	(89.96)	11.53	-	180.53
		26.50		**196.68**

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)

*All the other assets are pledged against term loan on second pari passu charge basis.(refer note 11)
**Incudes Rs.0.25 (March 31, 2019: Rs. nil) from related party refer note no 39

9. Equity share Capital

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Authorised :		
30,000,000 (30,000,000) Equity Shares of Rs. 10/- each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued, subscribed and fully paid up :		
18,899,870 (18,899,870) Equity Shares of Rs. 10/- each	1,889.99	1,889.99
	1,889.99	**1,889.99**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As on March 31, 2020		As at March 31 2019	
	No. of Shares	**Rs.**	**No. of Shares**	**Rs.**
Equity shares of Rs. 10 each fully paid up				
At the beginning of the year	18,899,870	1,889.99	18,899,870	1,889.99
At the end of the year	**18,899,870**	**1,889.99**	**18,899,870**	**1,889.99**

b. Terms/ rights attached to Equity shares

The Parent company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

c. Equity shares held by holding Company

	As on March 31, 2020		As at March 31 2019	
	No. of Shares	**Rs.**	**No. of Shares**	**Rs.**
Equity shares of Rs. 10 each fully paid up Calcom Cement India Limited (Including its nominees)	18,373,461	1,837.35	18,373,461	1,837.35

d. Details of shareholders holding more than 5% shares in the company

	As on March 31, 2020		As at March 31 2019	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**
Equity shares of Rs. 10 each fully paid up Calcom Cement India Limited (Including its nominees)	18,373,461	97.21%	18,373,461	97.21%

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

10. Other equity

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Securities premium reserve	2,224.97	2,224.97
Closing balance	**2,224.97**	**2,224.97**
Capital reserve	2,500.94	2,500.94
Add: created during the year	-	-
Less: released during the year	-	-
Closing balance	**2,500.94**	**2,500.94**

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Surplus/deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(28,764.37)	(24,961.11)
Add: Amount transferred from debenture redemption reserve		
(Loss) for the year	(4,861.21)	(3,803.26)
Net surplus/deficit in the statement of profit and loss	**(33,625.58)**	**(28,764.37)**
Total other equity	**(28,899.68)**	**(24,038.46)**

11. Financial liabilities
Borrowings (at amortised cost)
Secured
Term Loans (secured):*

i. From Banks	Rate of Interest %	Maturity	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
From Other Party				
Dalmia Cement (Bharat) Ltd (Rs.225.00)#	Base rate plus 2%	March 2020	-	150.00
Dalmia Cement (Bharat) Ltd (Rs. 280.00)#	Base rate plus 1.75%	March 2020	-	200.00
			-	350.00
Less: Shown in current maturities of long term borrowings (Note 15(iii))			-	350.00
Total long term borrowings (A)			**-**	**-**

During the previous year, intermittent holding company namely Dalmia Cement (Bharat) Limited has taken over Loan from Axis Bank after entering into Novation agreement with Vinay Cement Limited and RCL Cement Limited along with Axis bank. The terms of Security and repayment remains the same for Vinay Cement Limited and RCL Cement Limited towards Dalmia Cement (Bharat) Limited as was the case with the respective Banks. The buyout amount of such loans is Rs. 505.00.

*** Terms of security and repayment of above loans bank wise as below:-**

Particulars	Terms of repayment and security
Axis Bank TL1 (225.00)	Existing Term loans (ETL) Repayable in 24 structured quarterly installments starting from June'2014 to March' 2020. Term loan was secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible asstes) of the Parent Company and subsidiary (SCL Cements Limited) , both present and future and a second charge on all other assets of the Parent Company and subsidiary company (SCL Cements Limited). Besides, the above loan is additionally secured by the corporate guarantee of subsidiary company(SCL Cements Limited) and personal guarantee of two of the erstwhile directors of the Company.
Axis Bank TL ((280.00)	Existing Term loans (ETL) Repayable in 24 structured quarterly installments starting from June'2014 to March' 2020. Term loans from banks are secured by the mortgage and first charge on the entire property, plant & equipment of the Parent Company both present and future and a second charge on all other assets of the Parent Company both present and future. Besides, the above loan is additionally secured by the personal guarantee of two of the erstwhile directors of the Parent Company.

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
12. Provisions		
Provision for mines reclamation liability*	89.87	78.14
Gratuity (refer note 28)	63.25	33.18
	153.12	**111.32**
Mines reclamation liability*		
At the beginning of the year	78.14	39.76
Created during the year*	(1.49)	32.74
Unwinding of discount on such liability (refer note 24)	13.22	5.64
At the end of the year	**89.87**	**78.14**

*In respect of mine possessed by the Parent Company, the Parent Company used to provide for restoration liability of mine based on extraction of lime stone (raw material). During the current year, the Parent Company has reassessed the amount of provision required to meet the restoration obligation at time of closure of lime stone mines based on present value of such obligation. This has resulted in additional accrual of Rs. 7.12 (Rs. 32.74) which has been debited to the cost of mines development (amortised based on the extraction of lime stones in future years)(Refer Note 2). This does not have material impact on the operating results of the group.

13.Government grant*		
Deferred capital investment subsidy(refer note below)	-	12.89
	-	**12.89**
Opening balance (A)	12.89	28.10
Recoupment during the year (i)	(12.89)	(7.11)
Reversal of recoupment on account of short approval of the subsidy claim* (ii)	-	21.72
Released to the Statement of profit and loss (refer note 24) (i+ii) **(B)**	(12.89)	14.61
Subtotal (A+B)	-	42.70
Less: Adjustment on account of short approval of the subsidy claim*	-	(29.81)
Closing balance	**-**	**12.89**
Current	**-**	**7.11**
Non current	**-**	**5.78**

*During the previous year, there was short approval of capital subsidy amounting to Rs. 86.86 (Present value at inception: Rs29.81) made by State Level Committee on May 31, 2018. The subsdiary company had reversed the total interest amortised and total recoupment done till May 31, 2018 on/from capital investment subsidy amounting to Rs. 57.05 and Rs. 21.72 respectively.

14.Financial liabilities#		
(i). Borrowings(at amortised cost)		
Unsecured		
From intermittent holding Company*	-	10,186.39
From holding Company*	28,789.19	5,355.74
Total borrowings	**28,789.19**	**15,542.13**

*Loans from intermittent holding Company and holding Company are repayable on demand and carry interest @ 15% -18% p.a. (refer note 39)

(ii) Trade payable (at amortised cost)		
Total outstanding dues of micro enterprises and small enterprises (refer note 32 for details of dues to micro and small enterprises)	-	-
Total outstanding dues of creditors other than micro and small enterprises	84.70	64.42
	84.70	**64.42**

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
15. Other financial liabilities (at amortised cost)#		
Current maturities of long term borrowings (refer note 11)	-	350.00
Interest accrued but not due on borrowings on borrowings from related parties (refer note 39)	1,412.96	7,684.10
Interest accrued and due on borrowings from related parties (refer note 39)	-	3,412.55
Security deposit received	2.39	2.39
Employee accrued liability	22.56	16.43
Interest payable on income tax	200.50	149.89
	1,638.41	**11,615.36**

#Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 30-60 day terms
For terms and conditions with related parties, refer to Note 39
For explanations on the Group's credit risk management processes, refer to Note 30.

16. Other current liabilities		
Advance from customers*	40.58	-
Other liabilities	-	-
- Statutory dues	389.44	701.52
- Others** (refer Note 41)	81.48	12.95
	511.50	**714.47**

* Advance from customer includes Rs. 40.58 (Nil) from related parties (refer note 39)
** inludes amount of Rs 68.53 (Nil) pertaining to excise remission (refer note 38)

17. Provisions		
Gratuity (refer note 28)	8.67	3.51
Leave encashment	6.84	5.96
EPCG obligations (refer note below)*	149.14	141.11
	164.65	**150.58**
***Provision for EPCG**		
At the beginning of the year	141.11	133.01
Arising during the year	8.03	8.10
At the end of the year	**149.14**	**141.11**

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
18(i). Revenue from operations		
A. Revenue from contracts with customers		
Sale of products to related party (refer note 39)		
Finished goods	1,046.44	1,002.03
Total sale of products	**1,046.44**	**1,002.03**
Other operating income		
Sale of stores & spares (refer note 39)*	-	6.23
Management service Income from related party (refer note 39)	237.72	228.12
Subsidy on Excise (refer note 38)	(371.23)	105.80
	912.93	**1,342.18**
* includes amount of Rs.Nil (2.61) to related party (refer note 39)		
18(ii). Other Income		
Liabilities/provisions no longer required written back	0.14	97.91
Miscellaneous receipts	-	5.27
Profit on sale of property,plant and equipment (net)	8.64	-
Interest on		
- Bank deposits	4.40	5.63
- Security deposits	1.31	26.57
- Income tax	280.64	4.61
Interest income from other financial assets at amortised cost	0.67	-
	295.81	**139.99**
19. Cost of raw materials consumed		
Raw materials consumed		
Inventories at the beginning of the year	15.22	12.22
Add: Purchases	489.67	277.67
	504.89	289.89
Inventories at the end of the year	4.13	15.22
Cost of raw materials consumed	**500.76**	**274.67**
20. Change in inventories of work in progress and finished goods		
Finished Goods		
- Closing stock	-	0.68
- Opening stock	0.68	0.68
	0.68	0.00
Work-in-progress		
- Closing stock	2.33	2.17
- Opening stock	2.17	3.98
	(0.16)	1.81
Decrease in inventories of work in progress and finished goods	**0.52**	**1.81**
21. Employee benefits expenses		
Salaries, wages and bonus	226.53	215.97
Contribution to provident and other funds	15.09	9.34
Gratuity expense (refer note 28)	4.26	2.36
Workmen and staff welfare expenses	0.92	1.92
	246.79	**229.59**

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	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
22. Other expenses		
Consumption of stores and spares parts	11.36	0.63
Freight and forwarding charges	-	0.47
Rates and taxes	5.73	12.79
Insurance	5.22	7.47
Telephone and communication	0.52	0.97
Legal and professional charges	12.46	10.42
Bank Charges	0.57	1.09
Director sitting fees (refer note 39)	2.35	2.88
Travelling and conveyance	0.97	3.61
Provision for doubtful debts and advances	89.96	0.71
Impairment allowance on financial assets	7.84	-
Payments to auditors (Refer details below)	4.00	4.00
Subsidy written off *	-	43.86
Miscellaneous expenses	9.89	5.57
	150.86	**94.47**

*after adjusting reversal of interest income from financial assets (at amortised cost) amounting to Rs. Nil (Rs.13.19)(refer note 7 (v))

Payments to auditors		
As auditor:		
Audit fee	4.00	4.00
	4.00	**4.00**
23. Depreciation and amortization expense		
Depreciation on property , plant and equipment	411.12	345.11
Depreciation on Right-of- use assets (refer note- 2(ii))	9.54	-
Add/(Less): Adjusted against recoupment from deferred capital investment subsidy (refer note 13)	(12.89)	14.61
	407.77	**359.72**
24. Finance cost		
Interest On		
- Term loans*	21.47	57.74
- Loans from related parties (refer note 39)	4,656.84	4,140.65
- Defined benefit obligation	2.67	5.19
- Income tax balances	17.49	10.00
- Others **	13.22	13.48
	4,711.69	**4,227.06**

* Includes Rs. 21.47 (16.23) from related parties (refer note 39)
** includes Unwinding of discount on Mines reclamation liability of Rs. 4.61 (Rs. 5.64) (refer note 12)

25. Earnings per share (‘EPS’)		
The following reflects the income/loss and share data used in the basic and diluted EPS computations:		
Net loss for calculation of basic and diluted EPS (Rs.)	**(4,828.69)**	**(3,803.96)**
Total number of equity shares outstanding at the end of the year	18,899,870	18,899,870
Weighted average number of equity shares in calculating basic and diluted EPS	18,899,870	18,899,870
Basic and Diluted EPS (Rs.)	**(25.55)**	**(20.13)**

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26. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Group's 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.

Judgements, estimates and assumptions

The judgements and 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 based its judgements, 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 Group. Such changes are reflected in the assumptions when they occur.

a. Taxes

The Group has deferred tax assets (unabsorbed depreciation and losses under income tax law) in excess of deferred tax liabilities. In the absence of reasonable certainty that sufficient future taxable income would be available against which such deferred tax assets can be realized, the Group has not recognized the net deferred tax.

b. Defined benefit plans (gratuity benefits)

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, expected rate of return on assets, 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on mortality rate from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.Further details about gratuity obligations are given in Note 28.

c. 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 DCF 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. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 29(a) and 29 (b) for further disclosures.

d. Subsidy receivable

The Group is entitled to various subsidies from Government in the form of government grant and recognises the amount receivable from government as 'subsidy receivable' when the Group is entitled to receive it, to match them with expenses incurred for which they are intended to compensate. The Group records subsidy receivable by discounting it to its present value except subsidy on Excise which is accounted at its original Gross value. The Group uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Group reviews its assumptions periodically, including at each financial year end.

Change in estimate

The Group estimates expected date of receipt of subsidy based on approval accorded from State Level Committee. Based on its past experience and inputs from business environment, the Management assessed that in event of clearance of approval from State Level Committee, the expected period of receipt of subsidy shall be 1.5 years for the subsidy accrued on or after April 1, 2016 and 2.5 years in case the subsidy was accrued on or before March 31, 2016 and in other cases, expected period of recovery will be 3.5 years from the date of accrual of subsidy in case subsidy is accrued before March 31, 2016 and 2.5 years for the subsidy accrued on or after April 1, 2016. The Group uses 11.90% discount rate for the subsidy accrued till March 31, 2015 and 11% for the subsidy accrued after March 31, 2015.

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e. Impairment of financial assets

The impairment provisions for financial assets disclosed in Note 4 & Note 7 are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f. Property, plant and equipment

The Group measures certain property, plant and equipment at fair value as deemed cost with changes in fair value being recognised in retained earnings as on transition date and use it as its deemed cost as at the date of transition. The Group engaged an independent valuation specialist to assess fair value at April 1, 2015 for certain property, plant and equipment which were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined on Schedule II rates as specified in note 1 (J). **Change in Estimate**During the current year, the residual value of property, plant and equipment is reviewed and re-assessed by the Group so that the revised residual value properly reflect the values which the Group expects to realise on completion of useful life of the respective asset.Consequent to above, (i) depreciation charge for the year ended March 31, 2020 is higher by Rs. 58.14.

Impairment of property , plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is its fair value less costs of disposal. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or unobservable market prices less incremental costs for disposing of the asset. 'Fair value less cost to sell' is computed using the adjusted composite rate method.

g. Provision for decommissioning

The Parent Company has recognised a provision for mine reclamation until the closure of mine. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines. The carrying amount of the provision as at March 31,2020 is Rs.89.87 (March 31, 2019:Rs.78.14). The Parent Company estimates that the costs would be incurred in approx. 2-41 years upon the closure of mines and calculates the provision using the DCF method based on the following assumptions:

- Inflation rate – 2.96%
- Discount rate – 6.76%
- Expected future cost of reclamation of mines – Rs.96.09
- Expected balance of reserves available in mines - 8.41 MMT (As at March 31 , 2019: 10.57 MMT)

If the estimated pre-tax discount rate and inflation rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been decreased by Rs. 2.66 and increased by Rs. 4.58 respectively.

27. Contingent liabilities / Litigations :

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Claims by suppliers and third parties, not acknowledged as debts	178.68	178.68
b)	Demand raised by following authorities in dispute/appeal:		
i)	Excise & Service Tax	-	294.33
ii)	Excise remission including interest under dispute	9.41	378.27
iii)	Entry Tax	60.52	146.53
c)	Corporate guarantees issued to lenders against term loans of the holding company	26,010.58	37,874.78
d)	Royalty Demands under dispute	-	190.40
e)	Penalty on EPCG obligation - DGFT Demand	10.00	-
	Total	**26,269.19**	**39,062.99**

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(b)(i) The Holding Company has two major sets of shareholders, one Dalmia Cement Bharat Limited (DCBL) holding 76% of the voting rights in the Company and Bawri Group (BG) holding 21% of the voting rights in the Holding Company. During the year 2015-16, the Holding Company, in view of the fact that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ Articles of Association (referred as Inter-se Agreement or 'ISA' hereinafter), sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) / NCLT under Sections 397 and 398 of the Companies Act, 1956 alleging oppression and mismanagement by the Holding Company. NCLT, Guwahati Branch, has concluded in response to an application filed under Section 8 of the Arbitration and Conciliation Act 1996 by Holding Company, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the said petition and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their disputes.

BG has challenged the order of NCLT Guwahati before the Hon'ble High Court, Guwahati and the same is pending for adjudication. The disputes between the parties are pending adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

(c) "There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group will evaluate its position and act, as clarity emerges".

28. Gratuity
The Group has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act 1972. Under the Act, employees who have completed five years of service are entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Group makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss.

Total amount recognised in balance sheet and the movement in the net defined obligation over the year are as follows:
(₹)

Particulars	Present Value of Obligation
April 1, 2019	**36.69**
Sub total (A)	**36.69**
Current service cost (Shown under Gratuity Expenses)	4.26
Interest cost (Shown under Finance Cost)	2.67
Total amount recognised in statement of profit & Loss (B)	**6.93**
Remeasurements	-
Actuarial changes arising from changes in demographic assumptions	0.95
Actuarial changes arising from changes in financial assumptions	5.45
Actuarial changes arising from changes in experience adjustments	26.13
Total amount recognised in other comprehensive income- Loss (C)	**32.53**
Benefits paid (D)	(4.23)
March 31, 20120 (A+B+C+D)	**71.92**
April 1, 2018	**65.72**
Acquisition Adjustment on account of transfer of employees	(34.23)
Sub total (A)	**31.49**
Current service cost (Shown under Gratuity Expenses)	2.36
Interest cost (Shown under Finance Cost)	5.19
Total amount recognised in statement of profit & Loss (B)	**7.55**
Remeasurements	-
Actuarial changes arising from changes in financial assumptions	1.92
Actuarial changes arising from changes in experience adjustments	(2.61)
Total amount recognised in other comprehensive income-(Gain)- (C)	**(0.69)**
Benefits paid (D)	(1.66)
March 31, 2019 (A+B+C+D)	**36.69**

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The principal assumptions used in determining gratuity and other defined benefits for the Group are shown below:

Particulars	Gratuity	
	At at March 31, 2020	At at March 31, 2019
	%	%
Discount rate	6.40	7.25
Future salary increases	6.00	6.00

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 is as shown below:

Gratuity

Particulars	As at March 31, 2020		As at March 31, 2019	
Defined Benefit Obligation (Base) (₹)	**71.92**		**36.69**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+1%)	77.24	67.16	39.92	33.86
% change compared to base due to sensitivity	*7.40%*	*-6.61%*	*-8.35%*	*-22.26%*
Salary Growth Rate (-/+1%)	67.10	77.21	33.80	39.93
% change compared to base due to sensitivity	*-6.69%*	*7.37%*	*-22.40%*	*-8.33%*
Attrition Rate (-/+1%)	71.45	72.26	36.61	36.76
% change compared to base due to sensitivity	*-0.64%*	*0.49%*	*-15.95%*	*-15.60%*
Mortality Rate (-/+1%)	71.90	71.91	36.68	36.70
% change compared to base due to sensitivity	*-0.02%*	*0.00%*	*-15.79%*	*-15.74%*

Demographic Assumption

Gratuity

Particulars	As at	
	March 31, 2019	March 31, 2018
Mortality Rate (% of IALM 2012-14 (2006-08))	100%	100%
Normal retirement age	58 Years	58 Years
Withdrawal rates based on age: (per annum)		
Up to 28 years	5% - 15%	0.10%
29-45 years	5% - 15%	0.30%
Above 45 years	5% - 15%	0.60%

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2012-14 (2006-08).

The following is the maturity profile of defined benefit obligation

The following is the maturity profile of defined benefit obligation	As at	
	March 31, 2020	March 31, 2019
Weighted Average Durations (Based on discounted cash flows)	**5 to 16 years**	**7 to 9 years**
Expected cash flows over the next (valued on undiscounted basis)	**Rs.**	**Rs.**
1 year	8.66	3.51
2 to 5 years	26.75	10.53
6 to 10 years	38.70	23.6
More than 10 years	47.41	37.89

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Risk Exposure
Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group will not be able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions

29a. Fair Values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars		Carrying Value (₹)		Fair Value (₹)	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets at amortized cost					
Subsidy Receivable	**7(v) & 4(ii)**	7.66	483.78	7.66	483.78
Security deposits.	**4(i) & 7(i)**	17.02	21.22	17.02	21.22
Loans including interest receivable	**4(i), 4(ii), 7(i) & 7(v)**	115.38	21.11	115.38	21.11
Total		**140.05**	**526.11**	**140.05**	**526.11**
Financial liabilities at amortized cost					
Borrowings					
Floating rate borrowings	**11 & 15**	-	350.00	-	350.00
Total		**-**	**350.00**	**-**	**350.00**

The Group assessed that cash and cash equivalents, trade receivables, bank deposits, trade payable, other current financial liabilities (except current maturities of non current borrowings) and short term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is 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:

Subsidy receivable
The fair values of subsidy receivable are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Borrowings
The fair values of the Group's interest-bearing borrowings are determined by using discount rate that reflects the Group's borrowing rate as at the end of the reporting year.

Security deposits, loans, and interest receivable
The fair value of security deposits, loans and interest receivable approximates the carrying value and hence the valuation technique

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and inputs have not been given.

29b. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020

(₹)

Particulars	**Date of valuation**	**Total**	**Fair value measurement using significant unobservable inputs (Level 3)**
Financial liabilities for which fair values are disclosed			
Borrowings			
Floating rate borrowings	March 31, 2020	-	-
Financial assets for which fair values are disclosed			
Subsidy Receivable	March 31, 2020	7.66	7.66
Security deposits.	March 31, 2020	17.02	17.02
Loans including interest receivable	March 31, 2020	115.38	115.38

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019

Particulars	**Date of valuation**	**Total**	**Fair value measurement using significant unobservable inputs (Level 3)**
Financial liabilities for which fair values are disclosed			
Borrowings :			
Floating rate borrowings	March 31, 2019	350.00	350.00
Financial assets for which fair values are disclosed			
Subsidy Receivable	March 31, 2019	483.78	483.78
Security deposits.	March 31, 2019	21.22	21.22
Loans including interest receivable	March 31, 2019	21.11	21.11

The fair value of above assets/liabilities approximates the carrying value and hence the valuation technique and inputs have not been given.

30. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and also ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that

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financial risks are identified measured and managed in accordance with the Group's policies and risk objectives.
The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019 .

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all nearly constant at March 31, 2020 and March 31, 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020 and March 31, 2019.

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to keep between 15% and 30% of its borrowings at fixed rates of interest.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

(₹)

Particulars	Increase/ decrease in basis points	Effect on profit/ (loss) before tax (₹.)
March 31, 2020		
INR	+50 bps	-
INR	-50 bps	-
March 31, 2019		
INR	+50 bps	2.60
INR	-50 bps	(2.60)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Credit risk

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

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of

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credit or other forms of credit insurance. An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.
The Group has provided for their trade receivables and holds adequate advances against the residual trade receivables in group companies . Hence, the Group is not exposed to any kind of credit risk arising from trade receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved banks/ mutual funds/ commercial paper and within limits assigned to each bank by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Group to manage liquidity is to ensure ,as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Group monitors its risk of a shortage of funds through fund management exercise at regular intervals.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹

As at March 31, 2020		On demand	0-12 months	1 to 5 year	> 5 years	Total
Borrowings						
Term loans from Bank		-	-	-	-	-
Short term borrowings						
Loans from related party		28,789.19	-	-	-	28,789.19
Other financial liabilities						
Interest accrued		1,412.96	-	-	-	1,412.96
Employee accrued liability		-	22.56	-	-	22.56
Security Deposits		2.39	-	-	2.39	
Interest payable on income tax		-	200.50	-	-	200.50
Trade and other payables*						
Trade payables			84.70	-	-	84.70

₹

As at March 31, 2020		On demand	0-12 months	1 to 5 year	> 5 years	Total
Borrowings						
Term loans from Banks		-	350.00	-	-	350.00
Short term borrowings		-	-	-	-	-
Loans from related party		15,542.13	-	-	-	15,542.13
Other financial liabilities						
Interest accrued		11,096.65	-	-	-	11,096.65
Employee accrued liability		-	16.43	-	-	16.43
Security Deposits			2.39	-	-	2.39
Interest payable on income tax		-	149.89	-	-	149.89
Trade and other payables*						
Trade payables		-	64.42	-	-	64.42

*Trade payables are non-interest bearing and are normally settled on 30-60-day terms, however as per terms of agreements with certain vendors, the credit period may extend beyond normal terms.

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31. Capital management

The Group is accountable to its sole shareholder, Calcom Cement India Limited. The performance as well as management of the Group is supported by the intermittent holding Company and Holding Company. The intermittent holding Company and Holding Company by itself or through sister subsidiary companies influxes capital to maintain or adjust the capital structure of the Group and reviews the fund management at regular intervals and takes necessary actions to maintain the requisite capital structure. In view of the regular losses, negative net worth and minimal operation in the Group , the capital gearing ratio is not meaningful.There are no major changes to the objectives policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Particulars	**31 Marrch, 2020** ₹	**March 31, 2019** ₹
Borrowings (including interest accrued)	30,202.15	26,988.79
Trade payables	84.70	64.42
Other payable	225.45	168.71
Total	**30,512.30**	**27,221.92**
Less: Cash and cash equivalents	20.84	25.89
Net debt	**30,491.46**	**27,196.03**
Equity share capital	1,889.99	1,889.99
Other equity	(28,899.68)	(24,038.46)
Total capital	**(27,009.68)**	**(24,038.47)**
Capital and net debt	**3,481.78**	**3,157.57**
Gearing ratio	NA	NA

32. Details of dues to Micro and Small Enterprises as per MSMED Act 2006

The Group has not received any memorandum from any party (as required to be filled by the suppliers with the notified authority under The Micro, Small and Medium Enterprises Act, 2006, as amended) claiming their status as Micro, Small and Medium Enterprises. Consequently the amount paid/payable to these parties during the year is NIL and no disclosures therefore are required to be made.

33. Segment Information

Crushed lime stone is the only identifiable operating segment of the Group. Further, the entire sales of the Group are affected in the domestic market hence there is only one reportable geographical segment i.e. India. Hence no other disclosures are required in terms of Ind AS-108 (‘Operating Segments’).

Revenue from major customers with percentage of total Revenue are as below:-

Name of The Customer	**For the year ended March 31, 2020**		**For the year ended March 31, 2019**	
	Revenue	**Revenue %**	**Revenue**	**Revenue %**
Calcom Cement India Limited	1284.16	100%	1232.76	92%

* Percentage has been calculated excluding the reversal amount pertaining to earlier years. (Refer note 38)

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34. The Group has taken loans and advances from two related companies. Loans and advances amount outstanding as at year end is given in below mentioned table as required u/s 186(4) of the Companies Act, 2013.

₹

Particulars	Year ended	Opening	Interest Converted	Loan/ Advances taken	Repayment	Closing
Loans and advances from related parties						
Calcom Cement India Ltd.	March 31, 2020	5,355.74	-	43,474.48	20,041.03	28,789.19
	March 31, 2019	5,495.04	-	-	139.30	5,355.74
Dalmia Cement (Bharat) Limited	March 31, 2020	10,186.39	-	-	10,186.39	-
	March 31, 2019	10,186.39				10,186.39
Dalmia Cement (Bharat) Limited - Term Loan*	March 31, 2020	350.00	-		350.00	-
	March 31, 2019	-	-	505.00	155.00	350.00

* Refer Note 11

35. The Group has incurred a loss of Rs. 4861.21 for the year ended March 31, 2020 (As at March 31, 2019 :Rs.3803.26) and its net current liability stands at Rs. 31049.60 as at March 31, 2020 (As at March 31, 2019 : Rs 27045.17) . The management is confident of improvement in the financial health of the Group based on its financial projections and continued support from its intermittent holding Company Dalmia Cement (Bharat) Limited and its Holding Company Calcom Cement India Limited. In view of this, the financial statement have been drawn based on going concern assumption.

36. The Group has accounted for the various subsidies as per the respective scheme/policy. The Group has complied with all the conditions attached to them and it is reasonably certain that the ultimate collection will be made.

37. The Parent Company has debited direct expenses relating to limestone mining to cost of raw material purchased amounting to Rs.489.67 for the year ended March 31, 2020 (Rs. 277.68 for the year ended March 31, 2019). These expenses if reclassified on 'nature of expense' basis as required by Schedule III will be as follows:

₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates and Taxes *#	461.67	251.04
Consumption of Stores and Spares	28.00	26.64
Total	**489.67**	**277.68**

* Royalty and Taxes for Rs. 115.16 PMT is charged on extraction of Limestone. # Includes amount of Rs. 190 and Rs. 21.14 pertaining to demand of 'Royalty on Limestone' and 'service tax' related to earlier years paid of earlier year.

38. The Government of India ('GOI') on December 24, 1997 announced industrial policy for development of industries in North East region with a promise to give 100% exemption on Excise Duty (paid in cash) by way of 'remission' for 10 years from the date of commencement of commercial production, and the same was continued in the second policy issued on April, 2007.In the year 2008, the GOI abruptly modified remission entitlement vide notifications dated March 27, 2008 and June 10, 2008 restricting the remission amount to value addition ('notified rate') . Department started refunding excise remission as per notified rate but not 100 % of excise duty paid from PLA.The Group approached Gauhati High Court for sanction of 100 % remission on principal of promissory estoppel along with other petitions and the same was allowed vide order dated November 20, 2014. Accordingly, the Group had accrued 100 % remission income in the books.Against the order of High Court, department filed a SLP(C) before the Hon'ble Supreme Court, for stay of the order of Gauhati High Court. The Supreme Court stayed order of high Court ('Interim Order') with a condition to refund 50% of the disputed amount on December 07, 2015. Finally, the Supreme Court pronounced decision on April 22, 2020 and held that amendment in notification is in continuance of earlier policy.Accordingly , the Group has written of Rs 302.70 Lakhs in books of accounts against the remission receivable from department and made provision of Rs. 68.53 Lakhs (refer note 16) being amount already refunded.

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39. Related Party Disclosures

a) Names of related parties and related party relationship

Related parties where control exists:	
Holding Company	Calcom Cement India Limited (Holding Company) Dalmia Cement (Bharat) Limited (Intermittent Holding Company) Dalmia Bharat Ltd (Ultimate Holding Company)
Related parties with whom transactions have taken place during the year:	
Key Management Personnel and their Relatives	Binod Kumar Bawri (Ex Chairman of the Holding Company) Ritesh Bawri (Relative of the Ex Chairman of the Holding Company) Pradip Bansal (Director) (till 18.09.2018) Dharmendra Tuteja (Director) Vaidyanathan Ramamurthy (Director) D G V G Krishna Swaroop (Director) Naveen Jain (Director) Vikram Dhokalia (Director) Rajesh kiyawat (Chief financial officer) (till 07.05.2019) Sudhir Singhvi (Chief financial officer)(w.e.f. 07.05.2019) Rita Dedhwal (KMP) (Company Secretary) Sunil Agarwal (KMP) (Manager) (w.e.f.-06.02.2020)* George Chako (KMP) (Manager) (till 06.02.2020)
Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Dalmia Refractories Limited Dalmia Bharat Group Foundation

*The appointment and terms and conditions of the such appointment including the remuneration of Manager are subject to the approval of shareholders in the upcoming Annual general meeting.

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated are in ₹ lakhs except wherever stated otherwise

(b) Related party transactions
Transactions carried out during the year with related parties referred in (a) above, in the ordinary course of business, are as follows-

Nature of Transaction	Holding Company		Key Management Personnel & theirrelatives		Enterprises over which Key Management Personnel and/or their relatives have significant influence	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products -(Revenue from operation)						
Calcom Cement India Limited	1,046.44	1,002.03	-	-	-	-
Sale of stores and spares (Other operating revenue)						
Calcom Cement India Limited	-	2.61	-	-	-	-
Reimbursement of expenses by the Company to						
Calcom Cement India Limited	415.45	383.00	-	-	-	-
Management service income (Other operating revenue)						
Calcom Cement India Limited	237.72	228.12	-	-	-	-
Reimbursement of expenses incurred by the Company on Behalf of						
Calcom Cement India Limited	2,108.27	1,954.26	-	-	-	-
Loans Taken						
Calcom Cement India Limited	43,474.48	-	-	-	-	-
Dalmia Cement (Bharat) Limited (current borrowings)	-	-	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)(refer note 10)	-	505.00				
Loan repaid by the Company						
Calcom Cement India Limited	20,041.03					
Dalmia Cement (Bharat) Limited (current borrowings)	10,186.39	139.30	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)	350.00	155.00	-	-	-	-
Security Deposit refund received	-					
Calcom Cement India Limited	2.00	-	-	-	-	-
Interest on borrowings (Finance Cost)						
Calcom Cement India Limited	3,845.38	2,034.10	-	-	-	-
Dalmia Cement (Bharat) Limited	811.46	2,106.55	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)	21.47	16.23				
Director’s Sitting Fees	-	-	-	-		
Vaidyanathan Ramamurthy	-	-	0.10	0.30	-	-
Pradip Bansal	-	-	-	0.30	-	-
Dharmendra Tuteja	-	-	0.55	0.60	-	-
Naveen Jain	-	-	0.80	0.68	-	-
Vikram Dhokalia	-	-	0.50	0.60	-	-
D G V G Krishna Swaroop	-	-	0.40	0.40	-	-

Vinay Cement Limited and its Subsidiaries
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Nature of Transaction	Holding Company		Key Management Personnel & theirrelatives		Enterprises over which Key Management Personnel and/or their relatives have significant influence	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Corporate guarantees given by the parent company and subsidiary company against term loan of holding company						
Calcom Cement India Limited	26,010.58	37,874.78	-	-	-	-
Advance from customers (Other Current Liabilities)						
Calcom Cement India Limited	40.58					
Advances (Other Current Assets)						
Dalmia Bharat Group Foundation	-		-	0.08	-	
Dalmia Cement (Bharat) Limited(NE)	0.17	-	-	-	-	-
Trade Receivable						
Calcom Cement India Limited	349.04	-	-	-	-	
Current Borrowing (unsecured)						
Calcom Cement India Limited	28,789.19	5,355.73	-	-	-	-
Dalmia Cement (Bharat) Limited	-	10,186.39	-	-	-	-
Term loans (secured) Borrowing						
Dalmia Cement (Bharat) Limited (refer note 12)	-	350.00				
Interest Accrued but not due (Other financial liabilities)						
Calcom Cement India Limited	1,412.96	7,680.07	-	-	-	-
Dalmia Cement (Bharat) Limited (Term Loan)	-	4.05	-	-	-	-
Interest Accrued and due (Other financial liabilities)						
Dalmia Cement (Bharat) Limited	-	3,412.55	-	-	-	-
Calcom Cement India Limited	-	-				
Security Deposit (Other financial assets)						
Calcom Cement India Limited	-	2.00	-	-	-	-
Personal Guarantee Received						
Binod Kumar Bawri	-	-	-	350.00	-	-
Ritesh Bawri	-	-	-	350.00	-	-

Terms and conditions:

1. Loans from Holding Company and intermittent holding Company

The Group has received loans from Holding Company and from intermittent holding Company which are unsecured and repayable on demand. These loans carry interest @ 15%-18% p.a.The loans have been utilised for meeting the working capital requirements.

2. Service Income:
All the direct expenses to be charged on cost to markup basis.

3. Sale/Purchase:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs by RTGS/NEFT.There have been no guarantees provided or received for any related party receivables or payables. Trade payables are non-interest bearing and are normally settled on 30-60 day term.Trade receivables are non-interest bearing and are normally settled on 0-21 day term.

4. Corporate Guarantee
The Parent company and one of its subsidiaries had given corporate guarantee to lenders in respect of loans of Holding Company.

5. **Personal Guarantee given by directors against term loans of the Group:**
The Term loans of the Parent Company and one of the subsidiary company are secured by the personal guarantee of two former directors of the group.

Vinay Cement Limited and its Subsidiaries
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. lakhs except wherever stated otherwise

40. Statutory Group Information

(₹)

Name of the entity in the Group	As at March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2020	
	Net Assets (Total assets minus total liabilities)		Share in profit & loss		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other comprehensive income/loss	Amount	As % of Consolidated total comprehensive income/loss	Amount
Company								
Vinay Cement Limited	64%	(17,210.18)	70%	(3,382.95)	92%	(29.86)	70%	(3,412.81)
Subsidiary Companies								
Indian								
RCL Cements Limited	-2%	410.94	9%	(439.67)	7%	(2.27)	9%	(441.94)
SCL Cements Limited	19%	(5,170.97)	21%	(1,006.06)	1%	(0.40)	21%	(1,006.46)
Less: Elimination		(5,039.47)		(0.00)		-		-
Total	**100%**	**(27,009.68)**	**100%**	**(4,828.69)**	**100%**	**(32.53)**	100%	**(4,861.22)**

(₹)

Name of the entity in the Group	As at March 31, 2019		For the year ended March 31, 2019		For the year ended March 31, 2019		For the year ended March 31, 2019	
	Net Assets (Total assets minus total liabilities)		Share in profit & loss		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other comprehensive income/loss	Amount	As % of Consolidated total comprehensive income/loss	Amount
Company								
Vinay Cement Limited	62%	(13,797.37)	51%	(2,471.57)	-1%	0.20	50.95%	(2,471.37)
Indian								
RCL Cements Limited	-4%	852.88	9%	(444.50)	-1%	0.43	9.15%	(444.07)
SCL Cements Limited	19%	(4,164.65)	18%	(887.90)	0%	0.07	18.30%	(887.83)
Less: Elimination		(5,039.33)						
Total	**100%**	**(22,148.47)**	**100%**	**(3,803.96)**	**100%**	**0.70**	**100%**	**(3,803.26)**

Vinay Cement Limited and its Subsidiaries
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41. The Group's operations of the Group were impacted in the month of March 2020, due to temporary shutdown of plant following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus. The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory, income tax assets and other assets. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business. From April 29 , 2020, operations of plants have resumed in a phased manner taking into account directives from the Government.

42. The subsdidiary company has incentive receivables of Rs.7.66 against various schemes of the state/central government. These include subsidies namely Insurance subsidy and Power subsidy of Rs. 7.66 which is pending to be realised on fund allocation by DIPP and processing of the claim by respective department. The management is confident to get the refund of the same in due course of time.

43. Previous year's figures are given in brackets. Previous year's figures have been regrouped/ re-classified wherever necessary to confirm with current year's classifications.

For S.R. Batliboi & Co. LLP
Firm Registration No.- 301003E / E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: June 10, 2020

For and on behalf of the Board of Directors of
Vinay Cement Limited

Dharmender Tuteja
Director
DIN : 02684569

Krishna Swaroop
Director
DIN : 06861407

Sudhir Singhvi
Chief Financial Officer

Rita Dedhwal
Company Secretary

Place: New Delhi
Date: June 10, 2020