

Independent Auditor's Report

TO THE MEMBERS OF
SANGHI INDUSTRIES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of Sanghi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

Sr No.	Key Audit Matter	Description of Key Audit Matter	How Key Audit Matter was Addressed in our Audit
1.	Property, Plant and Equipment	Property, plant and equipment requires the management to exercise significant judgment in relation to the estimate of depreciable lives of the assets considering the technical factors which may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year. The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually.	Our audit procedures in relation to the depreciable life of Property, Plant and Equipment include: Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment. Benchmarking the useful life of plant & machinery by comparing the peers in the cement industry. Placing the reliance on the technical report of Chartered Engineer for complexity involved in the residual value of plant & machinery. Review of the internal assessment done by the management and independent opinion obtained by the management. Assessment of appropriateness of disclosures provided in the Financial Statements. Based on the above procedures performed, estimation for determination of useful lives and residual value of property, plant and equipment is considered to be adequate and reasonable.

Sr No.	Key Audit Matter	Description of Key Audit Matter	How Key Audit Matter was Addressed in our Audit
2.	Litigation & claims	<p>There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias.</p>	<p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of litigations & claims and adopted the following audit procedures:</p> <ul style="list-style-type: none"> ▪ understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; ▪ discussed with the management regarding any material developments thereto and latest status of legal matters; ▪ read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; ▪ examined management's judgements and assessments in respect of whether provisions are required; ▪ considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote; ▪ reviewed the adequacy and completeness of disclosures. <p>Based on the above procedures performed, the estimation and disclosures of litigations and claim are considered to be adequate and reasonable.</p>

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Corporate Governance Report, and the information included in the Directors' Report including Annexures, Management Discussion and Analysis, Business Responsibility and Sustainability Report and other company related information (but does not include the Financial Statements and our auditor's report thereon).

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the

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

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that

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

Other Matter

The Financial Statements of the Company for the year ended March 31, 2023 were audited by us & predecessor joint auditor of the Company, where they had expressed an unmodified opinion vide their report dated May 17, 2023 on such financial statements.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the

Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- (e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 37 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2024.
 - iv) (a) Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced

- or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) Management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid any dividend during the current year.
- vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For S.K Mehta & Co,

Chartered Accountants

Firm's Registration No:000478N

Rohit Mehta

Partner

Membership Number: 091382

UDIN: 24091382BKARGA5374

Place of Signature: Ahmedabad

Date: April 27, 2024

Annexure "A"

to the Independent Auditor's report of even date on the Financial Statements of Sanghi Industries Limited

(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" section of our report of even date)

- i) In respect of its Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.
 - (B) The Company does not have Intangible Assets, therefore reporting under this clause is not applicable.
 - b) As explained to us, Property, Plant & Equipment and right-of-use assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and the records examined by us, title deeds in respect of immovable properties disclosed as Property, Plant & Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are held in the name of the Company as at the balance sheet date.
 - d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have Intangible Assets during the year. Accordingly, reporting under clause 3(i) d of the Order is not applicable.
 - e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) As explained to us and on the basis of records examined by us, in our opinion, physical verification of the inventories has been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate for each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, Company was having sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, however in the month of December 2023, company has liquidated its working capital loans and at present, company is not having any sanctioned working limit. In our opinion and according to the information and explanations given to us, quarterly returns and statements, comprising stock statements, book debt statements, Trade payable and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company except, as disclosed below for material variation. (also refer note 50 to the financial statements)

₹ in crore

Particulars of Securities provided	For the quarter ended	Amount as per unaudited books of account	Amount as reported in the quarterly returns and statements	Amount of difference
Inventories & Trade Receivables up to 90 days	June 2023	225.69	304.78	79.09
Trade Payables (*)	June 2023	152.32	90.75	-61.57

*Excluding amounts payable for post-production activities, project and long-term Trade Payables as per the consistent practice followed by the Company and accepted by its lender.

- iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not made investment or provided any guarantee or security or has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable.
- iv) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act & to others entities or given guarantees or securities in connection with the loan taken by such persons or made any investments and accordingly the compliance under Section 185 and 186 of the Act is not applicable and hence reporting under clause 3 (iv) of the Order is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under to the extent applicable. Therefore, the reporting under clause 3 (v) of the Order is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii) In respect of Statutory dues:
- a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to appropriate authorities except that during the year, dues towards Goods & Service Tax, employees' state insurance, provident fund, professional tax, income tax were deposited late by the Company & such delay ranges from 1 to 95 days.
- There are no undisputed statutory dues outstanding as of March 31, 2024 for period of more than six months from the date they become payable.

- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute, except for the items set out as below:

Name of Statute	Nature of Dues	Disputed Amount (₹ in crore)	Amount paid under protest (₹ in crore)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	40.00	40.00	Various years	Customs, Excise & service tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	17.35	1.33	Various years	Customs, Excise & service tax Appellate Tribunal
Service Tax the Finance Act, 1994	CENVAT Credit	4.08	0.50	Various years	Customs, Excise & service tax Appellate Tribunal
Custom Act, 1962	Custom Duty	12.41	-	2005-10	Customs, Excise & service tax Appellate Tribunal
GST	GST Compensation Cess	2.28	2.28	2017-18, 2018-19 and 2020-21	Dy. Commissioner (Appeals) of Gujarat GST and Gujarat High Court
GST	Input Tax Credit	0.81	0.04	2017-18, 2018-19 & Trans -1 Credit Appeal	Appellate authority Maharashtra & Dy./ Assistant Commissioner (Appeals) of Gujarat GST
ESIC	ESIC Contributions	0.35	0.09	2014-15	ESIC Appellate Authority
The Gujarat Land Revenue Code	Land Revenue	1.17	-	Various years	Gujarat High Court
Gujarat Water Supply and Sewerage Board Act, 1978	Water Charges	26.38	-	2012-13 to 2015-16	Gujarat High Court
Electricity Duty Act	Electricity Duty	112.18	-	2005-onwards	Ahmedabad High Court

- viii) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given and records examined by us, the money raised by way of term loans during the year have been applied, prima facie, for the purpose for which they were obtained.
- d) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at year end, i.e., March 31, 2024, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of the shares or convertible debentures (fully, partially or optionally). Accordingly, reporting under clause 3(x)(b) of the order is not applicable.
- xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no case of material fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section 12 of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and accordingly, reporting under clause 3(xi)(c) of the order is not applicable.
- xii) In our opinion company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the reporting under clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements, as required by the applicable Indian Accounting Standards.
- xiv) a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with them as referred to in Section 192 of Companies Act. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.
- xvi) a) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) of the Order is not applicable.
- b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly,

reporting under clause 3(xvi)(b) of the Order is not applicable

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.

d) There is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016). Accordingly, reporting under clause 3(xvi)(d) of the Order is are not applicable.

xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the current year amounting to ₹ 341.76 crore and ₹ 232.32 crore in the preceding financial year.

xviii) During the year one of the joint statutory auditors has given their resignation vide letter dated December 05, 2023 on account of their ineligibility under section 141 of the Act. No issues, objections or concerns are raised by the outgoing auditor.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management business plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our

reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) With respect to CSR contribution under section 135 of the Act:

a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there are no unspent amount that are required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there are no unspent amount that are required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

For S.K Mehta & Co,

Chartered Accountants

Firm's Registration No:000478N

Rohit Mehta

Partner

Membership Number: 091382

UDIN: 24091382BKARGA5374

Place of Signature: Ahmedabad

Date: April 27, 2024

Annexure "B"

to the Independent Auditor's report of even date on the Financial Statements of Sanghi Industries Limited

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Sanghi Industries Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended 2024.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial control, both issued by the Institute of Chartered Accountants of India. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Financial Statements, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.K Mehta & Co,

Chartered Accountants
Firm's Registration No:000478N

Rohit Mehta

Partner
Membership Number: 091382
UDIN: 24091382BKARGA5374

Place of Signature: Ahmedabad

Date: April 27, 2024

Balance Sheet

as at March 31, 2024

Particulars	Notes	₹ in crore	
		As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	3,182.49	3,101.13
(b) Right of use assets	2	2.44	16.17
(c) Capital work in progress	2	4.03	42.21
(d) Deferred tax assets (net)	3	36.94	36.94
(e) Non-current tax assets (net)	4	4.50	2.90
(f) Other non current assets	5	7.65	8.06
Total Non- current assets		3,238.05	3,207.41
2 Current assets			
(a) Inventories	6	138.21	296.33
(b) Financial assets			
(i) Trade receivables	7	-	51.72
(ii) Cash and cash equivalents	8	173.29	0.92
(iii) Bank balances other than cash and cash equivalents	9	18.98	55.50
(iv) Other financial assets	10	0.80	29.46
(c) Other current assets	11	58.89	68.37
Total Current assets		390.17	502.30
3 Non current assets classified as held for sale	12	0.08	-
		0.08	-
TOTAL ASSETS		3,628.30	3,709.71
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	13	258.33	258.33
(b) Other equity	14	852.46	1,300.80
Total Equity		1,110.79	1,559.13
2 Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,081.30	1,350.70
(ii) Lease liabilities	16	1.06	15.80
(iii) Other financial liabilities	17	63.64	45.51
(b) Provisions	18	8.29	8.05
Total Non- current liabilities		2,154.29	1,420.06
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	179.99
(ii) Lease liabilities	19	1.26	1.78
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	20	3.65	2.00
(b) Total outstanding dues of trade payable other than Micro and Small Enterprises	20	40.31	338.10
(iv) Other financial liabilities	21	16.27	95.46
(b) Deferred revenue	22	-	5.19
(c) Other current liabilities	23	119.14	61.90
(d) Provisions	24	182.59	46.10
Total current liabilities		363.22	730.52
Total liabilities		2,517.51	2,150.58
TOTAL EQUITY AND LIABILITIES		3,628.30	3,709.71

Material Accounting Policy Information

1

The accompanying notes 1 to 51 are an integral part of the Financial Statements

As per report of even date

For and on behalf of the Board of Directors of
Sanghi Industries LimitedFor S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478NRohit Mehta
Partner
M. No. 091382Ajay Kapur
Chairman
DIN - 03096416Sukuru Ramarao
Whole-time Director and CEO
DIN - 08846591Place: Ahmedabad
Date: April 27, 2024Sanjay Khajanchi
Chief Financial OfficerAnil Agrawal
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2024

₹ in crore

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Income			
Sale of products	25	820.17	924.50
Other operating income	25	1.18	3.86
a) Revenue from operations		821.35	928.36
b) Other income	25	12.60	19.45
Total income		833.95	947.81
2 Expenses			
a) Cost of materials consumed	26	68.98	63.02
b) Purchases of stock in trade		2.45	10.71
c) Changes in inventories of finished goods and work-in-progress	27	92.44	(52.35)
d) Employee benefits expense	28	64.90	63.83
e) Finance costs	29	283.59	238.17
f) Depreciation and amortisation expense	30	107.03	93.38
g) Power and fuel		377.54	470.21
h) Freight and forwarding expense	31	134.12	243.88
i) Other expenses	32	168.96	142.66
Total expenses		1,300.01	1,273.51
3 Profit / (loss) before exceptional items and tax (1-2)		(466.06)	(325.70)
4 Add: Exceptional items	48	17.47	-
5 Profit / (loss) before tax		(448.59)	(325.70)
6 Tax expense:			
a) Current tax		-	-
b) Current tax adjustments of earlier years		0.20	-
c) Deferred tax	3	-	-
Total tax expense		0.20	-
7 Profit / (loss) after tax (5-6)		(448.79)	(325.70)
8 Other comprehensive income	33		
A I) Items that will not be reclassified to profit or loss		0.45	0.60
II) Income tax related to items that will not be reclassified to profit or loss		-	-
B I) Items that will be reclassified to profit or loss		-	-
ii) Income tax related to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		0.45	0.60
9 Total comprehensive income / (loss) for the year (7+8)		(448.34)	(325.10)
10 Earnings per share of ₹ 10 each - in ₹	34		
1. Basic		(17.37)	(12.88)
2. Diluted		(17.37)	(12.88)

Material Accounting Policy Information

1

The accompanying notes 1 to 51 are an integral part of the Financial Statements

As per report of even date

For and on behalf of the Board of Directors of
Sanghi Industries Limited

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382

Ajay Kapur
Chairman
DIN - 03096416

Sukuru Ramarao
Whole-time Director and CEO
DIN - 08846591

Place: Ahmedabad
Date: April 27, 2024

Sanjay Khajanchi
Chief Financial Officer

Anil Agrawal
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
₹ in crore		
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before tax as per statement of profit and loss	(448.59)	(325.70)
Adjustments for:		
Depreciation and amortisation	107.03	93.38
(Profit) / loss on sale of PPE (including amount booked in exceptional income of ₹ 224.10 crore)	(213.51)	(9.43)
Foreign exchange (gain)/loss	0.23	0.57
Interest income	(2.56)	(1.84)
Exceptional cost	206.63	-
Interest and other financial charges	283.59	238.17
Operating profit before working capital changes	(67.18)	(4.85)
Adjustments for:		
(Increase)/Decrease in inventories	42.12	(37.77)
(Increase)/Decrease in trade receivables	51.72	41.05
(Increase)/Decrease in other current and non current assets and loans and advances	50.87	0.18
Increase/(Decrease) in trade payables	(296.37)	(9.03)
Increase/(Decrease) in other current and non-current liabilities and provisions	(22.69)	(14.04)
Cash generated from operations	(241.53)	(24.46)
Income taxes (paid) / refund	(1.80)	(0.69)
Net Cash flow from / (used in) operating activities	(243.33)	(25.15)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Addition of property, plant and equipment and capital work-In-progress (Net)	(56.92)	(16.87)
Proceeds from disposal of property, plant and equipment	251.56	54.00
Withdrawal/(Investment) in fixed deposits/mutual funds	36.52	(9.91)
Interest received	3.02	1.95
Net Cash Flow from / (used in) Investing Activities	234.18	29.17
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Equity issue	-	50.00
(Repayment) / Receipt of short term borrowings	(175.50)	(104.78)
Receipts of long term borrowings	2,132.95	500.00
Repayment of long term borrowings	(1,420.03)	(248.98)
Interest and other financial charges	(355.90)	(199.48)
Net Cash Flow from / (used in) Financing Activities	181.52	(3.24)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	172.37	0.78
Cash and cash equivalents (Opening balance)	0.92	0.14
Cash and cash equivalents (Closing balance)	173.29	0.92
Components of Cash and Cash Equivalents		
Cash and cheques on hand	-	0.11
Bank balances in current account	64.14	0.81
Balances in liquid mutual fund	109.15	-
Cash and Cash Equivalents	173.29	0.92

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

As per report of even date

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382

Place: Ahmedabad
Date: April 27, 2024

**For and on behalf of the Board of Directors of
Sanghi Industries Limited**

Ajay Kapur
Chairman
DIN - 03096416

Sanjay Khajanchi
Chief Financial Officer

Sukuru Ramarao
Whole-time Director and CEO
DIN - 08846591

Anil Agrawal
Company Secretary

Statement of Changes in Equity (SOCIE)

for the year ended March 31, 2024

A. Equity Share Capital

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	258.33	251.00
Changes during the year	-	7.33
Closing Balance	258.33	258.33

B. OTHER EQUITY

₹ in crore

Particulars	Reserves and Surplus				Total
	Security Premium	Capital redemption reserve	Retained earnings	Other Comprehensive Income	
Balance as at April 01, 2023	452.01	84.84	763.45	0.50	1,300.80
Additions:					
Loss for the year	-	-	(448.79)	-	(448.79)
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-	-	0.45	0.45
Total	-	-	(448.79)	0.45	(448.34)
Balance as at March 31, 2024	452.01	84.84	314.66	0.95	852.46
Balance as at April 01, 2022	409.34	84.84	1,089.14	(0.10)	1,583.23
Additions:					
Loss for the year	-	-	(325.70)	-	(325.70)
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-	-	0.60	0.60
Issue of share capital	42.67	-	-	-	42.67
Total	42.67	-	(325.70)	0.60	(282.43)
Balance as at March 31, 2023	452.01	84.84	763.45	0.50	1,300.80

As per report of even date

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382

Place: Ahmedabad
Date: April 27, 2024

For and on behalf of the Board of Directors of
Sanghi Industries Limited

Ajay Kapur
Chairman
DIN - 03096416

Sanjay Khajanchi
Chief Financial Officer

Sukuru Ramarao
Whole-time Director and CEO
DIN - 08846591

Anil Agrawal
Company Secretary

Notes forming part of financial statements

Note 1 - Corporate Information And Material Accounting Policies

A. Corporate Information

Sanghi Industries Limited is engaged in the manufacturing and marketing of cement and cement products in domestic and export market. The Company's manufacturing facilities are at Sanghipuram, Gujarat and Registered Office at Sanghi Nagar, R.R. District, Telangana. Equity shares of the Company are listed on The National Stock Exchange and BSE Limited in India.

B. Material Accounting Policies

a. Basis of Preparation and Presentation

i. Compliance with Indian Accounting Standards

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, and other relevant provisions of the Act, as amended from time to time.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative instruments) are measured at fair value

iii. These financial statements were approved for issue in accordance with the resolution of the Board of Directors on April 27,2024

b. Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised upon transfer of control of promised goods to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods. In determining the transaction price for the sales of goods, the Company considers

the effects of variable consideration and existence of significant financing components if any.

c. Interest income

Interest income is recognised using the effective interest rate method.

d. Property, plant and equipment

In accordance with provisions of Ind AS 101, the Company has elected to use fair value of freehold land as its deemed cost on transition date of Ind AS. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Items of spare parts that meets the definition of 'Property, plant and equipment' are recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure directly attributable to setting up / construction of new projects are capitalised. Administrative and other general overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profit/Losses arising in the

Notes forming part of financial statements

case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

e. Depreciation

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. Depreciation on Property, Plant and Equipment is provided on straight line method as per useful life and residual value as provided in Schedule II of the Companies Act, 2013, except in following cases, where the useful life and residual value is taken based on the technical report received from Chartered Engineer and as approved by the management. Cement manufacturing plant is considered as continuous process plant:

Nature of Assets	Useful life and Residual value
Plant & Machinery	30 to 50 Years and Residual Value 5 to 10%
Civil Structure	30 to 60 years

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Cost of lease-hold land is amortised equally over the period of lease.

Leasehold improvement is depreciated over the period of lease.

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

f. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset

through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets are depreciated/ amortised from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right of use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated / amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

g. Impairment of asset

The carrying amount of Property, Plant and Equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a

Notes forming part of financial statements

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are expensed in the period in which they occur.

i. Financial instruments

1. Financial assets

Financial assets are measured as at amortised cost and this includes contractual revenue receivables and lease receivables.

Derecognition

A Financial Asset is primarily derecognised when:

- i. The rights to receive cash flows from asset has expired, or

- ii. The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either

- a) The Company has transferred substantially all the risks and rewards of the asset, or
- b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Financial liabilities

Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The same is recognised at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes forming part of financial statements

Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

j. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss

k. Taxes on income

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialise, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally

enforceable right to offset current tax assets against the current tax liabilities, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity, respectively.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilised.

l. Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. For finished goods and work in progress, cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Items of spare parts that does not meet the definition of 'property, plant and equipment are recognised as a part of inventories.

m. Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Post-employment and other employee benefits are recognised as an expense at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long-term benefits are charged to the statement of other comprehensive income.

n. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions

Notes forming part of financial statements

are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

o. Use of estimates and judgments

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates. Estimates and underlying assumptions are reviewed on an

ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

p. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit or loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

q. Current and non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

Notes forming part of financial statements

r. Foreign currency translation

The financial statements are presented in Indian rupee (₹), which is company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the respective currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss unless otherwise disclosed.

s. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

t. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore (up to two decimals) as per the requirements of Schedule III, unless otherwise stated.

u. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

i) Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty,

the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

ii) Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

iii) Impairment of financial assets and non-financial assets:

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

In case of non-financial assets, Company estimates asset's recoverable amount, which is higher of an assets or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

iv) Recognition of Deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

v) Fair value measurement:

For estimates relating to fair value of financial instruments, refer note 35 of financial statements.

Notes forming part of financial statements

Note 2 - Property, Plant and Equipment Current Year

₹ in crore

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at April 01, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	As at April 01, 2023	Depreciation charge for the year	Disposals/ Adjustments	Reclassification Adjustments	As at March 31, 2024	As at March 31, 2023
Own Assets										
Freehold land	332.67	37.46	0.58	369.55	-	-	-	-	-	332.67
Building	550.15	2.00	10.65	541.50	89.66	10.76	10.70	-	89.72	460.49
Leasehold improvements	4.87	-	4.87	-	2.03	0.12	2.15	-	-	2.85
Jetty & break water	162.72	57.07	-	219.79	123.45	5.65	-	-	129.10	39.27
Plant and equipment	3,406.53	116.21	101.09	3,421.65	1,156.55	86.58	83.64	-	1,159.49	2,249.98
Furniture and fixtures	23.22	0.06	9.15	14.13	12.28	0.82	7.96	5.37	10.51	10.94
Vehicles	14.98	-	13.89	1.09	11.61	0.57	12.13	0.70	0.75	3.37
Office equipment	2.59	-	0.93	1.66	2.26	0.08	0.88	-	1.46	0.33
Electrical installations	57.57	-	24.95	32.62	57.25	0.24	22.25	(6.07)	29.17	0.32
Laboratory equipment	2.26	-	0.12	2.14	1.90	0.12	0.12	-	1.90	0.37
Computers	6.52	-	1.89	4.63	5.97	0.31	2.11	-	4.17	0.55
Fire fighting equipments	0.10	-	0.10	-	0.10	-	0.10	-	-	-
Sub-total	4,564.17	212.80	168.22	4,608.76	1,463.06	105.25	142.04	0.00	1,426.26	3,182.49
Right of use assets										
Building	15.18	-	15.18	-	2.84	0.39	3.23	-	-	12.34
Plant & equipment	6.96	-	-	6.96	3.13	1.39	-	-	4.52	3.83
Sub-total	22.14	-	15.18	6.96	5.97	1.78	3.23	-	4.52	16.17
TOTAL	4,586.32	212.80	183.40	4,615.73	1,469.03	107.03	145.27	-	1,430.78	3,117.30

Notes forming part of financial statements

Note 2 - Property, Plant and Equipment

Previous Year

₹ in crore

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value			
	As at April 01, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation charge for the year	Disposals/ Adjustments	Reclassification Adjustments	As at March 31, 2023	As at March 31, 2022
Own Assets										
Freehold land	332.67	-	-	332.67	-	-	-	-	-	332.67
Building	549.76	0.39	-	550.15	79.45	10.20	-	-	89.66	470.30
Leasehold improvements	4.87	-	-	4.87	1.55	0.48	-	-	2.03	3.32
Jetty & break water	162.72	-	-	162.72	117.83	5.62	-	-	123.45	44.89
Plant and equipment	3,371.02	90.87	55.35	3,406.53	1,096.67	70.86	10.99	-	1,156.55	2,274.34
Furniture and fixtures	23.23	-	-	23.22	12.09	0.19	-	-	12.28	11.14
Vehicles	18.99	-	4.01	14.98	13.94	1.48	3.81	-	11.61	5.05
Office equipment	2.59	-	-	2.59	2.25	0.01	-	-	2.26	0.34
Electrical installations	57.57	-	-	57.57	56.01	1.24	-	-	57.25	1.56
Laboratory equipment	2.25	-	-	2.26	1.75	0.14	-	-	1.90	0.50
Computers	6.40	0.10	-	6.52	5.30	0.67	-	-	5.97	1.10
Fire fighting equipments	0.10	-	-	0.10	0.10	-	-	-	0.10	-
Sub-total	4,552.17	91.36	59.37	4,564.17	1,386.95	90.91	14.80	-	1,463.06	3,101.13
Right of use assets										
Building	15.58	0.80	1.20	15.18	2.96	1.08	1.20	-	2.84	12.34
Plant & equipment	6.96	-	-	6.96	1.74	1.39	-	-	3.13	3.83
Sub-total	22.55	0.80	1.20	22.14	4.70	2.48	1.20	-	5.97	17.85
TOTAL	4,554.72	92.16	60.57	4,586.32	1,391.65	93.38	16.00	-	1,469.03	3,113.30

Notes:

1. It includes ₹ NIL Borrowing cost capitalised during FY 2023-24 (FY 2022-23 ₹ 4.78 crore)
2. Refer Note 15 regarding information on Assets Hypothecation/ Pledge for Borrowings
3. Refer Note 37 regarding Capital Commitment for Property, plant & equipment
4. Refer Note 45 regarding accounting of leases

Notes forming part of financial statements

5. Capital work in progress

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Capital work in progress	4.03	42.21

Notes:

- i) Movement in capital work in progress

Particulars	₹ in crore
Opening balance as on March 31, 2022	42.21
Add - Additions during the year	-
Less - Capitalised during the year	-
Closing balance as on March 31, 2023	42.21
Add - Additions during the year	63.10
Less - Capitalised during the year	(101.28)
Closing balance as on March 31, 2024	4.03

- ii) Ageing schedule of capital work in progress

Particulars	Amount of CWIP for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
As at March 31, 2024				
Project in progress	4.03	-	-	4.03
Total	4.03	-	-	4.03

Particulars	Amount of CWIP for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
As at March 31, 2023				
Projects temporarily suspended (*)	-	0.02	0.12	42.07
Total	-	0.02	0.12	42.07

*Above CWIP pertains to land purchased amounting to ₹37.61 crores and advance for equipment for setting up a grinding unit at Surat for which requisite approval for project is pending from authorities.

Notes forming part of financial statements

Note 3 - Deferred tax assets / (liabilities)

Component of deferred tax assets (net) is provided as under

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (DTA)		
Unabsorbed depreciation and business losses	336.03	245.99
Others	25.64	93.38
Total Deferred tax assets (DTA) - A	361.67	339.37
Deferred tax liabilities (DTL)		
Difference between tax depreciation and book depreciation	(308.51)	(298.95)
Deferred tax liabilities (DTL) - B	(308.51)	(298.95)
Net deferred tax assets (A + B)	53.16	40.42

Note

The Company has deferred tax asset in the form of Unabsorbed Depreciation / Other disallowances under Income Tax Act. The Company has recognised deferred tax asset of ₹ 36.94 crore in the books of accounts upto FY 2021-22. As matter of prudence, additional deferred tax asset has not been recognised in the books of accounts for the year.

Note 4 - Non-current tax assets (net)

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income tax/TDS/TCS	4.50	2.90
Total	4.50	2.90

Note 5 - Other non current assets

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	7.65	8.06
Total	7.65	8.06

Notes forming part of financial statements

Note 6 - Inventories

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Raw materials	7.81	10.14
Fuel stock (Includes material in transit and inspection ₹ 19.89 crore) (Previous Year ₹ NIL)	84.98	27.22
Work-in-progress	1.24	10.51
Finished goods	18.12	101.29
Stores, spares and components (including in transit ₹ 0.31 crore) (Previous Year ₹ NIL)	21.18	145.17
Packing materials	4.88	2.00
Total	138.21	296.33

Refer Note 15 regarding information for Hypothecation / Pledge of Inventory for Borrowings for previous year

Refer Note 1B 2(l) for valuation of Inventory

During the year ended March 31, 2024 the Company has recognised ₹ 12.73 crore as an expense for provision related to slow and non-moving stores and spares inventory

Note 7 - Trade Receivables

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Secured, considered good	-	-
Unsecured, considered good		
From related parties	-	-
From others	1.64	52.10
Less: Allowance for doubtful trade receivables	(1.64)	(0.38)
Total	-	51.72

Refer Note 15 regarding information on Hypothecation / Pledge of Trade Receivables for Borrowings

Trade Receivables Ageing as at March 31, 2024:

Particulars	₹ in crore						
	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	0.11	0.27	0.04	0.11	1.11	1.64
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	0.11	0.27	0.04	0.11	1.11	1.64
Less: Allowance for doubtful trade receivables	-	(0.11)	(0.27)	(0.04)	(0.11)	(1.11)	(1.64)
Total	-	-	-	-	-	-	-

Notes forming part of financial statements

Trade Receivables Ageing as at March 31, 2023:

₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
Undisputed Trade receivables – considered good	49.28	0.40	0.63	0.24	0.37	0.85	51.78
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	0.07	-	0.25	0.32
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	49.28	0.40	0.63	0.32	0.37	1.10	52.10
Less: Allowance for doubtful trade receivables	-	(0.01)	(0.03)	(0.03)	(0.04)	(0.27)	(0.38)
Total	49.28	0.39	0.60	0.29	0.33	0.83	51.72

Note 8 - Cash and Cash Equivalent

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	64.14	0.81
Cash in hand	-	0.11
Investments in liquid mutual funds measured at FVTPL	109.15	-
Total	173.29	0.92

Note 9 - Bank balances other than cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
* Fixed deposits having original maturity more than 3 months but less than 12 months	18.98	55.50
Total	18.98	55.50

* Fixed Deposit includes Margin Money of ₹ NIL (Previous Year ₹ 55.50 crore) represents security deposited against Non funded exposures from banks

Note 10 - Other Financial assets

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good		
Security deposits	0.80	29.46
Total	0.80	29.46

Notes forming part of financial statements

Note 11 - Other Current assets

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good		
Advances to employees	0.01	0.27
Advance to suppliers and contractors	11.96	14.99
Deposit with government department (Refer note – 37)	46.02	46.54
Others	0.90	6.57
Total	58.89	68.37

Note 12 - Non current assets classified as held for sale

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Freehold Land	0.08	-
Total	0.08	-

Foot Note:

1. These assets are expected to be disposed off within the next twelve months.
2. Fair value less costs to sell-off these assets is higher than their carrying value.

Note 13 - Share Capital

₹ in crore

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	No. of shares	No. of shares	Amount
Authorised share capital				
Equity shares of ₹ 10/- each	350,000,000	350.00	350,000,000	350.00
Preference shares of ₹ 100/- each	20,000,000	200.00	20,000,000	200.00
		550.00		550.00
Issued share capital				
Equity shares of ₹ 10/- each Fully paid Up	258,326,000	258.33	258,326,000	258.33
		258.33		258.33
Subscribed and Fully paid up share capital				
Equity shares of ₹ 10/- each Fully paid Up	258,326,000	258.33	258,326,000	258.33
	258,326,000	258.33	258,326,000	258.33
Total share capital	258,326,000	258.33	258,326,000	258.33

Note (1): During the previous year the Company has issued 7326000 Equity Shares of the face value of ₹ 10 only per Equity Share, at a price of ₹ 68.25 per equity share (including premium of ₹ 58.25 per equity share), aggregating up to ₹ 50.00 crore by way of private placement on preferential basis to M/s Thinkfar Tradelink Private Limited, Promoter Group Entity. Out of the above proceeds, amount of ₹ 0.52 crores was pending to be utilised as on March 31, 2023 and the same was held in Company's current account and same is utilised in current year.

Notes forming part of financial statements

Note (2): The reconciliation of number of shares outstanding at the beginning and at the end of the year

₹ in crore

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	No. of shares	No. of shares	Amount
Balance at the beginning of the reporting period	258,326,000	258.33	251,000,000	251.00
Changes in equity share capital during the year.	-	-	7,326,000	7.33
Balance at the end of the reporting period	258,326,000	258.33	258,326,000	258.33

Notes:

A) Terms, Rights and restrictions attached to equity shares

The Company has one class of equity shares having par value of ₹ 10 per share. Each member is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

B) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

₹ in crore

Particulars	As at	As at
	March 31, 2024	March 31, 2023
156137102 equity shares of ₹ 10/- each fully paid	156.14	-

In terms of Share Purchase Agreement (SPA) dated August 03, 2023 as amended, entered amongst (a) the Company (b) Certain Members of Promoters Group and (c) Ambuja Cements Limited (Acquirer), Acquirer has acquired 140821941 Equity Shares constituting 54.51% of Equity Share Capital of the Company on December 06, 2023. Consequently, the Board of Directors was reconstituted on December 07, 2023. The Acquirer had made an Open Offer to Public Shareholders of the Company for acquiring upto 67164760 Equity Shares constituting about 26% of the paid-up equity share capital of the Company, wherein 20481161 Equity shares (i.e. 30.49% of the Offer size and 7.93% of the Paid-up Capital) were tendered by public shareholders. Post this Open Offer, the shareholding of the Acquirer increased to 161303102 Equity shares (i.e. 62.44%) resulting in increase in the overall shareholding of promoter group to 80.52%.

In order to achieve the Minimum Public Shareholding, the Acquirer has sold 5166000 Equity shares (i.e. 2%) in Open Market. Post selling of the shares, Acquirer is holding 156137102 Equity shares (i.e. 60.44%) of the Company and the overall shareholding of Promoter Group is 202836040 Equity shares (i.e. 78.52%) as on March 31, 2024.

C) The details of Shareholders holding more than 5 % of Shares

₹ in crore

Particulars	March 31, 2024		March 31, 2023	
	No. of shares held	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital
Equity shares				
Samruddhi Investors Services Private Limited	-	-	61,533,791	23.82
Mr. Ravi Sanghi	-	-	49,869,750	19.30
Ambuja Cements Limited	156,137,102	60.44	-	-
	156,137,102	60.44	111,403,541	43.13

Notes forming part of financial statements

D) For the period of preceeding five years as at the Balance Sheet date:

a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
b) Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil
c) Aggregate number and class of shares bought back	Nil

E) Shareholding of Promoters

₹ in crore

Promoter Name	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Ambuja Cements Limited	156,137,102	60.44%	-	-	100%
Mr. Ram Sharan Sanghi	187,000	0.07%	187,000	0.07%	-
Mr. Ravi Sanghi	5,412,800	2.10%	49,869,750	19.30%	-89%
Mr. Gireesh Sanghi	1,342,478	0.52%	1,342,478	0.52%	-
Mrs. Kamala Rani Sanghi	140,250	0.05%	140,250	0.05%	-
Mrs. Anita Sanghi	-	-	1,020,200	0.39%	-100%
Mrs. Alka Sanghi	1,074,150	0.42%	1,074,150	0.42%	-
Ms. Ekta Sanghi	-	-	343,750	0.13%	-100%
Ms. Aarti Sanghi	343,750	0.13%	343,750	0.13%	-
Mr. Gireesh Sanghi HUF	7,866,000	3.04%	7,866,000	3.04%	-
Mr. Aditya Sanghi	-	-	8,892,500	3.44%	-100%
Mr. Alok Sanghi	-	-	8,892,500	3.44%	-100%
Mr. Ashish Sanghi	2,639,710	1.02%	2,639,710	1.02%	-
Mr. Gaurav Sanghi	2,647,300	1.02%	2,647,300	1.02%	-
SZF Private Limited	6,884,000	2.66%	6,884,000	2.66%	-
Sanghi Threads Private Limited	1,754,000	0.68%	1,754,000	0.68%	-
Sanghi Filaments Private Limited	2,287,500	0.89%	2,287,500	0.89%	-
Sanghi Poly Zips Private Limited	1,482,500	0.57%	1,482,500	0.57%	-
Sanghi Synthetics Private Limited	1,675,000	0.65%	1,675,000	0.65%	-
Alpha Zippers Private Limited	1,675,000	0.65%	1,675,000	0.65%	-
Fancy Zippers Private Limited	1,468,750	0.57%	1,468,750	0.57%	-
Balaji Zippers Private Limited	2,775,000	1.07%	2,775,000	1.07%	-
SKK Zippers Private Limited	3,575,000	1.38%	3,575,000	1.38%	-
Maruti Fastners Private Limited	1,468,750	0.57%	1,468,750	0.57%	-
Sanghi Polymers Private Limited	-	-	4,700,000	1.82%	-100%
Samruddhi Investors Services Private Limited	-	-	61,533,791	23.82%	-100%
Flarezeal Solutions LLP	-	-	4,000,000	1.55%	-100%
Thinkfar Tradelink Private Limited	-	-	7,326,000	2.84%	-100%
Total	202,836,040	78.52%	187,864,629	72.72%	

Notes forming part of financial statements

Note 14 - Other Equity

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Security Premium		
Opening balance as per last accounts	452.01	409.34
Addition during the year	-	42.67
Utilised during the year	-	-
Closing balance	452.01	452.01
Capital redemption reserve		
Opening balance as per last accounts	84.84	84.84
Addition during the year	-	-
Closing balance	84.84	84.84
Retained earnings		
Opening balance as per last accounts	763.95	1,089.05
Total comprehensive profit / (loss) for the year	(448.34)	(325.10)
Closing balance	315.61	763.95
Total other equity	852.46	1,300.80

Description of Reserve

Security Premium

Security Premium is used to record the premium on the issue of shares / securities. This amount will be utilised in accordance with the provisions of the Companies Act, 2013

Capital Redemption Reserve

In accordance with applicable provisions of the Companies Act, 2013 read with the rules, Company has created Capital Redemption Reserve for capital redeemed by the Company and the same will be utilised in accordance with the provisions of the Companies Act, 2013

Retained earnings

Retained earnings are the profits that Company has earned till date less transferred 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 the Statement of Profit and Loss.

Notes forming part of financial statements

Note 15 - Financial Liabilities: Borrowings

₹ in crore

Particulars	As at March 31, 2024			As at March 31, 2023		
	Non-Current	Current	Current Maturities of Long Term Borrowings	Non-Current	Current	Current Maturities of Long Term Borrowings
a) Working Capital Loans						
Secured – From Banks ¹	-	-	-	-	175.50	-
b) Term Loans						
Secured – From Banks ¹	-	-	-	329.10	-	4.41
Secured – From Others ²	-	-	-	239.00	-	0.08
c) Loan from related party						
Unsecured ³	2,081.30	-	-	7.51	-	-
d) Debentures (Secured)						
15% Listed, Redeemable, Non-convertible Debentures of ₹ 10,00,000/- each ⁴	-	-	-	275.09	-	-
12% Unlisted, Redeemable, Non-convertible Debentures of ₹ 10,00,000/- each ⁵	-	-	-	500.00	-	-
TOTAL	2,081.30	-	-	1,350.70	175.50	4.49

₹ in crore

Details of Short term Borrowings	March 31, 2024	March 31, 2023
Current Borrowings	-	175.50
Current Maturities of Long term Borrowings	-	4.49
Total	-	179.99

Notes forming part of financial statements

Disclosures on borrowings

₹ in crore

Loan	Security*	Repayment terms	As at March 31, 2024		As at March 31, 2023	
			Non-Current	Current	Non-Current	Current
						Current Maturities of Long Term Borrowings
1. Loan from Banks						
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 9.65% to 13.75 %	Repayable on demand.	-	-	-	175.50
Term Loans	First Pari-passu Charge on PPE. The rate of interest is 9.95 %	Repayable from April 2019 to October 2024.	-	-	23.83	-
	First exclusive charge on Ship Loader. The rate of interest is 8.21% March 2026.	Repayable from June 2021 to March 2026.	-	-	1.81	-
	First Pari-passu Charge on PPE. The rate of interest ranges from 9.75% to 11.95%	32 quarterly instalments starting from Oct '2022 Qtr	-	-	302.63	2.68
	Hypothecation of cars	Equated Monthly instalments.	-	-	0.83	0.93
2. Loan from Others						
	Charge on specific property	Equated Monthly instalments starting from October 2015 to December 2025	-	-	0.35	0.08
	First Pari-passu Charge on PPE	32 quarterly instalments starting from Oct '2022 Qtr	-	-	238.65	-
3. Loan from related parties						
	Unsecured Loan from Sanghi Energy Limited. The rate of interest is 8% p.a.	February' 2031	-	-	2.51	-
	Unsecured Loan from Sh. Alok Sanghi	February' 2031	-	-	5.00	-
	Unsecured Inter Corporate Deposits from Ambuja Cements Limited. The rate of interest is 8% p.a. monthly compounded	2 (two) years from the First Funding for Tranche A Date i.e August 09, 2025 and Tranche B December 02, 2025.	2,081.30	-	-	-
4. 15% Listed, Redeemable, Non-convertible Debentures	First Pari-passu Charge on PPE	Payable over 14 quarterly instalments starting from November 22, 2023	-	-	275.09	-
5. 12% Unlisted, Redeemable, Non-convertible Debentures of ₹ 10,00,000/- each	First Pari-passu Charge on PPE	Bullet repayment on completion of 36 months in Nov-2025	-	-	500.00	-
Total			2,081.30	-	1,350.70	4.49

Note: With regard to borrowings of last year in addition to above security, Enterprises over which KMP are able to exercise significant influence, KMP and relative of KMP have given Corporate Guarantee/Guarantee and pledged their Equity Shares in Sanghi Industries Limited, in relation to the Debts of Sanghi Industries Limited.

Notes forming part of financial statements

Note 16 - Lease Liabilities

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Total lease obligations	2.32	17.58
Less: current maturities of lease obligation	(1.26)	(1.78)
Total	1.06	15.80

Note 17 - Other financial liabilities

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Redemption premium accrued but not due on borrowings	-	45.51
Interest accrued but not due on inter corporate deposits (ACL)	63.64	-
Total	63.64	45.51

Note 18 - Long term provisions

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Employee benefits		
Gratuity	4.75	5.43
Leave encashment	1.14	1.51
Sick leave	0.32	0.25
Other provisions		
Asset retirement obligation	0.05	0.09
Mines restoration	2.03	0.20
District mineral fund	-	0.11
National mineral exploration trust	-	0.45
Total	8.29	8.05
Movement of provisions during the year as required by Indian Accounting Standard (Ind AS) 37 "Provisions, Contingent Liabilities and Contingent Assets"		
Provision for asset retirement obligation		
Opening balance	0.09	0.09
Add: Provision during the year	-	-
Less: Utilisation during the year	(0.04)	0.00
Closing balance	0.05	0.09
Provision for Mines Restoration Expenses		
Opening balance	0.20	0.20
Add: Provision during the year	1.83	-
Less: Utilisation during the year	-	-
Closing balance	2.03	0.20

Notes forming part of financial statements

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for District Mineral Fund		
Opening balance	0.11	0.11
Add: Provision during the year	-	-
Less: Utilisation during the year	(0.11)	-
Closing balance	-	0.11
Provision for National Mineral Exploration Trust		
Opening balance	0.45	0.45
Add: Provision during the year	-	0.33
Less: Utilisation during the year	(0.45)	(0.32)
Closing balance	-	0.45
Provision for Electricity Duty		
Opening balance	26.64	26.89
Add: Provision during the year	-	-
Less: Adjustment during the year	(26.64)	(0.25)
Closing balance	-	26.64

Note 19 - Lease Liabilities

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of lease obligation	1.26	1.78
Total	1.26	1.78

Note 20 - Current financial liabilities: Trade payables

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Dues of micro and small enterprises*	3.65	2.00
(b) Dues of trade payables other than micro and small enterprises	40.31	338.10
Total	43.96	340.10

* No interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The said information is based on the records maintained by the Company of its suppliers.

Notes forming part of financial statements

Ageing of Trade Payables as on March 31, 2024

₹ in crore

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	3.60	0.05	-	-	-	3.65
(ii) Others	15.35	9.81	7.28	4.20	3.67	40.31
(iii) Disputed dues – Micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	18.95	9.86	7.28	4.20	3.67	43.96

Ageing of Trade Payables as on March 31, 2023

₹ in crore

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	-	2.00	-	-	-	2.00
(ii) Others	54.43	241.84	24.76	3.37	2.49	326.89
(iii) Disputed dues – Micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	11.13	0.08	-	11.21
Total	54.43	243.84	35.89	3.45	2.49	340.10

Note 21 - Current financial liabilities: Others

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	-	2.02
Other payables:		
Salary payable	0.08	14.39
Other employee related liabilities	0.20	3.21
Payable for capital goods	8.89	7.60
Security deposits from customers and contractors/transporters	7.10	46.76
Other financial liabilities*	-	21.48
Total	16.27	95.46

* Other Financial Liability includes purchase invoice discounting of ₹ NIL (previous year ₹ 16.91 crore).

Note 22 - Deferred Revenue

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Revenue	-	5.19
Total	-	5.19

Notes forming part of financial statements

Note 23 - Current liabilities: Others

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Advance from customers	94.34	27.79
Statutory dues	22.71	34.09
Other payables	2.09	0.02
Total	119.14	61.90

Note 24 - Current provisions

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Employee benefits		
Gratuity	0.74	1.52
Leave encashment	0.18	0.42
Sick leave	0.09	0.05
Other provisions		
Provision for expenses	181.58	44.11
Total	182.59	46.10

Note 25

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Revenue from operations		
Sale of products	820.17	924.50
Total	820.17	924.50
B. Other operating revenues		
Co-processing income	1.18	3.78
Others	0.00	0.08
Total	1.18	3.86
Total Revenue from operations (A+B)	821.35	928.36

Reconciliation of revenue as per contract price and as recognised in the Statement of Profit and Loss:

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contract price	831.90	961.19
Less: Discounts and incentives	11.73	36.69
Revenue from contract with customers	820.17	924.50

Notes forming part of financial statements

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C. Other income		
Interest income		
Bank deposits	2.56	1.84
Other non-operating income (net)		
Sale of scrap	3.51	3.70
Insurance claims received	3.14	2.72
Profit on sale of property, plant & equipment (net)	-	9.43
Gain on sale of liquid mutual fund measured at FVTPL (net)	2.14	-
Others	1.25	1.76
Total other income	12.60	19.45

Note 26 - Cost of materials consumed

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	10.14	9.68
Add: Purchases during the year	66.65	63.48
Less: Closing stock	(7.81)	(10.14)
Total of cost of material consumed	68.98	63.02

Note 27 - Changes in inventories of finished goods and work-in-progress

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Closing stock:		
Finished goods	18.12	101.29
Work-in-progress	1.24	10.51
	19.36	111.80
Less:		
Opening stock:		
Finished goods	101.29	56.05
Work-in-progress	10.51	3.40
	111.80	59.45
Net decrease / (increase) in inventory	92.44	(52.35)

Notes forming part of financial statements

Note 28 - Employee benefit expense

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries & wages and bonus	61.53	61.04
Contribution to provident fund & other benefits	0.82	0.68
Staff welfare expenses	2.55	2.11
Total of employee benefit expense	64.90	63.83

Note 29 - Finance costs

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Borrowings	278.67	226.19
Other borrowing cost	4.92	11.98
Total of finance costs	283.59	238.17

Note 30 - Depreciation & amortisation expenses

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation & amortisation expenses	107.03	93.38
Total of depreciation & amortisation expenses	107.03	93.38

Note 31 - Freight and forwarding expenses

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight outward	126.45	235.64
Stevedoring expenses	7.67	8.24
Total of freight and forwarding expenses	134.12	243.88

Note 32 - Other expenses

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing expenses		
Consumption of packing material	16.72	20.21
Consumption of stores and spares	56.97	15.25
Other manufacturing expenses	12.17	9.10

Notes forming part of financial statements

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Other operating expenses		
Repairs to plant and machinery	25.42	44.85
Repairs to building	4.06	0.86
Advertisement	0.27	1.24
Audit fees*	0.44	0.37
Insurance	5.06	5.78
Foreign exchange loss (net)	0.23	0.57
Loss on sale of property, plant & equipment (net)	10.59	-
Corporate social responsibility expenses	0.03	1.59
Consultancy, legal and professional charges	11.55	5.34
Conveyance and travelling	5.10	5.33
Rent, rates, taxes and fees	5.32	2.64
Other operating and administrative expenses	8.49	13.85
Sales and promotion expenses	6.54	15.68
Total of other expenses	168.96	142.66
* Payment to statutory auditors as under		
Statutory audit fees	0.18	0.30
Special purpose audit fees	0.21	-
Limited review fees	0.05	0.07
	0.44	0.37

Note 33 - Statement of other comprehensive income

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	0.45	0.60
Total	0.45	0.60
II) Income tax related to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	-	-
Total	-	-
Net Comprehensive income	0.45	0.60

Notes forming part of financial statements

Note 34 - Earnings per share

₹ in crore

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Basic EPS amounts are calculated by dividing the profit \ (loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit or (loss) attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.		
The following reflects the profit \ loss and number of shares used in the basic and diluted EPS computations:		
Profit / (Loss) attributable to equity holders (₹ in crore)	(448.79)	(325.70)
Weighted average number of equity shares used for computing EPS (Basic)	258,326,000	252,846,553
Weighted average number of equity shares used for computing EPS (Diluted)	258,326,000	252,846,553
Face value of equity per share - in ₹	10	10
Earnings per share (Basic) - ₹	(17.37)	(12.88)
Earnings per share (Diluted) - ₹	(17.37)	(12.88)

Note 35 - Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The management assessed that fair value of Cash and cash Equivalents, Bank Balances, Short Term Borrowings, Trade Payables, Floating rate Borrowings and Fixed rate Borrowings approximate their carrying amounts, except Trade Receivables, which are initially measured at transaction price.

₹ in crore

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Trade receivables (Refer note - 7)	0.00	0.00	51.72	51.72
Cash and cash equivalents (Refer note – 8)	173.29	173.29	0.92	0.92
Bank balances other than cash and cash equivalents (Refer note – 9)	18.98	18.98	55.50	55.50
Other financial assets (Refer note – 10)	0.80	0.80	29.46	29.46
	193.07	193.07	137.60	137.60
Financial liabilities				
Borrowings (Refer note – 15)	2,081.30	2,081.30	1,530.69	1,530.69
Trade payables (Refer note – 20)	43.96	43.96	340.10	340.10
Others (Refer note - 16,17, 19 and 21)	82.23	82.23	158.55	158.55
	2,207.49	2,207.49	2,029.34	2,029.34

Notes forming part of financial statements

B. Income and expenditure on Financial Instruments

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income on financial instruments		
Financial assets measured at amortised cost		
Interest income on bank deposits	2.56	1.84
Financial assets measured at fair value through profit and loss		
Gain on sale of liquid mutual funds (net)	2.14	-
Total (A)	4.70	1.84
Expenses on financial instruments		
Interest expenses on borrowings	277.93	224.03
Interest expenses on lease	0.74	2.16
Other Borrowing Cost	4.92	11.98
Total (B)	283.59	238.17
Net expenses recognised in the statement of profit and loss (A - B)	(278.89)	(236.33)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages cash resources, borrowing strategies, and ensures compliance with market risk limits and policies.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees compliance with the Company's risk management policies and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease

Cash and other bank balances

The Company maintains its Cash and cash equivalents and Bank deposits with banks with good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables

The Company's exposure to credit risk is influenced mainly by individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of the customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from the customers in case of wholesale and retail segment, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Notes forming part of financial statements

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company and where there is a probability of default, the Company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

As at March 31, 2024

	Not Due	< 90 days	90 - 180 days	180 - 365 days	365 - 1095 days	> 1095 days	Total
Gross carrying amount		0.08	0.03	0.27	0.15	1.11	1.64
Expected loss rate	-	100.00%	100.00%	100.00%	100.00%	100.00%	
Allowance for expected credit loss	-	0.08	0.03	0.27	0.15	1.11	1.64
Carrying amount to trade receivables net of allowance for expected credit loss	-	-	-	-	-	-	-

As at March 31, 2023

	Not Due	< 90 days	90 - 180 days	180 - 365 days	365 - 1095 days	> 1095 days	Total
Gross carrying amount	49.29	-	0.40	0.63	0.68	1.10	52.10
Expected loss rate	-	-	2.50%	5.00%	10.00%	25.00%	
Allowance for expected credit loss	-	-	0.01	0.03	0.07	0.28	0.38
Carrying amount to trade receivables net of allowance for expected credit loss	49.29	-	0.39	0.60	0.61	0.83	51.72

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient lines of credit to commensurate its business.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2024

₹ in crore

	Carrying amount	Contractual cash flows				More than 5 years
		Total	Less than 12 months	1-2 years	2-5 years	
Financial liabilities						
Borrowings (Refer note – 15)	2,081.30	2,081.30	-	2,081.30	-	-
Trade payables (Refer note – 20)	43.96	43.96	43.96	-	-	-
Others (Refer note - 16,17, 19 and 21)	82.23	76.27	11.57	64.70	-	-

Notes forming part of financial statements

As at March 31, 2023

₹ in crore

	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note – 15)	1,530.69	1,530.69	179.99	175.24	971.95	203.51
Trade payables (Refer note – 20)	340.10	340.10	340.10	-	-	-
Others (Refer note - 16, 17, 19 and 21)	158.55	158.55	50.48	1.45	94.08	12.54

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. Exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

v. Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of its trade receivables, trade payables, borrowings and payables for capital goods in foreign currency. The Company has not used derivative financial instruments either for hedging purpose or for trading or speculative purposes except for forward contracts executed for LC opened in foreign currency.

Forward Exchange Contracts

There is no outstanding Derivatives for hedging currency.

Exposure to currency risk

The currency profile in ₹ of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023 are as below:

	March 31, 2024	March 31, 2024	March 31, 2024
	₹	\$	£
Financial assets			
Cash and cash equivalents (Refer note – 8)	173.29	-	-
Bank balances other than cash and cash equivalents (Refer note – 9)	18.98	-	-
Other financial assets (Refer note – 10)	0.80	-	-
	193.07	-	-
Financial liabilities			
Borrowings (Refer note – 15)	2,081.30	-	-
Trade payables (Refer note – 20)	43.80	0.16	-
Others (Refer note - 16, 17, 19 and 21)	82.23	-	-
	2,207.33	0.16	-

Notes forming part of financial statements

₹ in crore

	March 31, 23	March 31, 23	March 31, 23
	₹	\$	£
Financial assets			
Trade receivables (Refer note – 7)	50.83	0.89	-
Cash and cash equivalents (Refer note – 8)	0.92	-	-
Bank balances other than cash and cash equivalents (Refer note – 9)	55.50	-	-
Other financial assets (Refer note – 10)	29.46	-	-
	136.71	0.89	-
Financial liabilities			
Borrowings (Refer note – 15)	1,530.69	-	-
Trade payables (Refer note – 20)	338.64	1.45	0.01
Others (Refer note - 16,17, 19 and 21)	158.55	-	-
	2,027.88	1.45	0.01

The following significant exchange rates have been applied during the period.

	Year end spot rate	
	March 31, 2024	March 31, 2023
	₹	₹
USD 1	83.37	83.70
EUR1	-	101.70

	Average rate	
	March 31, 2024	March 31, 2023
	₹	₹
USD 1	83.57	81.93
EUR1	-	99.17

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ in crore

	As at March 31, 2024	As at March 31, 2023
	₹	₹
Effect in ₹ of 10% movement		
Strengthening	0.02	0.06
Weakening	(0.02)	(0.06)

Notes forming part of financial statements

vi. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. The Company adopts a policy to ensure that it achieves balance between fixed and floating rate.

vii. Exposure to interest rate risk

Company is having all fixed rate borrowing as at date and accordingly there is no exposure to interest rate risk.

	₹ in crore	
	March 31, 2024	March 31, 2023
Fixed-rate instruments		
Floating rate borrowings	-	743.73
Fixed rate borrowings	2,081.30	781.96
	2,081.30	1,525.69

Note: Above does not include interest free loans

viii. **Interest rate sensitivity:** The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets effected.

	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Change in interest rate of 0.50 %		
Increase in rate	-	(3.72)
Decrease in rate	-	3.72

Note 36 - Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's adjusted net long term debt to equity ratio at March 31, 2024 was as follows.

	₹ in crore	
Particulars	As at March 31, 2024	As at March 31, 2023
Total long term debts	2,081.30	1,355.19
Less: Cash and cash equivalents	173.29	0.92
Adjusted net long term debts	1,908.01	1,354.26
Total equity	1,110.79	1,559.13
Adjusted net long term debts to adjusted equity ratio	1.72	0.87

Note 37 - Contingent Liabilities

The claims against the Company not acknowledged as debt amount to ₹ 100.32 crore (March 31, 2023: ₹ 111.99 crore) excluding interest and penalty thereon as may be decided at the time of disposal of the claim. Against above, the Company has deposited a sum of ₹ 4.23 crore (March 31, 2023: ₹ 45.87 crore) with respective authorities as deposit.

Notes forming part of financial statements

₹ in crore

Particulars	Brief description of contingent liabilities	As at March 31, 2024	As at March 31, 2023
Excise & Service Tax	Demand of Duty on Clinker Transfer value & CVD on Coal Classification, denial of service tax credit on Outward transport and eligible services.	21.43	61.67
Customs	Demand of custom duty on imported steam coal.	12.41	12.41
Goods & Service Tax	Demand of GST for availing ineligible Input credit.	0.81	-
Sales Tax	Demand of Sales tax for availing ineligible Input credit.	-	1.76
Claims of Gujarat Water Supply and Sewerage Board	Claims for breach of conditions of Water Supply agreement.	26.38	26.38
Land Revenue Tax	Claim for NA charges on limestone mining lease.	1.17	1.17
Electricity Duty	Claim for electricity duty on account of dispute with regard to exemption period.	20.77	3.30
Employees' State Insurance Corporation	Claim for ESIC contribution on certain expenses.	0.35	-
GST Compensation Cess	Claim of Cess Refund against Zero Rated Supply under GST.	2.28	2.28
Other Claims against the Company	Other miscellaneous commercial claims.	14.72	3.02
Total		100.32	111.99

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 32.15 crore (March 31, 2023 is ₹ 11.61 crore).

Bank Guarantee outstanding ₹ 19.65 crore (March 31, 2023 ₹ 13.97 crore) and Margin against Bank Guarantee ₹ NIL (March 31, 2023 ₹ 11.24 crore)

Note 38 - Segment reporting

(a) Description of segments and principal activities

The principal business of the Company is manufacturing and sale of cement and cement related products. The Management Committee of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined under IND AS 108 "Operating Segments", i.e. Cement and Cement Related Products clinker which is considered to constitute one single primary segment.

Notes forming part of financial statements

(b) Geographical Information

₹ in crore

Particulars	Revenues from customers		Non-current assets	
	For the year ended March 31, 2024	For the year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
Within India	821.35	928.36	3,238.05	3,207.41
Outside India	-	-	-	-
Total	821.35	928.36	3,238.05	3,207.41

Domestic revenue includes ₹ 0.01 crore self consumption (March 31, 2023: ₹ 0.15 crore)

(c) Information about major customers

Entity's customers who account for 10 per cent or more of entity's revenue are as under.

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1. Ambuja Cements Limited	196.63	-
2. ACC Limited	117.68	-

Note 39 - Disclosure as required under Ind AS 24 - Related Party are provided as under:

a. Subsidiary Company:

As on March 31, 2024, the Company has no subsidiary company.

b. Key Management Personnel (KMP):

Mr. Ajay Kapur	Chairman and Director	W.e.f. December 07, 2023
Mr. Vinod Bahety	Non Executive, Non Independent Director	W.e.f. December 07, 2023
Mr. Sukuru Ramarao	Whole Time Director and Chief Executive Officer	W.e.f. December 07, 2023
Mr. Ravi Kapoor	Independent Director	W.e.f. December 07, 2023
Mrs. Shruti Shah	Independent Director	W.e.f. December 07, 2023
Mr. Sudhir Nanavati	Independent Director	
Mr. Sanjay Khajanchi	Chief Financial Officer	W.e.f. December 07, 2023
Mr. Manish Mistry	Company Secretary	W.e.f. December 08, 2023
Mr. Ravi Sanghi	Chairman and Managing Director	Ceased w.e.f. December 07, 2023
Mr. Aditya Sanghi	Whole Time Director	Ceased w.e.f. December 07, 2023
Mr. Alok Sanghi	Whole Time Director	Ceased w.e.f. December 07, 2023
Mrs. Bina Engineer	Whole Time Director and Chief Financial Officer	Ceased w.e.f. December 07, 2023
Mr. N. B. Gohil	Whole Time Director	Ceased w.e.f. December 07, 2023
Mr. S. Balasubramarian	Non Executive Independent Director	Ceased w.e.f. December 07, 2023
Ms. Raina Desai	Non Executive Independent Director	Ceased w.e.f. December 07, 2023
Mr. Arvind Agarwal	Non Executive Independent Director	Ceased w.e.f. December 07, 2023
Mr. G M Yadwadkar	Non Executive Independent Director	Ceased w.e.f. December 07, 2023
Mr. Anil Agrawal	Company Secretary	Ceased w.e.f. December 07, 2023

Notes forming part of financial statements

c. Enterprises over which Key Managerial Personnel are able to exercise significant influence w.e.f. December 07, 2023.

Name	Nature of Relationship
Ambuja Cements Limited	Holding Company
Holderind Investments Limited, Mauritius	Ultimate Holding Company of Ambuja Cements Limited
Endeavour Trade And Investment Limited, Mauritius	Promoter Company of Ambuja Cements Limited
Harmonia Trade and Investment Limited, Mauritius	Promoter Company of Ambuja Cements Limited

Name of the entities where the Control / Joint Control Exist w.e.f. December 07, 2023.

Name	Nature of Relationship
ACC Limited	Subsidiary of Ambuja Cements Limited
Chemical Limes Mundwa Private Limited	Wholly Owned Subsidiary of Ambuja Cements Limited
M.G.T. Cements Private Limited	Wholly Owned Subsidiary of Ambuja Cements Limited
Ambuja Shipping Services Ltd.	Wholly Owned Subsidiary of Ambuja Cements Limited
Foxworth Resources and Minerals Limited (Formerly known as Ambuja Resources Limited)	Wholly Owned Subsidiary of Ambuja Cements Limited
OneIndia BSC Private Limited	JV of Ambuja Cements Limited and ACC Limited
Ambuja Concrete North Private Limited	Wholly Owned Subsidiary of Ambuja Cements Limited
Ambuja Concrete West Private Limited	Wholly Owned Subsidiary of Ambuja Cements Limited
Lotis IFSC Private Limited	Wholly Owned Subsidiary of Ambuja Cements Limited
Lucky Minmat Ltd.	Wholly owned subsidiary of ACC Limited
Bulk Cement Corporation (India) Ltd	Subsidiary of ACC Limited
Singhania Minerals Private Limited	Wholly owned subsidiary of ACC Limited
ACC Mineral Resources Limited	Wholly owned subsidiary of ACC Limited
ACC Concrete West Private Limited	Wholly owned subsidiary of ACC Limited
ACC Concrete South Private Limited	Wholly owned subsidiary of ACC Limited
Asian Fine Cements Private Limited	Subsidiary of ACC Limited
Wardha Vaalley Coal Field Private Limited	JV of Ambuja Cements Limited and ACC Limited
Counto Microfine Products Private Limited	JV of Ambuja Cements Limited and ACC Limited
MP AMRL (Semaria) Coal Company Ltd	JV of ACC Limited
MP AMRL (Bicharpur) Coal Company Ltd	JV of ACC Limited
MP AMRL (Marki Barka) Coal Company Ltd	JV of ACC Limited
MP AMRL (Morga) Coal Company Ltd	JV of ACC Limited
Aakash Manufacturing Company Private Ltd	JV of ACC Limited
Alcon Cement Company Private Ltd	JV of ACC Limited

Notes forming part of financial statements

Other related parties, with whom transactions have taken place during the year

Adani Enterprise Limited	W.e.f. December 07, 2023
Adani Global Pte Limited	W.e.f. December 07, 2023
Adani Power Limited	W.e.f. December 07, 2023
Adani Ports and SEZ	W.e.f. December 07, 2023
Adani Cement Industries Limited	W.e.f. December 07, 2023

Enterprises over which Key Managerial Personnel are able to exercise significant influence

Thinkfar Tradelink Private Limited	Ceased w.e.f. December 07, 2023
Flarezeal Solutions LLP	Ceased w.e.f. December 07, 2023
Samruddhi Investors Services Pvt. Ltd.	Ceased w.e.f. December 07, 2023
Sanghi Energy Limited	Ceased w.e.f. December 07, 2023
Sanghi Polymers Private Limited	Ceased w.e.f. December 07, 2023

d. Relative of Key Managerial Personnel:

Ms. Anita Sanghi	Relative of Key Managerial Personnel	Ceased w.e.f. December 07, 2023
Ms. Ekta Gupta	Relative of Key Managerial Personnel	Ceased w.e.f. December 07, 2023

e. Promoter and promoter group:

Mr. Ravi Sanghi
Samruddhi Investors Services Pvt. Ltd.

f. The following transactions were carried out with the related parties referred in above in the ordinary course of business:

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Share capital issued - including premium	-	
Thinkfar Tradelink Private Limited		50.00
Loans Received		
Loan from Mr. Alok Sanghi	6.00	-
Loan from Mr. Ravi Sanghi	35.65	-
Loan from Mr. Aditya Sanghi	10.00	-
	51.65	-
Repayment of Loans		
Mr. Alok Sanghi	11.00	-
Mr. Ravi Sanghi	35.65	-
Mr. Aditya Sanghi	10.00	-
Sanghi Energy Limited	2.51	-
	59.16	-

Notes forming part of financial statements

₹ in crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Remuneration (including Managerial Commission)		
Mr. Ravi Sanghi	5.04	1.88
Mr. Aditya Sanghi	2.21	1.25
Mr. Alok Sanghi	2.21	1.25
Mrs. Bina Engineer	2.64	1.25
Mr. Nirubha Gohil	0.83	0.60
Mr. Anil Agrawal	0.35	0.32
	13.28	6.55
Sitting Fees		
Mr. Arvind Motilal Agarwal	0.03	0.03
Mr. Devidas Kashinath Kambale	-	0.01
Mr. Gurudeo Madhukar Yadwadkar	0.03	0.03
Ms. Raina Desai	0.02	0.02
Mr. S. Balasubramanian	0.03	0.03
Mr. Sadashiv Sawrikar	-	0.01
Mr. Sudhir Nanavati	0.04	0.02
Mr. Ravi Kapoor	0.02	-
Mrs. Shruti Anup Shah	0.02	-
	0.19	0.14
Interest Paid		
Interest on Loan from Sanghi Energy Limited	0.12	0.17
Interest on ICD - Ambuja Cements Limited	53.31	-
	53.43	0.17
Sale of Goods		
Ambuja Cements Limited	196.63	-
ACC Limited	117.68	-
Adani Cement Industries Limited	18.78	-
	333.09	-
Purchase of Goods		
Adani Enterprise Limited	99.20	-
Ambuja Cements Limited	0.75	-
Adani Global Pte Limited	57.76	-
Adani Power Limited	0.04	-
	157.75	-
Receiving of Services		
Adani Ports and SEZ	53.00	-
ACC Limited	0.25	-
Ambuja Cements Limited	1.81	-
Mr. Ravi Sanghi (As a promoter)	0.08	-
	55.14	-
Sale of Property, plant and equipment		
Samruddhi Investors Services Pvt. Ltd. (As part of promoter group)	10.80	-

- Transactions with related parties are disclosed exclusive of applicable taxes
- Transactions related to sales and purchases with related parties are made on arm's length.
- Remuneration does not include provision towards Gratuity and Leave Encashment which is provided based on actuarial valuation.

Notes forming part of financial statements

- g. The following are the outstanding balances for the related parties referred above in the ordinary course of business:**

₹ in crore

Particulars	As at March 31, 2024	As at March 31, 2023
Remuneration payable (including Managerial Commission)	-	3.98
Loan from Mr. Alok Sanghi	-	5.00
Loan from Sanghi Energy Limited	-	2.18
Interest Payable on Loan from Sanghi Energy Limited	-	0.33
Inter Corporate Deposit - Ambuja Cements Limited	2,081.30	-
Interest Accrued on Inter Corporate Deposit - Ambuja Cements Limited	63.64	-
Amount Payable to Ambuja Cements Limited	0.16	-
Others Payable to Ambuja Cement Limited - Deficiency Claimed	34.54	-
Advance Received from Ambuja Cements Limited	32.40	-
Advance Received from ACC Limited	6.74	-
Advance Paid to Adani Enterprise Limited	0.95	-
Amount Payable to Adani Enterprise Limited	0.05	-
Amount Payable to Adani Ports & SEZ	#	-
Amount Payable to Adani Renewable Energy (KA) Limited	0.01	-
Amount Payable to Adani Power Limited	0.01	-
Advance paid to Samruddhi Investors Services Pvt. Ltd for purchase of PPE (As part of promoter group)	5.90	-
Amount payable to Mr. Ravi Sanghi (As promoter)	0.02	-

Amount less than ₹ 50,000/-

Note 40 - Operating lease

The Company has taken certain assets on operating lease which are cancellable. During the year, Company has paid ₹ 0.89 crore (FY 22-23 ₹ 1.03 crore) towards cancellable operating lease. There are no operating leases which are non cancellable.

Note 41 - Gratuity and other post employment benefit plans

The Company operates post employment and other long term employee benefits defined plans as follows:

I. Defined Contribution Plan

₹ in crore

Description	As at March 31, 2024	As at March 31, 2023
Employer's Contribution to Provident Fund	0.76	0.59

II. Unfunded

- i. Gratuity
- ii. Leave encashment benefit

Notes forming part of financial statements

III. Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

₹ in crore

Description	Gratuity		Leave Encashment	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	6.95	7.39	1.93	2.11
b. Current Service Cost	0.55	0.62	0.58	0.42
c. Past Service cost	7.33	-	-	-
d. Interest Cost	0.52	0.53	0.14	0.15
e. Actuarial (Gain)/Loss	(0.45)	(0.60)	0.40	(0.29)
f. Benefits Paid	(9.41)	(0.99)	(1.73)	(0.46)
g. Obligation as at the end of the year	5.49	6.95	1.33	1.93
2. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	-	-	-	-
b. Present Value of Obligation as at the end of the year	5.49	6.95	1.33	1.93
c. Amount recognised in the Balance Sheet	(5.49)	(6.95)	(1.33)	(1.93)
3. Expense recognised during the year in Statement of Profit & Loss				
a. Current Service Cost	0.55	0.62	0.58	0.42
b. Actuarial (gain)/loss	(0.45)	(0.60)	0.40	(0.29)
c. Interest Cost	0.52	0.53	0.14	0.15
d. Expense recognised during the year	0.62	0.55	1.13	0.28
4. Expense recognised during the year in OCI				
a. Actuarial (Gain)/Loss	(0.45)	(0.60)	0.40	(0.29)
5. Actuarial Assumptions				
a. Discount Rate (per annum)	7.20%	7.47%	7.20%	7.47%
b. Salary escalation	7.00%	3.00%	7.00%	3.00%
c. Mortality Rate Indian Assured Lives Mortality (Mortality 2012-14 (Urban)) – Previous Year (Mortality 2006-2008 (Urban))	Urban	Urban	Urban	Urban

That significant actuarial assumptions for the determination of the Defined Benefit Plans are discount rate, expected salary increase and mortality.

Discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors such as supply and demand in the employment market.

Notes forming part of financial statements

IV. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	₹ in crore	
	As at March 31, 2024	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.36)	0.41
Salary growth rate (1% movement)	0.40	(0.36)

Particulars	₹ in crore	
	As at March 31, 2023	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.31)	0.34
Salary growth rate (1% movement)	0.32	(0.29)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note 42

Balance of trade receivables, trade payables, advances and deposits are subject to confirmation and reconciliation, if any.

Note 43 - Research and Development Cost

During the year the Company has incurred ₹ Nil towards Research and Development.

Capital Expenditure ₹ NIL (Previous Year ₹ NIL)

Recurring Expenditure ₹ NIL (Previous Year ₹ 1.03 crore)

Note 44 - Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 (MSME Act). The information as per requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act 2006 as below:

Particulars	₹ in crore	
	As at March 31, 2024	As at March 31, 2023
Principal amount payable to supplier under the MSMED Act and remaining unpaid as at year end.	3.65	2.00
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

Notes forming part of financial statements

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 45 - Disclosure as per Ind AS 116 'Leases'

Company as Lessee

The Company's lease asset class primarily consist of leases for Office premises and Plant and equipment.

(i) The following are the carrying amounts of lease liabilities recognised and the movements during the period:

₹ in crore

Particulars	For the year ended March 31, 2024	For the Year ended March 31, 2023
Opening Balance	17.58	18.41
- Additions in lease liabilities	0.00	0.80
- Interest cost during the year	0.74	2.16
- Payment of lease liabilities	2.17	3.79
- Termination of lease liabilities	13.83	-
Closing Balance	2.32	17.58
Current	1.26	1.78
Non Current	1.06	15.80

(ii) Maturity Analysis of the lease liabilities:

₹ in crore

Contractual undiscounted cash flows	As at March 31, 2024	As at March 31, 2023
3 months or less	0.36	0.95
3-12 Months	1.08	2.80
1-2 Years	1.10	3.24
2-5 Years	-	6.50
More than 5 Years	-	27.30
Undiscounted Lease liabilities.	2.54	40.79

(iii) The following are the amounts recognised in profit or loss:

₹ in crore

Particulars	For the year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation expense for right-of-use assets	1.78	2.48
Interest expense on lease liabilities	0.74	2.16
Expense relating to short-term leases	0.89	1.03

Notes forming part of financial statements

(iv) The following are the amounts disclosed in the cash flow statement:

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the Year ended March 31, 2023
Cash Outflow from leases	3.06	4.82

Note 46 - Reconciliation of tax expenses and effective tax rate

Particulars	For the year ended March 31, 2024		For the Year ended March 31, 2023	
	in crore	In %	in crore	In %
Profit before tax expenses	(448.59)		(325.70)	
Tax expenses at statutory income tax rate	-	25.17%	-	25.17%
Adjustments of tax related to Earlier Years	-		-	
Amount of Deferred Tax	(112.91)		(81.98)	
Deferred tax not recognised	112.91		81.98	
Others Adjustments	0.20		-	
Tax expenses	0.20		-	
Tax expenses reported in statement of profit or loss	0.20	(0.04%)	-	0.00%

Note 47

The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been noticed and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 48 - Exceptional Items

Details of exceptional items are provided as under

	Notes	₹ in crore	
Exceptional Income			
Gain on disposal of non core assets	(i)		224.10
Exceptional Expenses			
Provision for pending litigation and disputed matters	(ii)	104.49	
Prepayment charges of Loan	(iii)	88.42	
Interest on custom duty	(iv)	13.72	206.63
Net			17.47

In previous year, there are no exceptional items.

Notes:

- i) During the period, Company has sold certain non – core immovable properties. Profit on disposal of certain non – core immovable properties amounting to ₹ 224.10 crore has been disclosed as exceptional items.

Notes forming part of financial statements

- ii) During the period, the Company has made detailed review of its pending litigation & disputed matters. Based on such review, provision for probable contingencies amounting to ₹ 104.49 crore is made in the financials and same has been disclosed as exceptional items.
- iii) One-time charges paid to lenders for prepayment of loans amounting to ₹ 88.42 crore has been disclosed as exceptional items.
- iv) Interest on Custom Duty amounting to ₹ 13.72 crore has been disclosed as exceptional items.

Note 49 - Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ in crore

Particulars	For the year ended March 31, 2024	For the Year ended March 31, 2023
A. Amount required to be spent during the year		
(i) Gross amount (2% of average net profit as per Section 135 of Companies Act, 2013)	-	1.56
(ii) Surplus arising out of CSR projects	-	-
(iii) Set off available from previous year	-	-
(iv) Total CSR obligation for the year [(i)+(ii) -(iii)]	-	1.56
B. Amount approved by the Board to be spent during the year	-	1.60
C. Amount spent during the year on:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	0.03	1.59
Total	0.03	1.59
D. Set off available for succeeding years	-	-
E. Amount unspent during the year	-	-

i) Amount spent during the year ended March 31, 2024:

₹ in crore

Particulars	Yet to be paid		Total
	In cash	in cash	
a) Construction/acquisition of any asset	-	-	-
b) On purposes other than (a) above	0.03	-	0.03

Amount spent during the year ended March 31, 2023:

₹ in crore

Particulars	Yet to be paid		Total
	In cash	in cash	
a) Construction/acquisition of any asset	-	-	-
b) On purposes other than (a) above	1.59	-	1.59

Notes forming part of financial statements

ii) Details of contribution to a trust controlled by the Company in relation to CSR expenditure:

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution given to Trust	-	1.55

iii) Break-up of the CSR expenses under major heads is as under:

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the year ended March 31, 2023
1. Health Care to economically backward people	0.03	0.27
2. Educational facilities to economical backward and rural children	-	0.35
3. Greenbelt development	-	0.93
4. Measures taken for prevention of COVID 19	-	0.04
Total	0.03	1.59

Note 50 - Additional disclosures as required under Schedule III of the Companies Act 2013.

- Title deeds of all immovable properties are held in name of the Company as at March 31, 2024.
- The Company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.
- The Company has not revalued any of its Property, Plant & Equipment and including Right of use assets in the current year & previous year.
- The Company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
- No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.
- Company is not having any transaction with the Companies struck off under the Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956 except as below:

Name of struck off Company	Nature of transactions with struck-off Company	Amount (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
Balance outstanding			
Sarvodaya Shares and Stocks Broking Private Limited	Shares Held	#	Shareholder
Ravisha Infraprojects Pvt. Ltd	Sale of product	0.01	Customer
S Raheja Realty Pvt. Ltd	Sale of product	0.01	Customer
Welspun India Ltd.	Sale of product	0.04	Customer

Amount is less than ₹ 50,000/-

Notes forming part of financial statements

- 7) There are no charges or satisfaction which are to be registered with Registrar of Companies (ROC) beyond statutory period.
- 8) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- 9) The Company has filed quarterly returns or statements with the banks who have sanctioned working capital facilities, which are in agreement with the books of account except for cases where there were material differences.

Particulars of Securities provided	For the quarter ended	Amount as per unaudited books of account	Amount as reported in the quarterly returns and statements	Amount of difference	Remarks
Inventories & Trade Receivables	June 2023	225.69	304.78	79.09	Amount reported in statements filed with banks are based on provisional accounts.
Trade Payables *	June 2023	152.32	90.75	(61.57)	Amount reported in statements filed with banks are based on provisional accounts.

*Excluding amount payables for post-production activities, project and long term Trade Payables as per the consistent practice followed by the Company and accepted by its lender.

- 10) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company as per Section 2(45) of the Companies Act, 2013.
- 11) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 12) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 13) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961
- 14) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- 15) There were no scheme of Arrangements approved by the competent authority during the year in terms of section 230 to 237 of the Companies Act, 2013.

Notes forming part of financial statements

16) Performance Ratios

Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.07	0.69	56.23%	Reduction in current liabilities due to increased payouts
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	1.87	0.98	90.85%	Increase in borrowings & decrease in equity due to loss for the year
Debt service coverage ratio	(Profit / (loss) After Tax + Interest + Depreciation + Loss/(Gain) on Sale of Property Plant & Equipment)	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	-0.23	-0.01	1828.66%	Due to Prepayment & Redemption charges for borrowings
Return on equity ratio	Profit / (loss) for the year	Average Shareholder's Equity	-33.62%	-19.20%	75.13%	Due to higher loss for the year
Inventory turnover ratio	Revenue from operations	Average Inventory	3.78	2.99	26.26%	Reduced inventory level
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	31.76	12.86	147.00%	Improved Collections
Trade payables turnover ratio	Total Purchases (for Material Consumed) + Other Expenses (excluding non-cash item) +Closing Inventory*-Opening Inventory*) *(Inventory excluding Finished Goods & Stock in Process)	Average Trade Payables	3.57	2.47	44.73%	Improved Payments
Net capital turnover ratio	Revenue from operations	Working Capital	30.48	#	-	Improved Working Capital
Net profit ratio	Profit / (loss) for the year	Revenue from operations	-54.64%	-35.08%	55.75%	Increased Operating costs
Return on capital employed	Earning before interest and taxes	Capital Employed = (Networth + Total Debt + DTL - DTA)	-5.23%	-2.87%	82.40%	Increase in loss for the year

Working Capital is negative

Note 51 – Corresponding figures of previous year have been regrouped / rearranged wherever necessary to conform to the current year presentation.

As per report of even date

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382

Place: Ahmedabad
Date: April 27, 2024

**For and on behalf of the Board of Directors of
Sanghi Industries Limited**

Ajay Kapur
Chairman
DIN - 03096416

Sanjay Khajanchi
Chief Financial Officer

Sukuru Ramarao
Whole-time Director and CEO
DIN - 08846591

Anil Agrawal
Company Secretary