Independent Auditors' Report on Review of the Unaudited Interim Condensed Financial Statements

To,

The Board of Directors

Shiva Cement Limited

Telighana, PO: Birangatoli, Kutra,

Sundargarh – 770 01, Odisha, India

1. We have reviewed the accompanying Unaudited Interim Condensed Financial Statements of Shiva Cement Limited (the "Company"), which comprise the Unaudited Interim Condensed Balance Sheet as at December 31, 2023 and the Unaudited Interim Condensed Statement of Profit and Loss (including other comprehensive income), Unaudited Interim Condensed Statement of Changes in Equity and the Unaudited Interim Condensed Cash Flow Statement for the nine months then ended and a summary of select explanatory notes (including the comparative financial information for the quarter ended December 31, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Financial Statements"). The Unaudited Interim Condensed Financial Statements have been prepared by the Company solely in connection with the proposed rights offering of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable laws.

2. The preparation of the Unaudited Condensed Interim Financial Statements is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Financial Statements based on our review.

3. We conducted our review of the Unaudited Interim Condensed Financial Statements in accordance with the Standard on Review Engagements ('SRE') 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Interim Condensed Financial Statements is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under sub-section (10) of section 143 of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedure performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Financial Statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 "Interim Financial Reporting" as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5. We draw attention to note 16 (f) to the Unaudited Interim Condensed Financial Statements which indicates that during nine month ended December 31, 2023 the Company has incurred loss of Rs. 5,651.26 lakhs and as on December 31, 2023, the Company's accumulated loss is Rs.27,886.34 lakhs resulting in erosion of net worth of the Company. The Unaudited Interim Condensed Financial Statements of the Company have been prepared on a going concern basis for the reasons stated in the notes 16 (f) of the Unaudited Interim Condensed Financial Statements. The validity of the going concern assumption would depend upon the performance of the Company as per its future business plan. Our conclusion is not modified in respect of this matter.

6. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes of submission to the Securities and Exchange Board of India ("SEBI"), BSE Limited ("Stock Exchange") or any other authority as may be required under applicable law and for the purposes of including it in the Letter of Offer and/or Letter of Offer, to be filed by the Company with the SEBI, Stock Exchange and the Registrar of Companies, Odisha at Cuttack, as applicable, in connection with proposed rights issue of the equity shares of the Company.

For SHAH GUPTA & CO.,

Chartered Accountants

Firm Registration No.: 109574W

Heneel K Patel

Partner

M. No. 114103

Unique Document Identification Number (UDIN) for this document is: 24114103BKBHAR6044

Place: Mumbai

Date:

SHIVA CEMENT LIMITED
UNAUDITED INTERIM CONDENSED BALANCE SHEET AS AT 31.12.2023

₹ in lakhs

	Particulars	Note No.	As at 31.12.2023	As at 31.03.2023
I	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	4	97,201.94	2,276.30
	(b) Capital work-in-progress	5	13,575.43	89,018.09
	(c) Right-of-use assets		162.29	164.95
	(d) Other intangible assets	6	841.04	1,103.12
	(e)Intangible assets under development	7	2,228.23	1,462.23
	(f) Financial assets			
	(i) Other financial assets		3,468.26	3,466.39
	(g) Income tax assets (net)		120.66	67.00
	(h) Deferred tax assets (net)		9,615.69	7,630.80
	(i) Other non-current assets		14,538.33	14,220.30
	Total non-current assets		**1,41,751.87**	**1,19,409.18**
	Current assets			
	(a) Inventories		7,237.62	3,227.92
	(b) Financial assets			
	(i) Trade receivables		-	799.24
	(ii) Cash and cash equivalents	8	231.67	90.56
	(iii) Bank balances other than (ii) above		179.32	177.91
	(iv) Other financial assets		425.31	228.25
	(c) Other current assets		11,297.42	15,216.06
	Total current assets		**19,371.34**	**19,739.94**
	Total assets		**1,61,123.21**	**1,39,149.12**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	9	3,900.00	3,900.00
	(b) Other equity	10	(17,384.17)	(11,732.59)
	Total Equity		**(13,484.17)**	**(7,832.59)**
	Non current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	1,35,605.47	1,14,756.03
	(ii) Lease liabilities		4.99	4.61
	(b) Provisions		1,209.65	1,096.91
	Total non-current liabilities		**1,36,820.11**	**1,15,857.55**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	1,262.05	14,175.08
	(ii) Lease liabilities		0.50	0.50
	(iii) Trade payables			-
	I. Total outstanding dues of Micro enterprises and small enterprises		1,379.54	285.77
	II. Total outstanding dues of creditors other than Micro enterprises and small enterprises		6,671.22	4,788.16
	(iv) Other financial liabilities		14,539.82	11,371.72
	(b) Other current liabilities		13,899.35	485.72
	(c) Provisions		34.79	17.21
	Total current liabilities		**37,787.27**	**31,124.16**
	Total liabilitites		**1,74,607.38**	**1,46,981.71**
	Total equity and liabilities		**1,61,123.21**	**1,39,149.12**

The accompanying notes form an integral part of unaudited interim condensed financial statement

As per our attached report of even date
For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 24114103BKBHAR6044

Narindersingh Kahlon
Director
DIN No :0378016

Manoj kumar Rustagi
CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED
UNAUDITED INTERIM CONDENSED STATEMENT OF PROFIT AND LOSS
For the period ended 31.12.2023

₹ in lakhs

	Particulars	Note No.	For the period ended 31.12.2023	For the period ended 31.12.2022
I	Revenue from operations	12	20,227.81	-
II	Other income	13	161.74	259.46
III	**Total Income (I+ II)**		**20,389.55**	**259.46**
IV	**Expenses**			
	Cost of raw material consumed		5,121.64	488.33
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(460.06)	(721.53)
	Employee benefits expense		995.73	219.41
	Power and fuel		8,014.79	81.03
	Finance costs		7,108.93	870.89
	Depreciation and amortization expense		2,107.25	3,235.62
	Freight and handling expenses		3,514.12	-
	Other expenses		1,623.18	2,768.26
	Total Expenses (IV)		**28,025.58**	**6,942.01**
V	**Loss before tax (III-IV)**		**(7,636.03)**	**(6,682.55)**
VI	**Total tax expenses**		(1,984.77)	(1,758.60)
VII	**Loss for the year (V- VI)**		**(5,651.26)**	**(4,923.95)**
VIII	**Other comprehensive income**			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefit plans		(0.43)	4.47
	ii) Income tax relating to items that will not be reclassified to profit or loss		0.11	(1.16)
	Total other comprehensive income (VIII)		**(0.32)**	**3.31**
IX	**Total comprehensive income (VII + VIII)**		**(5,651.58)**	**(4,920.64)**
X	**Earnings per equity share (face value of ₹ 2/- each) (not annualised)**			
	- Basic (In ₹)	16 (e)	(2.90)	(2.53)
	- Diluted (In ₹)	16 (e)	(2.90)	(2.53)

The accompanying notes form an integral part of unaudited interim condensed financial statement

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DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED
UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the period ended 31.12.2023

(₹ in lakh)

Particulars	For the period ended 31.12.2023	For the period ended 31.12.2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT/(LOSS) BEFORE TAX	(7,636.03)	(6,682.55)
Adjustments for :		
Depreciation and amortisation expenses	2,107.25	3,235.62
Loss/(profit) on sale of property, plant & equipment(net)	(4.62)	2,246.45
Interest Income	(26.93)	(18.95)
Allowance for doubtful debts	-	1.62
Provision no longer required written back	(0.67)	(0.55)
Finance costs	6,630.24	870.89
Unwinding of interest on financial liabilities carried at amortised cost	478.69	57.47
Operating Profit/(loss) before working capital changes	**1,547.93**	**(290.00)**
Movements in Working Capital:		
(Increase)/Decrease in trade receivables	799.24	0.88
(Increase)/Decrease in inventories	(4,009.70)	(702.61)
(Increase) / Decrease in financial and other assets	3,897.26	(8,490.75)
Increase/(Decrease) in Trade payables	2,976.14	162.84
Increase/(Decrease) in Other liabilities	13,412.68	(47.35)
Increase /(Decrease) in provisions	131.24	57.36
Cash flow from operations	**18,754.79**	**(9,309.63)**
Income taxes paid (net of refund received)	(53.65)	(15.23)
Net cash generated from operating activities	**18,701.14**	**(9,324.86)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment ,Intangible assets (including capital work-in-progress and capital advances)	(20,511.65)	(30,262.12)
Interest received	(9.32)	20.25
Bank deposits not considered as cash and cash equivalents (net)	(1.41)	730.81
Net cash used in investing activities	**(20,522.38)**	**(29,511.06)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from non-current borrowings	20,431.47	9,046.77
Proceeds/(Repayment) from current borrowings (net)	(12,913.03)	32,218.67
Interest paid	(5,556.09)	(2,127.38)
Net cash generated from financing activities	**1,962.35**	**39,138.06**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	**141.11**	**302.14**
Cash and cash equivalents - opening balances	**90.56**	**434.33**
Cash and cash equivalents - closing balances (refer note 8)	**231.67**	**736.47**

Notes:

1.The cash flow statement is prepared using the “indirect method” set out in IND AS 7 – Statement of Cash Flows

As per our attached report of even date
For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 24114103BKBHAR6044

Narindersingh Kahlon
Director
DIN No :0378016

Manoj kumar Rustagi
CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2023

Equity Share Capital (A)

₹ Lakhs

Particular	Total
As at 01.04.2022	**3,900.00**
Movement during the year	-
As at 31.03.2023	**3,900.00**
Movement during the period	-
As at 31.12.2023	**3,900.00**

Other equity (B)

₹ Lakhs

Particulars	Reserves & Surplus				Total
	Securities Premium (Refer note 10)	Capital Reserve	Equity component of compound financial instrument (refer note 11)	Retained Earnings	
Opening Balance as at 01.04.2022	**5,206.13**	**812.31**	**-**	**(14,190.58)**	**(8,172.14)**
Loss for 9 month period	-	-	-	(4,923.95)	(4,923.95)
Other comprehensive income for the period,net of income tax	-	-	-	3.30	3.30
Total	**5,206.13**	**812.31**	**-**	**(19,111.23)**	**(13,092.79)**
Balance at 31.12.2022	**5,206.13**	**812.31**	**-**	**(19,111.23)**	**(13,092.79)**
Loss for 3 month period	-	-		(3,123.08)	(3,123.08)
Other comprehensive income for the period,net of income tax	-	-	-	(0.45)	(0.45)
Equity component of optionally convertible cumulative preference shares	-		4,483.73	-	4,483.73
Total	**-**	**-**	**4,483.73**	**(3,123.53)**	**1,360.20**
Closing balance at 31.03.2023	**5,206.13**	**812.31**	**4,483.73**	**(22,234.76)**	**(11,732.59)**
Loss for 9 month period	-	-		(5,651.26)	(5,651.26)
Other comprehensive income for the year (net of tax)	-	-	-	(0.32)	(0.32)
Total	**-**	**-**	**-**	**(5,651.58)**	**(5,651.58)**
Balance at 31.12.2023	**5,206.13**	**812.31**	**4,483.73**	**(27,886.34)**	**(17,384.17)**

The accompanying notes form an integral part of unaudited interim condensed financial statement

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

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Partner
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UDIN: 24114103BKBHAR6044

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DIN No :0378016

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CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED
Notes to the Condensed Financial Statement as at and for the period ended 31st December,2023.

1. General Information

Shiva Cement Limited ("the Company") is engaged in the business of manufacture and sale of cement, clinker and trading of allied products. The company is operating its clinkerisation facility with production capacity of 1.36 Million MT.
Shiva Cement Limited is a public limited company and is listed on Bombay Stock Exchange having its registered office at Biringatoli, Teleghana, Kutra Sundargarh-770018, Odisha.

2. Significant Accounting Policies

A. Statement of compliance

Unaudited condensed Interim Financial Statements which comprises the unaudited interim condensed Balance sheet as at 31st December 2023, the unaudited interim condensed statement of Profit and Loss (including other comprehensive income) , unaudited interim condensed statement of change in Equity and unaudited interim condensed statement of Cash flow for the period ended 31st December ,2023 (together herein after referred to as "Unaudited Interim condensed Financial Statements") have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards – 34 " Interim Financial Reporting " (Ind AS 34) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

The Unaudited Interim Condensed Financial Statements have been prepared by the Company solely in connection with the proposed rights offering of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable laws.

These financial statements are approved for issue by the Board of Directors on 24.01.2024.

B. Basis of preparation & presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS116, fair value of plan assets within scope the of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in INR and all values are rounded to the nearest lakhs except when otherwise stated.

Current and non-current classification

The company presents the 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 realised 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 realised 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.

All other assets are classified as non-current.

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 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.

  The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

C. Revenue Recognition

i. Sale of Goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer which is when the control over product is transferred to the customer.

Contract Balances

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

- **Trade receivables**

  A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

  Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a non-recourse basis.

- **Contract liabilities**

  A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer.

- **Refund liabilities**

  A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

ii. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

D. Leases

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

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as 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.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated 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. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

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

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is 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.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (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 that are considered of low value (i.e., below Rs. 5,00,000). 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.

E. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

F. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale .

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

G. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

H. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are off set when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

I. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	**Useful life of assets (in Years)**
Plant and Machinery	2 to 40
Approach Roads	5 to 50

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

J. Intangible assets

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

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Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Useful life of assets (in Years)
Computer Software & Licenses	3 – 6 years

Mining assets are amortised using unit of production method over the entire lease term.

Mining Assets

Acquisition/ Stripping Cost

The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs. Bid premium and royalties payable with respect to mining operations is contractual obligation. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability arises as per respective agreements/ statute.

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the minerals in the form of inventories and/or to improve access to an additional component of an mineral body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Other production stripping cost incurred are expensed in the statement of profit and loss.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of mineral is used to depreciate or amortise stripping cost.

Site restoration, rehabilitation and environmental costs: Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically.

The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

K. Impairment of Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any

L. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished /finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of semi-finished mining inventory includes a proportion of cost of mining, bid premium, royalties and other manufacturing overheads depending on stage of completion of related activities. Cost of traded goods include purchase cost and inward freight.

Costs of inventories are determined on weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. In case of semi finished inventory from mining operations, estimated cost includes any bid premium, royalties and duties payable to the authorities.

M. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

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

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. However, before a separate provision for an onerous contract is established, the Company recognises any write down that has occurred on assets dedicated to that contract. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

N. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

(i) Financial assets

(a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrumentby-instrument basis. The classification is made on initial recognition and is irrevocable.The equity instruments which are strategic investments and held for long term purposes are classified as FVTOCI.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

(c) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(d) Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount

e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(ii) Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

d) Reclassification of financial assets/ liabilities:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations.

If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in Consolidated OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

e) De-recognition of financial/ liabilities :

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

O. Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

P. 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 insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above.

Q. Earnings Per Share:

Basic EPS is computed by dividing the net profit or (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

R. Statement of cash flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
iii. all other items for which the cash effects are investing or financing cash flows.

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

S. Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3. Key sources of estimation uncertainty and Recent Accounting Pronouncements:

A Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgments that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

i) Useful lives of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Mines restoration obligation

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to mining reserve, discount rates, the expected cost of mines restoration and the expected timing of those costs.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model . The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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vii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risk specific to the liability.

viii) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

Note 4. Property, plant and equipment										₹ in lakhs
Description of Assets	Freehold Land	Buildings	Plant and Equipments	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Switching Station	Concrete Road	Tangibles Total
I. Gross Block										
Balance as at April 1, 2022	**509.96**	**1,313.39**	**11,287.87**	**66.44**	**16.53**	**119.51**	**22.10**	**-**	**161.62**	**13,497.42**
Additions for 9 month	191.34	-	-	-	-	-	-	-	-	191.34
Other -Deductions/Adjustments	-	268.87	2,801.41	-	0.62	24.52	7.47	-	-	3,102.89
Balance as at 31.12.2022	**701.30**	**1,044.52**	**8,486.46**	**66.44**	**15.91**	**94.99**	**14.63**	**-**	**161.62**	**10,585.87**
Additions for 3 months	-	-	761.71	-	-	-	-	-	-	761.71
Other -Deductions/Adjustments	-	707.54	0.38	-	(0.38)	-	-	-	-	707.54
Balance as at 31.03.2023	**701.30**	**336.98**	**9,247.79**	**66.44**	**16.29**	**94.98**	**14.63**	**-**	**161.62**	**10,640.04**
Additions for 9 month	557.16	12,565.48	77,868.81	227.01	214.35	101.70	104.72	3,909.96	1,205.65	96,754.84
Other -Deductions/Adjustments	-	-	4.88	-	-	-	4.43	-	-	9.31
Balance as at 31.12.2023	**1,258.46**	**12,902.46**	**87,111.72**	**293.45**	**230.64**	**196.68**	**114.92**	**3,909.96**	**1,367.27**	**1,07,385.57**
	-			-						-
II. Accumulated depreciation and impairment										
Balance as at April 1, 2022	**-**	**270.17**	**3,062.85**	**51.50**	**8.30**	**84.58**	**17.65**	**-**	**156.45**	**3,651.50**
Depreciation expense for 9 month	-	90.52	3,071.10	5.95	1.04	9.30	0.75	-	5.16	3,183.82
Eliminated on disposal of assets	-	61.52	765.98	-	0.39	19.75	6.24	-	-	853.88
Balance as at 31.12.2022	**-**	**299.17**	**5,367.97**	**57.45**	**8.95**	**74.13**	**12.16**	**-**	**161.61**	**5,981.44**
Depreciation expense for 3 month	-	7.14	2,604.76	-	-	-	-	-	-	2,611.90
Eliminated on disposal of assets	-	231.80	-	-	-	-	-	-	-	231.80
Depreciation adj on Trial run Operation	-	-	-	1.03	0.28	0.68	0.19	-	-	2.18
Balance as at 31.03.2023	**-**	**74.51**	**7,972.73**	**58.48**	**9.23**	**74.81**	**12.35**	**-**	**161.61**	**8,363.72**
Depreciation expense for 9 month	-	255.45	1,436.00	41.40	19.62	7.48	7.39	46.94	14.47	1,828.75
Eliminated on disposal of assets	-	-	4.63	-	-	-	4.21	-	-	8.84
Balance as at 31.12.2023	**-**	**329.96**	**9,404.10**	**99.88**	**28.85**	**82.29**	**15.53**	**46.94**	**176.08**	**10,183.63**
Carrying Value as at 31.12.2023	**1,258.46**	**12,572.50**	**77,707.62**	**193.57**	**201.79**	**114.39**	**99.39**	**3,863.02**	**1,191.19**	**97,201.94**
Carrying Value as at March 31,2023	701.30	262.47	1,275.06	7.96	7.06	20.17	2.28	-	0.01	2,276.30
Useful life of the assets	NA	1-50	5-50	3-6	5	5-10	8	40	5-50	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

Note 5. Capital work-in-progress		₹ in lakhs
Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Capital Work in Progress	13,575.43	89,018.09
Total	**13,575.43**	89,018.09

Note 6. Intangible assets				₹ in lakhs
Intangibles	**Computer Software**	**Mining Development**	**Mining Rights**	**Intangible Total**
I. Cost/Deemed cost				
At 01.04.2022	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions for 9 month	-	-	-	-
Deductions	-	-	-	-
At 31.12.2022	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions for 3 month	-	-	-	-
Deductions	-	-	-	-
At 31.03.2023	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions for 9 month	108.21	-	-	108.21
Deductions	-	-	-	-
At 31.12.2023	**147.21**	**1,018.20**	**387.50**	**1,552.91**
II. Accumulated amortisation				
Balance as at 01.04.2022	**39.00**	**202.02**	**1.21**	**242.23**
Amortisation expense 9 month	-	44.59	4.56	49.15
Eliminated on disposal of assets	-	-	-	-
At 31.12.2022	**39.00**	**246.61**	**5.77**	**291.38**
Amortisation expense 3 month	-	52.12	-1.92	50.20
Eliminated on disposal of assets	-	-	-	-
At 31.03.2023	**39.00**	**298.73**	**3.85**	**341.58**
Amortisation expense 9 month	18.23	246.94	10.69	275.86
Eliminated on disposal of assets	-	-	-	-
Trial run amortisation adjustment on assets	-	94.43	-	94.43
At 31.12.2023	**57.23**	**640.10**	**14.54**	**711.87**
Net Book Value				
At 31.12.2023	**89.98**	**378.10**	**372.96**	**841.04**
At 31.03.2023	0.00	719.47	383.65	1,103.12

Note 7. Intangible assets under development		₹ Lakhs
Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Mining development	2,228.23	1,235.76
Software	-	226.47
Total	**2,228.23**	**1,462.23**

Note 8. Cash and cash equivalents		₹ Lakhs
Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Balances with banks in current accounts	231.67	90.56
Total	**231.67**	**90.56**

Note 9. Equity Share Capital

Particulars	As at 31.12.2023		As at 31.03.2023	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Share Capital				
Authorised				
a) Equity shares of the par value of Rs. 2/- each	40,00,00,000	8,000.00	40,00,00,000	8,000.00
b) 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100/- each	2,00,00,000	20,000.00	2,00,00,000	20,000.00
Issued, Subscribed and fully paid up				
Outstanding at the beginning of the year	19,50,00,000	3,900.00	19,50,00,000	3,900.00
Changes in equity share capital during the year	-	-	-	-
Outstanding at the end of the year	**19,50,00,000**	**3,900.00**	**19,50,00,000**	**3,900.00**
Outstanding at the beginning of the year	1,00,00,000	10,000.00	1,00,00,000	10,000.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	1,00,00,000	10,000	1,00,00,000	10,000
Total	**20,50,00,000**	**13,900.00**	**20,50,00,000**	**13,900.00**
Less: 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Non Current Financial Liabilities - Borrowing	(1,00,00,000)	(5,516.27)	(1,00,00,000)	(5,516.27)
Less: Equity componenent of 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Reserves	-	(4,483.73)		(4,483.73)
Total	**19,50,00,000**	**3,900.00**	**19,50,00,000**	**3,900.00**

Refer Notes (i) to (iii) below

Equity component of Convertible Cumulative Redeemable Preference shares of Rs 100 each		
Particular	Number	₹ in lakhs
At 01.04.2022	-	-
Movement during the year	-	4,483.73
At 31.03.2023	-	4,483.73
Movement during 9 month	-	-
At 31.12.2023	-	4,483.73

(i) Rights, preferences and restriction attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

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.

(ii) Terms/rights attached to 1% Optional Convertible Cumulative Reedeemable Preference Share (OCCRPS)

The Company has one class of Preference Shares. These shares carry cumulative dividend @ 1%. These OCCRPS are convertible into Equity Shares at the option of the Holder within a period of 18 months from the date of allotment, in one or more tranches, at a price determined on the relevant date or to be redeemed at par upon maturity after 18 months but within 9 years from date of allotment.

The option to convert the instrument into Equity shares lapsed on 04.08.2022 (valuation date), and hence the nature of instrument changes from this date and will be redeemed at par upon maturity. Accordingly, future estimated cash flows of principal on redemption and cumulative coupon of 1% for 9 years are discounted at pre tax borrowing rate of 9.5% to determine the fair value of the instrument at valuation date.

The difference between the issue price of OCCRPS and the fair value on valuation date Rs. 4483.73 Lakhs treated as Equity component of compounded financial instrument in the financial statement for the year ended 31.03.2023.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31.12.2023		As at 31.03.2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%
1% Optionally Convertible Cumulative Redeemable Preference Shares				
JSW Cement Limited	1,00,00,000	100%	1,00,00,000	100%

(iv) Details of shares held by promotors and promotors group:

Class of shares	As at 31.12.2023		As at 31.03.2023		% change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Promoters					
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%	-
Promoter Group					
Anushree Jindal	5,25,000	0.27%	5,25,000	0.27%	-

(v) Shares alloted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the balance sheet are as under:

Nil

Note 10. Other equity ₹ Lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Capital Reserve	812.31	812.31
Security Premium reserve	5,206.13	5,206.13
Equity component of optionally convertible cumulative preference shares	4,483.73	4,483.73
Retained earnings	(27,886.34)	(22,234.76)
Total	**(17,384.17)**	**(11,732.59)**

Capital Reserve :

Reserve is primarily created out of share forfeiture amounting ₹ 214.50 lakhs and amalgamation reserve amounting ₹ 566.03 lakhs as per statutory requirement.

Security premium reserve :

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013

Equity component of optionally convertible cumulative preference shares(OCCRPS)

During the year, upon expiry of conversion options given in OCCRPS, the Company has computed equity portion (based on concessional rate of interest in OCCRPS) amounting to Rs.4,483.73 lakhs.

Retained earning :

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

Note 11. Borrowings ₹ Lakhs

Particulars	Non-Current		Current	
	As at 31.12.2023	As at 31.03.2023	As at 31.12.2023	As at 31.03.2023
Term Loans (at amortised cost)				
Secured				
From banks	61,840.36	61,257.43	1,262.05	-
Less: Unamortised upfront fees on borrowings	(265.72)	(317.00)	-	-
	61,574.64	60,940.43	1,262.05	-
Other Loans (at amortised cost)				
Unsecured				
From related parties	67,759.09	47,961.83	-	14,175.08
Other Loans (at fair value through profit and loss)				
Unsecured				
1% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100/- each	10,000.00	10,000.00	-	-
Less:Equity component of optionally convertible cumulative preference shares	(4,483.73)	(4,483.73)	-	-
Add: Unwinding of interest	755.47	337.50	-	-
	74,030.83	53,815.60	-	14,175.08
Total	**1,35,605.47**	**1,14,756.03**	**1,262.05**	**14,175.08**

Note 12. Revenue From Operations ₹ Lakhs

Particulars	For the Period ended 31.12.2023	For the period ended 31.12.2022
Sale of Products		
Finished goods	20,227.81	-
Total	**20,227.81**	**-**

Note 13. Other Income ₹ Lakhs

Particulars	For the Period ended 31.12.2023	For the period ended 31.12.2022
Scrap sale	131.76	240.51
Other Interest income	26.93	18.95
Write Back of excess provision	0.67	-
Miscellaneous income	2.38	-
Total	**161.74**	**259.46**

Note 14 : Financial instruments

A. Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by bank borrowing and funding from holding company.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

₹ Lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Long term borrowings	1,35,605.47	1,14,756.03
Short term borrowings	1,262.05	14,175.08
Less: Cash and cash equivalent	(231.67)	(90.56)
Less: Bank balances other than cash and cash equivalents	(179.32)	(177.91)
Less:Term Deposit included in other non current financial assets	-	-
Net Debt	1,36,456.53	1,28,662.64
Total Equity	**(13,484.17)**	**(7,832.59)**
Gearing ratio	**(10.12)**	**(16.43)**

(i) Equity includes all capital and reserves of the company that are managed as capital

(ii) Debt is defined as long-term , short-term borrowings and 1% Optional convertible cumulative redeemable Preference Share

B. Categories of financial instruments :

The accounting classification of each category of financial instruments and their carrying amounts are set out below :

As at 31.12.2023

₹ Lakhs

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total carrying value	Fair Value
Financial assets						
Other financial assets*	3,893.57	-	-	-	3,893.57	3,893.57
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	231.67	-	-	-	231.67	231.67
Bank balances other than cash and cash equivalents	179.32	-	-	-	179.32	179.32
Total financial assets	**4,304.56**	**-**	**-**	**-**	**4,304.56**	**4,304.56**
Financial liabilities						
Long term borrowings (**)	1,29,333.73		6,271.74		1,35,605.47	1,35,605.47
Lease liabilities	5.49				5.49	5.49
Short term borrowings	1,262.05				1,262.05	1,262.05
Trade payable	8,050.76				8,050.76	8,050.76
Other financial liabilities	14,539.82				14,539.82	14,539.82
Total financial liabilities	**1,53,191.85**	**-**	**6,271.74**	**-**	**1,59,463.59**	**1,59,463.59**

As at 31.03.2023

₹ Lakhs

Particulars	Amortised Cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total carrying value	Fair Value
Financial assets						
Other financial assets*	3,694.64	-	-	-	3,694.64	3,694.64
Trade receivables	799.24	-	-	-	799.24	799.24
Cash and cash equivalents	90.56	-	-	-	90.56	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	-	177.91	177.91
Total financial assets	**4,762.35**	**-**	**-**	**-**	**4,762.35**	**4,762.35**
Financial liabilities						
Long term borrowings (**)	1,08,902.26	-	5,853.77	-	1,14,756.03	1,14,756.03
Lease liabilities	5.11	-	-	-	5.11	5.11
Short term borrowings	14,175.08	-	-	-	14,175.08	14,175.08
Trade payable	5,073.93	-	-	-	5,073.93	5,073.93
Other financial liabilities	11,371.72	-	-	-	11,371.72	11,371.72
Total financial liabilities	**1,39,528.10**	**-**	**5,853.77**	**-**	**1,45,381.87**	**1,45,381.87**

* including current and non current

(**) including 1% Optional convertible cumulative redeemable Preference Share.

Financial assets and Financial liabilities

Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities (other than those specifically disclosed) have fair values that approximate to their carrying amounts due to their short-term nature.

Loans have fair values that approximate to their carrying amounts as it is based on the net Present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy of financial instruments

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Calculation of fair values:

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31.03.2023.

Level wise disclosure of financial instruments :

₹ in lakhs

Particulars	As at 31.12.2023	As at 31.03.2023	Fair value hierarchy	Valuation technique(s) and key input(s)
Borrowing	1,30,595.78	1,23,077.34	Level 2	Inputs other than quoted prices included within level 1 that are observable for an Asset or Liability either directly or indirectly.
1% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100/- each	6,271.74	5,853.77	Level 3	Future estimated cash flows of principal on redemption and cumulative coupon are discounted at pre tax borrowing

The carrying amount of Trade Receivable, Trade Payable, Capital Creditors, Cash and Cash Equivalents and other Bank Balances are considered to be the same as their fair values due to their short term nature. The management considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Financial risk management

Board of Directors of the Company has developed and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aim to mitigate the following risks arising from the financial instruments:

i) Market risk

ii) Credit risk

iii) Liquidity risk

Risk management framework

"The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations."

Board of Directors of the Company have developed and are monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

i)Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

All such transactions are carried out within the guidelines set by the management.

a)Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments at the end of the reporting period are as follows:

₹ Lakhs

Particular	As at 31.12.2023	As at 31.03.2023
Fixed rate Borrowing	**6,271.74**	5,853.77
Float Rate Borrowing	**1,30,861.50**	1,23,394.34
Total Gross Borrowing	**1,37,133.24**	1,29,248.11
Less: Upfront Fees	(265.72)	(317.00)
Total Borrowing	**1,36,867.52**	1,28,931.11

Interest Rate Sensitivity -

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

A change of 100 basis points in interest rates would have following impact on profit/(loss) before tax. **₹ Lakhs**

Particular	As at 31.12.2023	As at 31.03.2023
100 bp increase - Increase in loss	475.43	-
100 bp decrease- Decrease in loss	475.43	-

b. Commodity risk

Commodity price risk for the Company is mainly related to fluctuations in coal prices linked to various external factors, which can affect the production cost of the Company. Since the fuel costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the procurement team.

ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The carrying amount of financial assets represent the maximum credit risk exposure.

(a) Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue in any of the years indicated except sales to holding company. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The movement in allowance for Expected Credit Loss is as follows : ₹ Lakhs

Particular	As at 31.12.2023	As at 31.03.2023
Balance at the beginning of the year	130.33	129.26
Change in allowance for the credit impairment during the year	-	1.07
Balance at the end of the year	130.33	130.33

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

iii. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The company generate sufficient cash flow for operation, which together with the available cash and cash equivalent provide liquidity in the short term & long term. The company has established an appropriate liquidity risk management frame work for the management of the company's short, medium & long term funding and liquidity management requirement. The company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by maching the maturity profile of financial asset and liability.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at 31.12.2023

₹ in lakhs

	Contractual cash flows			
	< 1 year	**1-5 year**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents	231.67	-	-	231.67
Bank balances other than cash and cash equivalents	179.32	-	-	179.32
Trade receivables	-	-	-	-
Other financial assets*	425.31	3,468.26		3,893.57
Total Financial assets	**836.30**	**3,468.26**	**-**	**4,304.56**
Financial liabilities				
Long term borrowings		87,743.96	47,861.51	1,35,605.47
Short term borrowings	1,262.05	-	-	1,262.05
Trade payable	8,050.76	-	-	8,050.76
Lease liabilities	0.50	4.99	-	5.49
Other financial liabilities	14,539.82	-	-	14,539.82
Total Financial liabilities	**23,853.13**	**87,748.95**	**47,861.51**	**1,59,463.59**

Liquidity exposure as at 31.03.2023 ₹ Lakhs

	Contractual cash flows			
	< 1 year	**1-5 year**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents	90.56	-	-	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	177.91
Trade receivables	799.24	-	-	799.24
Other financial assets	228.25	3,466.39		3,694.64
Total Financial assets	**1,295.96**	**3,466.39**	**-**	**4,762.35**
Financial liabilities				
Long term borrowings		72,488.16	42,267.87	1,14,756.03
Short term borrowings	14,175.08	-	-	14,175.08
Trade payable	5,073.93	-	-	5,073.93
Lease liabilities	0.50	4.61	-	5.11
Other financial liabilities	11,371.72	-	-	11,371.72
Total Financial liabilities	**30,621.23**	**72,492.77**	**42,267.87**	**1,45,381.87**

Note 15. Trail Run operations

The Company has commissioned the new clinkerisation facility under ongoing expansion projects at kutra plant on 20.01.2023. Till 30.06.2023, the plant was under trial run operation. The summary of Income/expenduiture during trial operation period is as under :

₹ in lakh

Revenue generated from Trial Run operation	**For the period ended 30.06.2023**	**For the period ended 31.03.2023**
Revenue from operations	10,811.65	4,763.94
Other income	8.14	-
Total Income (I)	**10,819.79**	**4,763.94**
Expenses		
Cost of raw material consumed	1,920.75	1,439.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(306.50)	(1,006.15)
Employee benefits expense	416.22	79.45
Power and fuel	5,875.86	4,004.40
Freight and handling expenses	2,182.46	984.21
Finance costs	303.94	232.31
Depreciation and amortization expense	94.43	2.20
Other expenses	867.51	265.97
Total Expenses (II)	**11,354.68**	**6,002.00**
Loss before tax III (I-II)	**(534.89)**	**(1,238.06)**

15.1.The net trail run expenditure of Rs. 534.89 Lakhs (as on 31.03.2023 Rs. 1,238.06 lakhs) is forming part of capital work in progress.

15.2.The Finished goods Inventory under Trial run operation of Rs. 1,312.64 Lakhs (as on 31.03.2023 Rs. 1,006.15 lakhs) as on 30.06.2023 is forming part of Inventory.

15.3.Trade receivable as on 30.06.2023 includes Rs. NIL (as on 31.03.2023 Rs. 799.24 lakhs) towards outstanding for Sales made during the Trial Run operations.

15.4.Trade payable as on 30.06.2023 includes Rs. 7,455.48 lakhs (as on 31.03.2023 Rs. 4,807.24 lakhs) towards trial run related trade payable.

15.5.Product wise turnover

Particular	For the period ended 30.06.2023	For the period ended 31.03.2023
Clinker	10,811.65	4,763.94
Total	10,811.65	4,763.94

Ind AS 115 Revenue from Contracts with Customers

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure:

Particular	For the period ended 30.06.2023	For the period ended 31.03.2023
Revenue from contracts with customer - Sale of products	10,811.65	4,763.94
Total revenue from operations	10,811.65	4,763.94
India	10,811.65	4,763.94
Outside India	-	-
Total revenue from operations	10,811.65	4,763.94
Timimg of revenue recognition		
At a point in time	10,811.65	4,763.94
Total revenue from operations	**10,811.65**	**4,763.94**

15.7.Contract Balance

Particulars	As at 30.06.2023	As at 31.03.2023
Trade receivable	-	799.24
Contract Liabilities		
Advance from customers	4,943.68	3.83

15.8.Contract liabilities include short term advances received for sale of goods. The outstanding balances of these accounts decreased in due to adjustment against receivable balances.

15.9.Out of the total contract liabilities outstanding as on 30.06.2023 Rs. 4,943.68 lakhs (as at 31.03.2023 3.83 lakhs) will be recognised by 31.03.2024.

Note 16 . Other Notes

a) Contingent liabilities not provided for in respect of disputed claims / levies:

₹ in lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Orissa Sales Tax, VAT, CST	130.00	130.00
Entry Tax	6.38	6.38
Income tax	3,048.73	3,048.73
Differential Royalty demand on the basis of highest royalty rate	111.47	-
Interest @ 1% on Optionaly convertible cumulative redeemable preference shares(OCCRPS)	291.67	216.67
Total	**3,588.25**	**3,401.78**

b) Commitments

₹ in lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	3,470.73	8,883.05

c. Segment Reporting

The Company is primarily in the business of manufacturing and sale of cement and cement related product. As per IND AS 108 “Operating Segments” specified under Section 133 of the Companies Act 2013, there are no other reportable business applicable to the company

d. Related parties disclosure as per IND AS 24:

A) Name of Related Parties

1) Holding Company
JSW Cement Limited
2) Enterprises under common control
JSW Green Cement Private Limited
Utkarsh Transport Private Limited
3) Other Related Party
Bhushan Power & Steel Limited
JSW Steel Ltd
JSW International Tradecorp Pte Ltd
4) Key Managerial Personnel
Manoj Rustagi (CEO & Whole Time Director)
R.P Gupta (Non-Executive Director) (Till 21.12.2023)
Narinder Singh Kahlon (Non-Executive Director)
Shouvik Chakraborty (Non-Executive Director) (w.e.f 21.12.2023)
Sanjay Sharma (Independent Director)
Sudeshna Banerjee (Independent Director)
JC Toshniwal (Independent Director)
Girish Menon (CFO)
Sneha Bindra (Company secretary)

B) Transactions with Related Parties for the year ended **₹ in lakh**

Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Purchase of Goods/Services		
JSW Cement Limited	863.58	1,457.81
JSW Steel Limited	302.85	-
Bhushan Power & Steel Limited	0.71	
JSW International Tradecorp PTE Ltd	7,048.32	-
Purchase of Property, plant & equipment		
JSW Cement Limited	-	-
Sale of Goods/ Other Income		
JSW Cement Limited (*)	26,929.40	6,097.85
Interest Repayment		
JSW Cement Limited		2,967.68
Loan Received		
JSW Cement Limited	5,622.18	22,769.00
Interest cost		
JSW Cement Limited	4,335.69	3,662.35

The transactions for Nine month ending December 31, 2023 are exclusive of taxes wherever applicable.

(*) Includes sales made during the Trial Run period

Compensation to key management personnel **₹ in lakh**

Nature of Transaction	**As at 31.12.2023**	**As at 31.03.2023**
Short-term employee benefits	-	-
Post employment benefits	-	-
Sitting fees	8.85	8.65
Other long-term benefits	-	-
Termination benefits	-	-
Total compensation to key management personnel	8.85	8.65

1. Key managerial persons such as CEO & Whole Time Director, Chief Financial Officer, Company Secretary are in receipt of remuneration from the holding company.

Terms & Conditions

Sales :

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the period 31.12.2023 the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases :

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

Loan from Related Party :

The company has availed loan from its holding company for general corporate purpose. The loan balance as on 31.12.2023 was amounting ₹ 67,759.09 lakhs (as on 31.03.2023 ₹ 62,136.91 lakhs). The loan is unsecured and carry an interest 8.81% per annum and repayable after the end of the tenure.

Corporate Guarantee by Related Party :

The holding company,JSW Cement Limited has issued corporater guarantee to banks on behalf of and in respect of loan availed by the company.

C. Amount due to/from related parties — **₹ in lakh**

Particulars	As at 31.12.2023	As at 31.03.2023
Trade Receivable/Advance received against supply		
JSW Cement Limited	(11,909.95)	799.24
Trade Payable		
Bhushan Power & Steel Limited	0.79	-
Advance paid against supply/service		
JSW Steel Limited	72.79	-
Loan Received balance		
JSW Cement Limited	67,759.09	62,136.91
1% Optionally Convertible Cumulative Redeemable Preference shares		
JSW Cement Limited	10,000.00	10,000.00
Interest Payable on loan(net of TDS)		
JSW Cement Limited	4,918.90	1,016.78

e. Earnings per share (EPS) — **₹ in lakhs**

Particulars	As at 31.12.2023	As at 31.12.2022
Profit/(Loss) attributable to Equity shareholders (₹ in lakhs)(A)	(5,651.26)	(4,923.95)
Weighted average number of Equity shares for basic EPS (B)	19,50,00,000	19,50,00,000
Effect of Dilution :	-	-
Weighted average number of Equity shares adjusted for the effect of dilution (C)	19,50,00,000	19,50,00,000
Basic EPS (Amount in ₹) (A/B)	(2.90)	(2.53)
Diluted EPS(Amount in ₹) (A/C)	(2.90)	(2.53)

Note : Basic & Diluted earning per share as at 31.12.2023 are not annualised as stated above.

f. As on December 31, 2023 the Company's accumulated loss is Rs.27,886.34 lakh resulting in erosion of net-worth of the Company. The Management is hopeful of improving the performance of the company considering the plant operational performance. The management is confident that the Company will be able to operate as a "Going Concern" and meet its liabilities as they fall due for payment and continued support being received from its shareholders/lenders. Accordingly, these financial statements continue to be presented on a going concern basis..

g. The financial statements are approved for issue by the audit committee at its meeting held on 13.03.2024 and by the board of directors on 13.03.2024.

h. Previous year's figures have been regrouped / reclassified wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date		
For Shah Gupta & Co.	**For and on behalf of the Board of Directors**	
Chartered Accountants		
FRN No : 109574W		
Heneel K Patel	**Narindersingh Kahlon**	**Manoj kumar Rustagi**
Partner	Director	CEO & Whole Time Director
Membership No.: 114103	DIN No :0378016	DIN No : 07742914
UDIN: 24114103BKBHAR6044		
Place Mumbai	**Sneha Bindra**	**Girish Menon**
Date: 13.03.2024	Company Secretary	Chief Financial Officer