

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Desai Cement Company Private Limited,  
Survey No.184, Maina Navelim, Bicholim,  
North Goa, GA-403505, India

### Report on the Standalone Ind AS Financial Statements

#### Opinion

I have audited the accompanying standalone Ind AS financial statements of Desai Cement Company Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2023, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

I conducted my audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of my report. I am independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical and independence requirements that are relevant to my audit of the standalone financial statements under the provisions of the Act and the rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

#### Emphasis of Matter:

1. The company's net worth is negative and the company has also taken unsecured loans from its holding company. As per the management, the



company is still a going concern entity because it is in process of identifying new plans to improve the performance of the company. In spite of this, there is no uncertainty on the company's ability to continue as a going concern. The company has prepared its financial statements on a going concern basis.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

### **Management's responsibility for the standalone financial statements**

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to express an opinion on these standalone financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Companies Act, 2013, I am also responsible for expressing my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, I report that:
  - 1) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - 2) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books and proper returns adequate for the purposes of my audit have been received from the branches not visited by us.
  - 3) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - 4) In my opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - 5) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none

of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- 6) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".
- 7) 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, in my opinion and to the best of my information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position;
  - b. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(iii) Based on audit procedures which I considered reasonable and appropriate in the circumstances, nothing has come to my

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- notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- f. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Sarang Rajhans & Co.  
Chartered Accountants  
FRN: 129510W

  
170423



(CA Sarang Rajhans)  
Proprietor  
M. No.: 103488  
UDIN: 23103488BGTUSN2912

Place: Panaji, Goa  
Date: 17/04/2023

**Annexure A" to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Ind financial statements for the year ended 31 March 2023,

I report that:

**1) Property, Plant and Equipment:**

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items, which in my opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
- c) The title deeds of immovable properties are held in the name of the company.
- d) Though the Property, Plant and Equipment (including Right of use of assets) are got valued from an independent professional valuer firm, the assets of the company are not stated at revalued price in the financial statements. The valuation is done just for making the requisite disclosure under Ind AS. Therefore, clause no.3 (1)(d) of the Order is not reportable.
- e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. There is no benami property in the name of the company.

**2) Inventories**

- a) The management has conducted the physical verification of inventory twice during the third quarter of the financial year and once during the month of March 2023.
- b) There is no instance of working capital finance during the year. Thus, this clause is not reportable.



**3) Loans to Parties covered u/s 189 of Co. Act, 2013.**

The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (A) and (B) of the Order are not applicable to the Company and hence not commented upon.

**4) Loans & Investments covered u/s 185 & 186 of Co. Act, 2013**

In my opinion and according to the information and explanations given to me, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

**5) Deposits from Public**

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**6) Cost Audit**

As informed to me, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

**7) Statutory Dues**

According to information and explanations given to me and on the basis of my examination of the books of account, and records, the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Sales tax, Duty of Customs, Goods and Services Tax, Cess and any other statutory dues with the appropriate authorities.

**8)** There were no such transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

**9) Default in Repayment of Loans**

In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of dues to banks. The



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Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

**10) Amount Raised by way of IPO / FPO**

The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans. Hence, reporting under clause 3 (x)(a) of the Order is not applicable.

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

**11) Fraud by/on Company**

Based upon the audit procedures performed and the information and explanations given by the management, I report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

**12) Nidhi Company**

In my opinion, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

**13) Related Party Transactions**

In my opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

**14) Internal Audit System:**

- a. In my opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. I have considered, the internal audit report for the period under audit, in determining the nature, timing and extent of my audit procedures.

**15) Non-cash transactions with directors or persons connected with him**

In my opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



**16) Registration under section 45 IA**

- a. In my opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvii)(a), (b) and (c) of the Order is not applicable.
- b. In my opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

**17)**the company has incurred cash losses in the financial year and in the immediately preceding financial year. Amount of Cash losses is as under:

Financial Year	Amount of Loss (Rs.)
F.Y.2022-23	3.55 Crores
F.Y.2021-22	2.31 Crores

**18)**There has been no resignation from the statutory auditors of the Company during the year.

**19)**On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and my knowledge of the Board of Directors and Management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**20)**During F.Y.2022-23, the provisions of section 135 of the Companies Act, 2013 were not applicable to the company and hence reporting on this clause is not applicable.

**21)**Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the



**Sarang Rajhans & Co.**  
Chartered Accountants

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CARO report containing the qualifications or adverse remarks: Company does not have any subsidiary company and hence reporting on clause (xxi) of the Order is not applicable.

Sarang Rajhans & Co.  
Chartered Accountants

FRN: 129510 W

*Sarang Rajhans*  
17/04/23

(CA Sarang Rajhans)

Proprietor

M. No.: 103488

UDIN: 23103488BGTUSN2912



Place: Panaji, Goa

Date: 17/04/2023

**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Desai Cement Company Private Limited.**

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

I have audited the internal financial controls over financial reporting of **Desai Cement Company Private Limited** ("the Company") as of March 31, 2023 in conjunction with my 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 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.

**Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I have conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I have comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over the Financial Reporting**

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

### **Opinion**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively and has scope to strengthen the same as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of



**Sarang Rajhans & Co.**  
**Chartered Accountants**

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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.

Sarang Rajhans & Co.  
Chartered Accountants  
FRN: 129510W

*Sarang Rajhans*  
17/04/23

(CA Sarang Rajhans)  
Proprietor

M. No.: 103488

UDIN: 23103488BGTUSN2912



Place: Panaji, Goa

Date: 17/04/2023

(INR Crores)

Notes	As at March 31, 2023	As at March 31, 2022	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2.73	2.96
Capital work in progress	5	5.59	1.42
<b>Financial assets</b>			
Others	6	0.16	0.15
Deferred tax assets (net)	7	1.25	1.25
Income tax assets (net)			-
Other non-current assets			-
		<b>9.73</b>	<b>5.78</b>
<b>Current Assets</b>			
Inventories	8	1.07	0.90
<b>Financial assets</b>			
Trade receivables	9	0.89	0.85
Cash and cash equivalents	10	1.19	1.44
Others	11	0.02	0.05
Other current assets	12	2.25	0.39
		<b>5.42</b>	<b>3.63</b>
		<b>15.15</b>	<b>9.41</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1.85	1.85
<b>Other equity</b>			
Retained Earnings		(12.06)	(8.19)
Other Reserves			-
<b>Total Equity</b>		<b>(10.21)</b>	<b>(6.34)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
		-	-
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	10.00	10.00
Lease Liability	17A	0.02	0.02
<b>Trade payables</b>			
Total outstanding dues of Micro and Small enterprises		0.36	-
Total outstanding dues of creditors other than Micro and Small enterprises	16	12.45	3.53
Others financial liabilities	17	1.89	1.80
Other current liabilities	18	0.64	0.40
		<b>25.36</b>	<b>15.75</b>
		<b>15.15</b>	<b>9.41</b>
<b>Total Equity &amp; Liabilities</b>			
Summary of Significant Accounting Policies	3		(0.00)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of Desai Cement Company Private Limited

For Sarang Rajhans & Co  
Chartered Accountants  
ICAI Firm Registration No. 129510W

Navnath Laxman Vhatte  
Director  
DIN 09048441

Navin Kumar Jaju  
Director  
DIN 00669654

(CA Sarang Rajhans)

Proprietor

Membership No. 103488

Place: Panaji-Goa

Date: 17/04/2023



Place: Panaji-Goa

Date: 17/04/2023



Desai Cement Company Private Limited  
Statement of Profit and Loss for the Year ended March 31, 2023

(INR Crores)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	19	6.74	3.24
Other income	20	0.01	0.04
<b>Total Income</b>		<b>6.75</b>	<b>3.28</b>
<b>Expenses</b>			
(Increase) / Decrease in Inventories	21	0.18	(0.30)
Employee Benefits Expenses	22	1.68	0.41
Finance costs	23	0.82	0.36
Depreciation and Amortization Expenses	24	0.31	0.30
Other Expenses	25	7.63	5.11
<b>Total Expenses</b>		<b>10.62</b>	<b>5.88</b>
<b>Profit/(loss) before Exceptional Items and Tax</b>		<b>(3.87)</b>	<b>(2.60)</b>
Exceptional Items - Gain/(loss)		-	-
<b>Profit/(loss) before Tax</b>		<b>(3.87)</b>	<b>(2.60)</b>
<b>Tax expense</b>			
Current Tax		-	-
Deferred Tax	7	-	(1.62)
<b>Net Tax (benefit)/expense</b>		<b>-</b>	<b>(1.62)</b>
<b>Profit/(Loss) for the year (A)</b>		<b>(3.87)</b>	<b>(0.98)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement losses on defined benefit plans		-	-
Income tax effect		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax (A+B)</b>		<b>(3.87)</b>	<b>(0.98)</b>
<b>Earnings/(Loss) per equity share of Rs. 10 each</b>			
Basic & Diluted (in Rs.)	26	(20.89)	(5.29)
Summary of Significant Accounting Policies	3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors of Desai Cement Company Private Limited

For Sarang Rajhans & Co  
Chartered Accountants

ICAI Firm Registration No. 129510W

*Sarang Rajhans*  
170423

(CA Sarang Rajhans)

Proprietor  
Membership No. 103488  
Place: Panaji-Goa  
Date: 17/04/2023



*Navnath Laxman Vhatte*  
Navnath Laxman Vhatte  
Director  
DIN 09048441

Place: Panaji-Goa  
Date: 17/04/2023

*Navin Kumar Jaju*

Navin Kumar Jaju  
Director  
DIN 00669654





Desai Cement Company Private Limited  
Statement of Changes in Equity for the Year ended March 31, 2023

(INR Crores)

a. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

As at March 31, 2023

Numbers of shares	Amount
18,52,646	18.53

b. Other Equity

For the Year ended March 31, 2023

Particulars	Retained earnings	Other Reserves		Other Comprehensive Income	Total Other Equity
		Capital Reserve	General reserve		
Balance as at March 31, 2021	(5.64)	-	-	-	(5.64)
Loss for the Year	(0.98)	-	-	-	(0.98)
Other Comprehensive Income	-	-	-	-	-
Recognition of obligation as per Severance Pay Agreement	(1.54)	-	-	-	(1.54)
Write off of assets through Reserves	(0.03)	-	-	-	(0.03)
Balance as at March 31, 2022	(8.19)	-	-	-	(8.19)
Loss for the Year	(3.87)	-	-	-	(3.87)
Other Comprehensive Income	-	-	-	-	-
Recognition of obligation as per Severance Pay Agreement	-	-	-	-	-
Write off of assets through Reserves	-	-	-	-	-
Balance as at March 31, 2023	(12.06)	-	-	-	(12.06)

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of Desai Cement Company Private Limited

For Sarang Rajhans & Co  
Chartered Accountants

ICAI Firm Registration No.129510W

(CA Sarang Rajhans)  
Proprietor  
Membership No. 103488  
Place: Panaji-Goa  
Date: 17/04/2023



Navnath Laxman Vhatte

Director

DIN 09048441

Navin Kumar Jaju

Director

DIN 00669654

Place: Panaji-Goa  
Date: 17/04/2023



Desai Cement Company Private Limited  
Statement of Cash Flows for the Year ended March 31, 2023

(INR Crores)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	(3.87)	(2.60)
<b>Adjustments to reconcile profit to net cash provided by operating activities:</b>		
Depreciation and amortization	0.31	0.30
Deferred Tax Liability debited	-	(1.62)
Sundry balances/excess provision written back	-	0.04
Finance costs	0.82	0.36
<b>Changes in assets and liabilities:</b>		
(Decrease) in trade and other receivables	(0.04)	0.85
Increase in inventories	(0.17)	(0.74)
Increase/ (Decrease) in other current and non-current assets	(1.83)	(1.70)
Increase/ (Decrease) in trade and other payable	9.28	0.63
(Decrease) in other current and non-current liabilities and provisions	0.59	(4.37)
<b>Cash generation from operation</b>	<b>5.09</b>	<b>(8.85)</b>
Income tax paid /(refund) received during the year	-	-
<b>Net cash generated from operating activities</b>	<b>5.09</b>	<b>(8.85)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(4.25)	-
Fixed Deposit with banks (original maturity of more than 3 months) (net)	(0.01)	0.07
<b>Net cash used in investing activities</b>	<b>(4.26)</b>	<b>0.07</b>
<b>Cash flows from financing activities</b>		
Finance costs	(1.08)	(0.10)
Proceeds from/(repayment of) long term borrowing, net	-	10.00
<b>Net cash used in from financing activities</b>	<b>(1.08)</b>	<b>9.90</b>
Net increase in cash and cash equivalents	(0.25)	1.12
Cash and cash equivalents at the beginning of the year	1.44	0.32
<b>Cash and cash equivalents at the end of the Year (Note 11)</b>	<b>1.19</b>	<b>1.44</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Desai Cement Company Private Limited

For Sarang Rajhans & Co  
Chartered Accountants

ICAI Firm Registration No. 129510W

*Sarang Rajhans*  
17/04/23

(CA Sarang Rajhans)  
Proprietor

Membership No. 103488  
Place: Panaji-Goa  
Date: 17/04/2023



*Navnath Laxman Vhatte*  
Navnath Laxman Vhatte

Director

DIN 09048441

Place: Panaji-Goa  
Date: 17/04/2023

*Navin Kumar Jaju*  
Navin Kumar Jaju

Director

DIN 00669654



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

**1. COMPANY OVERVIEW**

Desai Cement Company ("the Company") is a private company domiciled in India and has its registered office at Survey No. 184, Maina, Navelim, Bicholim, North Goa- 403 505. The Company is engaged in the business of manufacturing cement. The Company's operations are all situated in Goa.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

The financial statements were approved for issue by the Board of Directors on 17th April, 2023

**b) Basis of measurement**

The financial statements has been prepared on a going concern basis. Basis the projections prepared by the Company, the management believes that the net current liabilities will be bridged through operations during the year.

The Company is therefore being viewed as a going concern and financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial instruments and defined benefit plans which have been measured at fair value as required by relevant Ind AS.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**a) Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

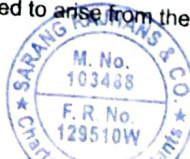
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**b) Revenue Recognition**

Company has revenue recognition practices, wherein transfer of control happens at the same point as transfer of risk and rewards. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

**c) Property, Plant and Equipment**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including any expected cost of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit or loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improve the economic benefits expected to arise from the asset.



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ other expenses in profit or loss.

**d) Capital work in progress**

Assets in the course of construction are capitalized 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 associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

**e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised over their estimated useful life. Software is amortised using the straight-line method over the estimated useful life of software license. Amounts paid for securing mining rights are amortised over the period of the mining lease. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for as a change in accounting estimate.

**f) Depreciation and Amortisation**

Freehold land are not depreciated.

**Other Property, Plant & Equipments**

Other buildings, plant and equipment, office equipment and fixtures, and motor vehicles are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Buildings	- 30 - 60 years
Plant & Equipment	- 3-25 years
Furniture & Fixtures	- 10 years
Vehicles	- 8 years
Office Equipment	- 3-5 years

**Intangible Assets**

Amortisation is provided using the following useful life -

Software - 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and changes in estimates, if any, are accounted for prospectively.

**g) 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 include cash and cash equivalents, trade receivables, employee advances, investments in equity and debt securities;

- financial liabilities include long-term and short-term loans and borrowings and trade payables.

**Financial Assets - Recognition**

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

For purposes of subsequent measurement, financial assets are classified as:



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

**i) Financial assets at amortised cost:**

A financial asset is classified as "financial asset at amortised cost" (amortised cost) under IND AS 109 Financial Instruments if it meets both the following criteria:

- (1) The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows, and
- (2) The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified date (the 'SPPI' contractual cash flow characteristics test).

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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI):**

All equity investment in scope of IND AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 Business Combinations applies are classified as fair value through profit or loss. For all other equity instruments, the Company may make irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-to-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument through fair value through other comprehensive income (FVTOCI), then all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to statement of profit and loss, even on sale of the instrument.

**Financial Assets - Derecognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**Financial liabilities – Recognition & Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. 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 measurement of financial liabilities depends on their classification, as described below:

**i) Financial liabilities measured at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

**ii) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

**Financial liabilities - Derecognition**

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**h) Impairment of Non-financial assets**

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

Impairment tests are carried out annually for all assets when there is an indication of impairment. The company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**i) Government Grant**

Government grants are not recognised until there is a reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Government grants relating to tangible fixed assets are treated as deferred income and released to the statements of profit or loss over the expected useful lives of the assets concerned. Other grants are credited to the statements of profit or loss as and when the related expenditure is incurred.

**j) Inventories**

Inventories (other than immaterial by-products and scrap) including work-in-progress are stated at the lower of cost (on weighted average basis) and net realisable value, less any provision for obsolescence. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods include apportionment of fixed and variable overheads.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

**k) Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in OCI.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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 profit or loss is recognised outside profit or 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.



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

**Deferred tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognized to the extent 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 utilized.

The carrying amount of deferred income 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 income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

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

**1) Retirement benefit schemes**

**Defined benefit plan**

In accordance with applicable laws in India, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on departure at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method. The gratuity scheme is funded with Insurance Company.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

**Defined contribution plan**

The Company makes contributions to the family pension and superannuation fund scheme, a defined contribution benefit scheme. These contributions are deposited with Government administered fund and recognised as an expense in the period in which the related service is performed. There is no further obligation on the Company on this defined contribution plan.

**Compensated Absences**

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. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

**m) Provision for liabilities and charges, Contingent liabilities and contingent assets**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statements of profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

The Company has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**n) Foreign currency**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

**o) Functional and presentation currency**

Management has determined the currency of the primary economic environment in which the entity resides in and operates as the functional currency. The functional currency of the Company is Indian Rupees (INR). The financial statements have been presented in INR, as it best represents the operating business performance and underlying transactions.

**p) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the Company using the weighted-average number of equity shares considered for deriving basic earnings per share and weighted average number of dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive. Dilutive potential shares are deemed converted at the beginning of the period, unless issued at later date.

**q) Segment Reporting**

The Company primarily operates in the business segment of Sale of Cements. As per the management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other reportable segments as required to be reported under Ind AS 108 – Operating Segments.

**r) 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 Company's cash management.





**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

**s) Use of Estimates and Judgments**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the Year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes.

**t) Leases**

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, 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 when 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 remeasurement 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. The right-of-use assets are also subject to impairment.

**(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 (and, in some instances, 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 generally 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 remeasured 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.

The Company's lease liabilities are included in Other Financial Liabilities.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



Desal Cement Company Private Limited  
Notes to Financial Statement for the year ended March 31, 2023  
(All amounts are in INR Crores, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Land- Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	ROU Asset	CWIP	Total
<b>As at April 1, 2020</b>	0.53	5.87	8.27	0.02	0.03	0.06	-	-	14.78
Additions	-	-	-	-	-	-	-	-	-
Disposals	(0.10)	(1.12)	(3.47)	-	-	-	-	-	(4.69)
<b>As at April 1, 2021</b>	0.43	4.75	4.80	0.02	0.03	0.06	0.02	-	10.11
Additions	-	0.20	-	-	-	-	-	-	0.20
Disposals	-	-	-	-	-	-	-	-	-
<b>As at November 16, 2021</b>	0.43	4.95	4.80	0.02	0.03	0.06	0.02	-	10.30
Additions	-	-	-	-	-	-	-	1.42	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	0.43	4.95	4.80	0.02	0.03	0.06	0.02	1.42	10.30
Additions	-	-	0.08	-	-	-	-	4.17	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	0.43	4.95	4.88	0.02	0.03	0.06	0.02	5.59	10.38
<b>Depreciation</b>									
<b>As at April 1, 2021</b>	-	2.73	4.25	0.01	0.01	0.04	-	-	7.04
Charge for the year	-	0.10	0.19	0.00	0.00	0.01	0.00	-	0.29
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at November 16, 2021</b>	-	2.83	4.44	0.01	0.01	0.05	0.00	-	7.34
Charge for the year	-	0.06	(0.03)	(0.00)	0.00	(0.03)	0.00	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	2.89	4.41	0.01	0.01	0.02	-	-	7.34
Charge for the year	-	0.16	0.13	0.00	0.00	0.02	0.00	-	0.31
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	-	3.05	4.54	0.01	0.01	0.04	0.00	-	7.65

Net Book Value  
As at March 31, 2021 0.43  
As at March 31, 2022 0.43  
As at March 31, 2023 0.43



**Desal Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**  
*(All amounts are in INR Crores, unless otherwise stated)*

**5. CWIP Ageing Schedule**

CWIP	As at 31 March 2023		
	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	4.17	-	4.17
1-2 years	1.42	-	1.42
<b>Total</b>	<b>5.59</b>	<b>-</b>	<b>5.59</b>

**6 INVESTMENTS**

**March 31, 2023    March 31, 2022**

**(i) Investments at Fair Value through OCI (fully paid)**  
**Unquoted Equity Shares**

In Others	-	-
<b>Total FVTOCI Investments</b>	<b>-</b>	<b>-</b>
Current	-	-
Non-Current	-	-

**(ii) Others**

**March 31, 2023    March 31, 2022**

<b>Considered Good</b>		
Bank Deposits	0.16	0.15
<b>Total Others</b>	<b>0.16</b>	<b>0.15</b>
Current	-	-
Non-Current	0.16	0.15
<b>Total Financial Assets</b>	<b>0.16</b>	<b>0.15</b>

**7 Deferred tax Assets(net)**

The major components of income tax expense for the Period ended 31 March 2023 and 31 March 2022 are:

**Statement of profit and loss:**

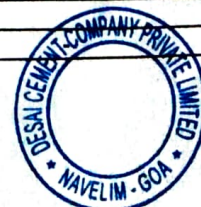
**Profit or loss section:**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Current income tax</b>		
Current income tax charge	-	-
<b>Deferred tax:</b>		
Deferred Tax	-	(1.62)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>-</b>	<b>(1.62)</b>

**OCI section:**

Deferred tax related to items recognised in OCI during the year:

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Net loss/(gain) on remeasurement of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**  
*(All amounts are in INR Crores, unless otherwise stated)*

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Accounting profit before income tax</b>	(3.87)	(2.60)
At India's statutory income tax rate of 25.168% (31 March 2023: 29.12%)	(0.97)	(0.72)
Non deductible expenditure	-	-
DTA not recognised due to lack of reasonable certainty	0.97	0.72
Deferred Tax Assets recognised on earlier year's losses, reversed during the year	-	-
<b>Annual ETR</b>	-	-
<b>Tax Expense / (benefit)</b>	-	-

The Company has past accumulated losses and hence has not recognised any Current Tax as well as Deferred Tax during the year. Hence effective tax rate is Nil.

**Deferred tax**

Deferred tax relates to the following:

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Accelerated depreciation for tax purposes	-	(0.03)	-	(0.03)
Losses available for offsetting against future taxable income	-	1.65	-	1.65
<b>Net deferred tax assets/(liabilities)</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.62</b>

Reflected in balance sheet as follows:

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Deferred tax assets	-	0.03
Deferred tax liabilities	-	(1.65)
<b>Deferred tax asset, net</b>	<b>(1.25)</b>	<b>(1.25)</b>

Reconciliation of deferred tax assets, net

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Opening balance as of 1 April	(1.25)	0.37
Tax income/(expense) during the Year recognised in profit or loss	-	(1.62)
Tax income/(expense) during the Year recognised in OCI	-	-
<b>Closing balance as at 31 March</b>	<b>(1.25)</b>	<b>(1.25)</b>

**March 31, 2023**

Within one year	Greater than one year, less than five years	Greater than five years
-----------------	---	-------------------------

Unabsorbed Business Loss

-	-	-
-	-	-

**March 31, 2022**

Within one year	Greater than one year, less than five years	Greater than five years
-----------------	---	-------------------------

Unabsorbed Business Loss

-	-	-
-	-	-



Desai Cement Company Private Limited  
Notes to Financial Statement for the year ended March 31, 2023  
(All amounts are in INR Crores, unless otherwise stated)

8 INVENTORIES

	March 31, 2023	March 31, 2022
Finished goods (at lower of cost and net realisable value)	0.18	0.36
Raw material	0.34	0.54
Stores and spare parts (at cost)	0.55	-
	<u>1.07</u>	<u>0.90</u>

9 TRADE RECEIVABLES

	March 31, 2023	March 31, 2022
<i>Unsecured, Considered Good</i>		
Trade Receivables	0.89	0.85
	<u>0.89</u>	<u>0.85</u>

Particulars	March 31, 2023	March 31, 2022
<b>Unsecured, Undisputed</b>		
Unbilled dues	-	-
Not due	-	-
Less than 6 months	0.04	-
6 months - 1 year	-	-
1-2 Years	0.85	0.85
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<u>0.89</u>	<u>0.85</u>

No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

10 CASH AND CASH EQUIVALENTS

	March 31, 2023	March 31, 2022
<b>Cash and cash equivalents</b>		
Balances with banks		
- On current Accounts	1.19	1.44
Cash on hand	-	-
	<u>1.19</u>	<u>1.44</u>

Changes in liabilities arising from Financing Activities

Particulars	March 31, 2022	Cash Flows	Other	March 31, 2023
<b>Non Current:</b>				
Borrowings	-	-	-	-
<b>Current:</b>				
Interest (Other Financial Liabilities)	0.26	-	-	0.26
Borrowings	10.00	-	-	10.00
Other Financial Liabilities	-	-	0.89	0.89
Lease Liability	0.02	-	-	0.02
	<u>10.28</u>	-	<u>0.89</u>	<u>11.17</u>

11 OTHER FINANCIAL ASSETS

	March 31, 2023	March 31, 2022
Security Deposits	0.02	0.03
Others	-	0.01
	<u>0.02</u>	<u>0.05</u>



Desai Cement Company Private Limited  
Notes to Financial Statement for the year ended March 31, 2023  
(All amounts are in INR Crores, unless otherwise stated)

12 OTHER CURRENT ASSETS

	March 31, 2023	March 31, 2022
<b>Unsecured, Considered Good</b>		
Advance to suppliers	0.14	0.07
Prepaid Expenses	0.04	-
Balance with central excise and government authorities	2.07	0.32
Loans to employees	-	-
<b>Unsecured, Considered Doubtful</b>		
Advance to suppliers	-	-
Prepaid Expenses	-	-
Less: Impairment	-	-
	<b>2.25</b>	<b>0.39</b>

13 EQUITY SHARE CAPITAL

Authorised equity share capital

	Equity Shares	
	No. of Shares	Amount
At April 1, 2022	20,00,000	2.00
Increase / (decrease) during the year	-	-
At March 31, 2023	<b>20,00,000</b>	<b>2.00</b>
		<b>2.00</b>

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares

Issued equity share capital

	No. of Shares	Amount
Equity Shares of INR 10 each issued, subscribed and fully paid up		
At March 31, 2022	18,52,646	1.85
Change during the Year	-	-
At March 31, 2023	<b>18,52,646</b>	<b>1.85</b>

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2023	March 31, 2022
<b>Sesa Mining Corporation Limited, Holding Company</b>		
18,52,646 Equity Shares of INR 10 each fully paid up	1.85	1.85

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

	March 31, 2023		March 31, 2022	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
<b>Equity Shares of INR 100 each fully paid up</b>				
Sesa Mining Corporation Limited, Holding Company	18,52,646	100%	18,52,646	100%

14 BORROWINGS

Term Loan - unsecured

	March 31, 2023	March 31, 2022
	-	-

15 BORROWINGS

	Effective Interest Rate (%)	Maturity	March 31, 2023
<b>Current Borrowings</b>			
<b>Unsecured</b>			
Short Term borrowings from related parties (Note 34)			
Till 19th Jan'23	7.15%	1 year	10.00
From 20th Jan'23	12.41%		
			10.00



**13 EQUITY SHARE CAPITAL**

**Authorised equity share capital**

	Equity Shares	
	No. of Shares	Amount
At April 1, 2020	20,00,000	2.00
Increase / (decrease) during the year	-	-
At March 31, 2021	20,00,000	2.00
Increase / (decrease) during the year	-	-
At November 16, 2021	20,00,000	2.00
Increase / (decrease) during the year	-	-
At March 31, 2022	20,00,000	2.00
Increase / (decrease) during the year	-	-
At March 31, 2023	20,00,000	2.00

**Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

**Issued equity share capital**

	No. of Shares	Amount
Equity Shares of INR 10 each issued, subscribed and fully paid up		
At April 1, 2020	18,52,646	1.85
Change during the Year	-	-
At March 31, 2021	18,52,646	1.85
Change during the Year	-	-
At November 16, 2021	18,52,646	1.85
Change during the Year	-	-
At March 31, 2022	18,52,646	1.85
Change during the Year	-	-
At March 31, 2023	18,52,646	1.85

**Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2023	March 31, 2022
<b>Sesa Mining Corporation Limited, Holding Company</b>		
18,52,646 Equity Shares of INR 10 each fully paid up	1.85	1.85

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

	March 31, 2023		March 31, 2022	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
<b>Equity Shares of INR 100 each fully paid up</b>				
Sulakshana S Desai	-	-	-	-
Santobarao K Desai	-	-	-	-
Narainrao S Desai	-	-	-	-
Santobarao K Desai with Sulakshana Desai	-	-	-	-
Bharati Ajay Jadhav	-	-	-	-
Sesa Mining Corporation Limited, Holding Company	18,52,646	100%	18,52,646	100%





Desai Cement Company Private Limited  
Notes to Financial Statement for the year ended March 31, 2023  
(All amounts are in INR Crores, unless otherwise stated)

16 TRADE PAYABLES

Amount due to MSME(Note 33)  
Trade Payables other than MSME  
Trade Payable to related parties (Note 34)

March 31, 2023	March 31, 2022
0.36	-
3.60	1.91
8.85	1.61
<b>12.81</b>	<b>3.53</b>

**Undisputed dues - Others**

Unbilled dues  
Not due  
Less than 1 year  
1-2 Years  
2-3 years  
More than 3 years  
sub-total

-	-
-	-
9.28	3.53
3.53	-
-	-
-	-
<b>12.81</b>	<b>3.53</b>

17 OTHER FINANCIAL LIABILITIES

Interest payable to related parties (Note 34)  
Others

March 31, 2023	March 31, 2022
1.00	0.26
0.89	1.54
<b>1.89</b>	<b>1.80</b>

17A Lease Liability

0.02	0.02
<b>1.91</b>	<b>1.82</b>

18 OTHER CURRENT LIABILITIES

Statutory Liabilities  
Advance from customers  
Other liabilities

March 31, 2023	March 31, 2022
0.46	0.12
0.18	0.28
-	-
<b>0.64</b>	<b>0.40</b>

19 REVENUE FROM OPERATIONS

Sale of products  
Sale of goods  
Other operating revenues  
Scrap sales

March 31, 2023	March 31, 2022
6.70	3.24
0.04	-
<b>6.74</b>	<b>3.24</b>

Disclosure as per INDAS 115

Contract assets  
Trade Receivable  
Contract liabilities  
Advance from customers

March 31, 2023	March 31, 2023
0.89	0.85
0.18	0.28

20 OTHER INCOME

Government Grant Income  
Foreign Exchange Gain  
Profit on sale of Property, Plant and Equipment  
Interest income  
Others  
Miscellaneous income

March 31, 2023	March 31, 2022
-	-
-	-
-	-
0.01	0.01
-	-
-	0.03
<b>0.01</b>	<b>0.04</b>

21 (INCREASE) / DECREASE IN INVENTORIES

Inventory at the end of the year  
Finished Goods  
Impairment during the year

March 31, 2023	March 31, 2022
0.18	0.36
-	-
<b>0.18</b>	<b>0.36</b>

Inventory at the beginning of the year  
Finished Goods

0.36	0.06
<b>0.36</b>	<b>0.06</b>
<b>0.18</b>	<b>(0.30)</b>



**22 EMPLOYEES BENEFITS EXPENSE**

	March 31, 2023	March 31, 2022
Salaries and Wages	1.88	0.40
Staff welfare expenses	-	0.01
	<b>1.88</b>	<b>0.41</b>

**23 FINANCE COSTS**

	March 31, 2023	March 31, 2022
Interest on debts and borrowings	0.82	0.36
Interest on lease liability	0.00	0.00
Net Interest on defined benefit obligations	-	-
	<b>0.82</b>	<b>0.36</b>

**24 DEPRECIATION & AMORTISATION**

	March 31, 2023	March 31, 2022
Depreciation	0.31	0.30
	<b>0.31</b>	<b>0.30</b>

**25 OTHER EXPENSES**

	March 31, 2023	March 31, 2022
Hire of trucks and machineries	-	0.40
Consumption of stores and spare parts	2.66	1.48
Power & Fuel	1.81	0.96
Rent	0.02	0.02
Repairs Others	2.33	0.58
Rates And Taxes	-	0.02
Insurance	0.02	0.01
Payment to Auditors	0.03	0.03
Directors Sitting Fees and Commission	-	0.28
General Expenses	0.76	1.33
	<b>7.63</b>	<b>5.11</b>

**Payment to Auditors**

	March 31, 2023	March 31, 2022
<b>As auditor</b>		
Audit Fees	0.03	0.03
<b>In other capacity</b>		
Other services (Certification fees)	-	-
	<b>0.03</b>	<b>0.03</b>

**26 EARNINGS PER SHARE**

The following reflects the income and share data used

	March 31, 2023	March 31, 2022
Profit/(Loss) attributable to equity share holders	(3.87)	(0.98)
Weighted average number of equity shares for EPS	Nos 18,52,646	18,52,646
EPS - Basic & Diluted (INR per share)	(20.89)	(5.29)
Nominal Value of Shares (INR per share)	10	10

**27 CORPORATE SOCIAL RESPONSIBILITY EXPENSE**

The Company is loss making since last 3 years hence Company is not required to make contribution as per second proviso to sub section 5 of section 135 of the Companies Act, 2013.



**Desai Cement Company Private Limited**

**Notes to Financial Statement for the year ended March 31, 2023**

*(All amounts are in INR Crores, unless otherwise stated)*

**28 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.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(a) Useful lives of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment in line with useful lives specified in schedule II of Companies Act. These are common life expectancies applied in the industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the

Company's property, plant and equipment at the end of the reporting period is disclosed in Note 4 to financial statements.

**(b) Income Taxes**

The Company has exposure to income taxes in Indian jurisdiction. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant managements judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

**(c) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.



## 29 Financial instruments

### Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

### Financial assets and liabilities:

March 31, 2023

#### Financial assets

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
<b>Financial assets</b>				
Trade receivables	-	-	0.89	0.89
Cash and cash equivalents	-	-	1.19	1.19
Other Non-current	-	-	0.16	0.16
Other Current Assets	-	-	0.02	0.02
<b>Total</b>	-	-	2.26	2.26

#### Financial liabilities

Short-term borrowings	-	-	10.00	10.00
Trade payables	-	-	12.81	12.81
Other financial liabilities- Current	-	-	1.89	1.89
Lease Liability - Current	-	-	0.02	0.02
<b>Total</b>	-	-	24.72	24.72

March 31, 2022

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
<b>Financial assets</b>				
Trade receivables	-	-	0.85	0.85
Cash and cash equivalents	-	-	1.44	1.44
Other Non-current	-	-	0.15	0.15
Other Current Assets	-	-	0.05	0.05
<b>Total</b>	-	-	2.48	2.48

#### Financial liabilities

Short-term borrowings	-	-	10.00	10.00
Trade payables	-	-	3.53	3.53
Other financial liabilities- Current	-	-	1.80	1.80
Borrowings	-	-	0.02	0.02
<b>Total</b>	-	-	15.35	15.35

### Risk management

The Company's businesses are subject to several risks and uncertainties including financial risks. Group has risk management policies for identification of risks at corporate and individual subsidiary level with active involvement of senior management. The risk management policies cover areas such as liquidity risk, interest rate risk, counter party credit risk and capital management.

### Treasury management

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company. These risks include market risk (including currency risk), credit risk and liquidity risk.

Treasury management focuses on liability management capital protection, liquidity maintenance and yield maximization. Group has treasury management policies at corporate level and applicable to subsidiary level. Daily treasury operations of the Company are managed by finance teams within the framework of the overall group treasury policies.

### Additional Information to the Financial Statements :

#### Financial risk

There are approved risk policies at group level comprises liquidity risk, currency risk, interest rate risk and counter party risk which applies to corporate and individual subsidiary level. Therefore, the Company's financial risks are also covered under the group level policies. The Company does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instrument.



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**  
*(All amounts are in INR Crores, unless otherwise stated)*

**Liquidity Risk:**

The company requires funds both for short-term operational needs as well as for long-term investment projects. The Company generates enough cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long term.

The company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company's financial liabilities based on the remaining Year from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the company.

**As on March 31, 2023**

Financial liabilities	<1 year	2 Years	3-5 Years	> 5 Years	Total
<b>Current</b>					
Borrowings	-	10.00	-	-	10.00
Trade payables	9.28	3.53	-	-	12.81
Interest payable to related parties	0.74	0.26	-	-	1.00
Lease liability	-	0.02	-	-	0.02
Other financial liabilities	0.89	-	-	-	0.89
<b>Total</b>	<b>10.91</b>	<b>13.81</b>	<b>-</b>	<b>-</b>	<b>24.72</b>

**As on March 31, 2022**

Financial liabilities	<1 year	2 Years	3-5 Years	> 5 Years	Total
<b>Current</b>					
Borrowings	10.00	-	-	-	10.00
Trade payables	3.53	-	-	-	3.53
Interest payable to related parties	0.26	-	-	-	0.26
Lease liability	0.02	-	-	-	0.02
Other financial liabilities	1.54	-	-	-	1.54
<b>Total</b>	<b>15.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.35</b>

**Interest rate risk:**

Borrowings of the company are principally denominated in Indian Rupees with fixed rate of interest. The company invests cash and liquid investments in short-term deposits to achieve the Company's goal.

The exposure of the company's financial assets as at March 31, 2022 to interest rate risk is as follows:

**As at March 31, 2023**

Financial assets	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Trade receivables	-	-	0.89	0.89
Cash and cash equivalents	-	-	1.19	1.19
Other Non Current	-	0.16	-	0.16
Other Current	-	-	0.02	0.02
<b>Total financial assets</b>	<b>-</b>	<b>0.16</b>	<b>2.10</b>	<b>2.26</b>

**As at March 31, 2022**

Financial assets	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Trade receivables	-	-	0.85	0.85
Cash and cash equivalents	-	-	1.44	1.44
Other Non Current	-	0.15	-	0.15
<b>Total financial assets</b>	<b>-</b>	<b>0.15</b>	<b>2.29</b>	<b>2.44</b>



**Desal Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**  
*(All amounts are in INR Crores, unless otherwise stated)*

As at March 31, 2023

	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial	Total financial liabilities
<b>Financial liabilities</b>				
Borrowings	-	10.00	-	10.00
Trade payables	-	-	12.81	12.81
Other financial liabilities	-	-	1.91	1.91
<b>Total financial liabilities-current</b>	-	<b>10.00</b>	<b>14.72</b>	<b>24.72</b>
<b>Total financial liabilities</b>	-	<b>10.00</b>	<b>14.72</b>	<b>24.72</b>

As at March 31, 2022

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Non Interest bearing Financial	Total Financial Liabilities
<b>Financial liabilities</b>				
Borrowings	-	10.00	-	10.00
Trade payables	-	-	3.53	3.53
Other financial liabilities	-	-	1.80	1.80
<b>Total financial liabilities-current</b>	-	<b>10.00</b>	<b>5.33</b>	<b>15.33</b>
<b>Total financial liabilities</b>	-	<b>10.00</b>	<b>5.33</b>	<b>15.33</b>

**Credit Risk:**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The credit risk policies are approved at group level which is designed for the identification of credit risk at corporate and individual subsidiary level. The company is exposed to credit risk for trade receivables. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the company does not expect any material risk on account of non-performance by any of the company's counterparties.

Of the year ended March 23, Trade and other receivables balance, the following were past due but not impaired:

As at March 31, 2023

Particulars	Not past due	Due less than 1 months	Due between 1- 3 months	Due between 3- 12 months	Due
					greater than 12 months
Trade receivables	-	-	-	-	0.89
<b>Total</b>	-	-	-	-	<b>0.89</b>

As at March 31, 2022

Particulars	Not past due	Due less than 1 months	Due between 1- 3 months	Due between 3- 12 months	Due
					greater than 12 months
Trade receivables	-	-	-	-	0.85
<b>Total</b>	-	-	-	-	<b>0.85</b>

**Foreign Currency Risk**

The Company is not exposed to the risk of changes in foreign exchange rates, hence foreign currency risk is not applicable.

**30 Other Statutory Information**

- (i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.



**Desai Cement Company Private Limited**

**Notes to Financial Statement for the year ended March 31, 2023**

*(All amounts are in INR Crores, unless otherwise stated)*

- (ii) The company do not have any transactions with companies struck off.
- (iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961



**Desai Cement Company Private Limited**

Notes forming part of the financial statements as at and for the year ended 31 March 2023

**31 Financial ratios are as follows:**

Ratio	Formula	As at 31 March 2023	As at 31 March 2022	% Change	Remarks
(a) Current Ratio (in times)	Current Assets/Current Liabilities	0.21	0.23	-7%	
(b) Debt-Equity Ratio (in times)	Gross Debt/ Equity	(0.98)	(1.58)	-38%	Change is due to increase in loss during the FY
(c) Debt Service Coverage Ratio (in times)	Earnings before interest, depreciation, tax and exceptional items/ (interest expense + principal payments of long term loans)	(0.25)	(0.19)	35%	Change is due to increase in interest accrual and increase in interest rate
(b) Return on Equity Ratio (%)	Net Profit before exceptional and DDT/Net Worth	38%	41%	-8%	
(e) Inventory turnover ratio (in times)	Revenue from operations less EBITDA/ Average Inventory	9.52	6.91	38%	There is an increase of Sales by Rs. 3.50 crore.
(f) Trade Receivables turnover ratio (in times)	Revenue from operations/ Average Trade Receivables	7.75	2.54	205%	The change is mainly on account of increase in Sales by Rs. 3.50 crore
(g) Trade payables turnover ratio (in times)	Total Purchases/Average Trade Payables	0.60	0.50	20%	There is an increase in consumption and purchased and increase in trade payable
(h) Net capital turnover ratio (in times)	Net sales / Working capital	(0.34)	(0.27)	27%	Negative sign indicates negative working capital, there is an increase due to increase in current liabilities compensated by increase in sales
(i) Net profit ratio (%)	Net Profit after tax before exceptional items/Revenue from operations	-57%	-30%	90%	Net loss has decreased due to increase in expenditure
(c) Return on Capital employed (in times)	Earnings net of taxes/ Average Capital Employed	0.47	0.19	142%	Loss has increased and there is a negative capital employed.
(k) Return on investment	Income from investment measured at FVTPL/ Average current investment	NA	NA	0%	

**32 CAPITAL MANAGEMENT**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of internal fund generation and other long term borrowings. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Debt are long term, short term and lease liability debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components excluding other components of equity (which comprises the cash flow hedges, translation of foreign operations and available-for-sale financial investments).

The following table summarizes the capital of the Company:

As at	March 31, 2023	March 31, 2022
Total Equity	(10.21)	(6.34)
Short-term borrowings (Note 15)	10.00	10.00
Lease Liability (Note 17)	0.02	0.02
<b>Total debt (b)</b>	<b>10.02</b>	<b>10.02</b>
<b>Net debt (c)=(b-a)</b>	<b>10.02</b>	<b>10.02</b>
Total capital (equity + net debt)	-0.19	3.68
<b>Net debt to equity ratio</b>	<b>(0.98)</b>	<b>(1.58)</b>





**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**  
*(All amounts are in INR Crores, unless otherwise stated)*

**33 DISCLOSURES AS REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

	March 31, 2023	March 31, 2022
a) The principal amount and the interest due thereon remaining unpaid to suppliers		
i) Principal	0.36	-
ii) Interest due thereon	-	-
b) i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting year/Year	-	-
ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
c) i) Normal Interest accrued during the Year, for all the delayed payments, as per the agreed terms	-	-
ii) Normal Interest payable for the Year of delay in making payment, as per the agreed terms	-	-
d) i) Total Interest accrued during the year	-	-
ii) Total Interest accrued during the year and remaining unpaid	-	-
e) Included in (d) above being interest on amounts outstanding as at the beginning of the accounting Year.	-	-

The above information has been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**34 RELATED PARTY TRANSACTIONS**

**A List of related parties and relationships:**

Entity Controlling the Company (Holding Company)

Sesa Mining Corporation Limited (w.e.f 15.11.2021)

Ultimate Holding Company

Vedanta Limited

**B Transactions during the year:**

	March 31, 2023	March 31, 2022
<b>Revenue from operations</b>		
Vedanta Limited	0.26	0.10
<b>Purchases</b>		
Vedanta Limited	3.62	0.64
<b>Expenses reimbursed</b>		
Vedanta Limited	4.78	0.94
<b>Interest on Inter corporate deposit</b>		
Sesa Mining Corporation Limited	0.82	0.25



**Desai Cement Company Private Limited**  
**Notes to Financial Statement for the year ended March 31, 2023**  
*(All amounts are in INR Crores, unless otherwise stated)*

**C Outstanding Balance at the year end**

	March 31, 2023	March 31, 2022
<b>Trade payables</b>		
Vedanta Limited	8.85	1.61
<b>Loans from</b>		
Sesa Mining Corporation Limited	10.00	10.00
<b>Interest payable</b>		
Sesa Mining Corporation Limited	1.00	0.29

**Terms and conditions of transactions with related parties**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured. There have been no guarantee provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Rs. Nil).

**35 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Since there were no standard issued but not effective at the time of signing of financial statement, the disclosure is not applicable.

**36 EVENTS AFTER THE REPORTING PERIOD**

There are no significant events which have occurred after the reporting period.

**37 OPERATING SEGMENTS**

The company primarily operates in the segment of cement manufacturing . As per the company's chief operating decision maker ("CODM"), the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other reportable segments as required to be reported under Ind AS 108 - Operating Segments.

**A) Information about products**

	March 31, 2023	March 31, 2022
Cement	6.74	3.24
	6.74	3.24

**B) All revenue and non-current assets of the Company is**

As per our report of even date

For and on behalf of the Board of the Directors of Sesa Mining Corporation Limited

For Sarang Rajhans & Co

Chartered Accountants  
 ICAI Firm Registration No.129510W

**(CA Sarang Rajhans)**

Proprietor  
 Membership No. 103488  
 Place: Panaji-Goa  
 Date: 17/04/2023



*Navnath*  
**Navnath Laxman Vhatte**  
 Director  
 DIN 09048441

*Navin Kumar Jaju*  
**Navin Kumar Jaju**  
 Director  
 DIN 00669654



Place: Panaji-Goa  
 Date: 17/04/2023