HEIDELBERGCEMENT

Annual Report 2020-21

Gulbarga Cement Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Jamshed Naval Cooper
Chairman

Mr. Kevin Gerard Gluskie
Non-Executive Director

Mr. Juan-Francisco Defalque
Non-Executive Director

Ms. Soek Peng Sim
Non-Executive Director

Mr. S. Sundaram
Non-Executive Director

Company Secretary
Mr. Shrinivas Harapanahalli

Registered Office

Adventz Centre, 2nd Floor, No. 28, Cubbon Road, Bangalore, Karnataka – 560 001

Auditors
S.R. Batliboi & Co. LLP
Chartered Accountants

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GULBARGA CEMENT LIMITED

Regd. Office: Adventz Centre, 2nd Floor, No. 28, Cubbon Road, Bangalore
Karnataka – 560 001
Phone. No. 080-41194408; Email Id: shrinivas.hari@zcltd.com;
Website: www.zuaricements.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Gulbarga Cement Limited will be held at 2.00 PM on Monday, the 13th day of September 2021, through Video Conferencing ("VC") / Other Audio Visual Means (OAVM) to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company for the fifteen months period ended 31 March 2021, together with the Report of the Directors and Auditors thereon, be and are hereby received, approved and adopted."

2. To appoint a Director in place of Mr. Juan-Francisco Defalque (DIN: 07318811) who retires by rotation and being eligible offers himself for reappointment and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Juan-Francisco Defalque (DIN: 07318811) who retires by rotation and being eligible offers himself for reappointment be and is hereby re-appointed as Director of the Company subject to retirement by rotation."

3. To appoint a Director in place of Mr. S. Sundaram (DIN: 07103135) who retires by rotation and being eligible offers himself for reappointment; and for this purpose, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. S. Sundaram (DIN: 07103135) who retires by rotation and being eligible offers himself for reappointment be and is hereby re-appointed as Director of the Company subject to retirement by rotation."

4. To appoint S.N. Dhawan & Co. LLP, Chartered accountants as Statutory Auditors of the Company and in this regard if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder S.N. Dhawan & Co., Chartered Accountants (Firm Registration No.: 000050N/N500045) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 14th Annual General Meeting until the conclusion of 19th Annual General Meeting (FY 2021-22 to FY 2025-26) at a fee of INR 0.2 million for the financial year 2021-22 towards Statutory Audit in addition to reimbursement of applicable taxes and out of pocket expenses in connection with Audit of the accounts of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to determine the annual audit fee of Statutory Auditors for their remaining tenure i.e., from FY 2022-23 to FY 2025-26."

5. To approve reappointment of Mr. V. Shiva Kamar as Manager of the Company and in this regard, if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or reenactment thereof from time to time being in force) consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. V. Shiva Kumar as Manager of the Company within the meaning of Section 2(53) of the Act, for a period of three years with effect from 08 February 2021 on the terms and conditions including the remuneration as set out in the explanatory statement.

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Act and the Rules made thereunder including any statutory modification(s) and/or re-enactment thereof, the terms of remuneration of Mr. V. Shiva Kumar effective from 8th February 2021 as set out in the Statement pursuant to Section 102 of the Act be and are hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise and/or change the terms and conditions of the appointment and remuneration from time to time as may be deemed appropriate."

6. To approve increase in borrowing limits and in this regard if thought fit to pass, with or without modification(s) the following as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by the members of the Company at Annual General Meeting of the Company with respect to borrowing powers of Board of Directors, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any person authorised by the Board in this behalf) in terms of the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof for borrowing from time to time, as it may think fit, any sum or sums of money (including non-fund based facilities) not exceeding Rs. 10,000 million (Rupees Ten Thousand million) on such security and on such terms and conditions as the Board may deem fit including the borrowings in foreign currency equivalent to Rs. 10,000 million (Rupees Ten Thousand million) through External Commercial Borrowings (ECBs) in accordance with the provisions of Foreign Exchange Management Act, 1999 from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate and other eligible lenders, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, (that is to say, reserves not set apart for any specific purpose).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit, to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable or expedient and further to settle any question, difficulty or doubt that may arise with regard to borrowing of the funds as aforesaid."

By the Order of the Board of Directors

Shrinivas Harapanahalli
Company Secretary

Date: 22nd July 2021
Place: Gurugram

NOTES:

1. In view of the continuing COVID-19 pandemic and social distancing norms to be followed, the Ministry of Corporate Affairs ("MCA") has vide its general circular dated 23 June 2021 read with circulars dated 13 January 2021, May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated 8th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes at the meeting.

3. The facility for joining the meeting in the VC/OAVM mode shall be kept open at least 15 minutes before the scheduled time for the commencement of the Meeting.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 and the Registered Office of the Company will be deemed to be venue for the purpose of this meeting.

5. The chairman may decide to conduct voting by show of hands, as the number of members are less than 50 unless a demand for poll is made by any member in accordance with section 109 of the Act.

6. The Members/participants will be allowed to pose questions concurrently or may submit questions in advance on the email address of the company.

7. The recorded transcript of the VC/OAVM shall be maintained in the safe custody by the Company.

8. A copy of the notice shall also be prominently displayed on the website of the Company.

9. In compliance with the aforesaid MCA Circulars Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

10. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at the Email-ID shrinivas.hari@zcltd.com till the date of AGM. Similarly, statutory

registers that are available for inspection at the Registered Office of the Company in the normal course of business prior to and during the continuance of AGM at the venue of meeting, may also be accessed through the above mentioned mode.

11. Since the AGM will be held through VC/OAVM, the route map, attendance slip and proxy form are not annexed to this Notice.

12. Following are the instructions regarding access to and participation in the Annual General Meeting:

    a. Members will be sent a link to their registered email IDs sufficiently in advance to participate in the Annual General Meeting, which requires an electronic device such as computer or laptop or mobile phone with appropriate audio video facilities;

    b. Members can click on the link to join the Annual General Meeting;

    c. Members participating in the Annual General Meeting shall ensure that no person other than the concerned Member is attending or has access to the proceedings of the said meeting;

    d. Every participant shall identify himself/herself before speaking at the Annual General Meeting.

    e. All the proceedings at the said meeting would be recorded and maintained in the safe custody of the Company;

    f. The person to whom Members may contact in this regard is Mr. Shrinivas Harapanahalli, Company Secretary of the Company at shrinivas.hari@zcltd.com.

13. Statement pursuant to Section 102 of the Companies Act, 2013 is given below.

<u>Item No. 2</u>:

Brief resume of Mr. Juan-Francisco Defalque (Holding DIN 07318811), who is proposed to be reappointed as Director, is given below:

Mr. Juan-Francisco Defalque, aged 57 years, completed his master's degree in mining engineering from Catholic University of Louvain in Belgium in the year 1987. He started his professional career in 1989 with CBR, a Belgian International Company engaged in the production of cement, ready-mix and aggregates in Europe and North America (in 1993 CBR was acquired by HeidelbergCement Group). From 1989 to 2002 he held several management positions including director of technical projects for Belgium. In 2002, he joined HC Cimbenin located in Benin (West Africa) as its Managing Director. In 2006 he joined HC Indocement to set up a completely new Heidelberg Technology Centre (HTC), Indonesia organization holding the position of Head of HTC, Indonesia. During his time in Indonesia several major projects were executed or started including an integrated plant with 10,000 TPD clinker line located in South of Jakarta.

In 2015 he joined HeidelbergCement Asia Pte Ltd, Singapore as Director HTC-APAC responsible for managing the technical centres in the region, which not only provides technical support to all the cement manufacturing facilities of HeidelbergCement Group in this region but, also takes care of the new projects.

Mr. Juan-Francisco Defalque is also a Non-Executive Director in Zuari Cement Limited (Subsidiary of HC AG).

Except Mr. Juan-Francisco Defalque, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 3:

Brief resume of Mr. S. Sundaram (DIN: 07103135), who is proposed to be re-appointed as Director, is given below:

Mr. S. Sundaram, aged 56 years, holds a degree in Mechanical Engineering. He started his career with Gujarat Ambuja Cements Limited in the year 1988 and worked in plant maintenance, preventive maintenance and on projects. Later he moved to corporate role and was reporting to the Whole-time Director. In the year 2002 he joined Zuari Cement Limited and concentrated on optimization of plant performance. He was actively involved in establishing an SPV for in-house power requirement. He lead the projects and its execution division and successfully executed brownfield expansion two grinding centres at Chennai and Solapur and also a bagging plant in Cochin Terminal. Presently, he takes care of all plants operations.

Except Mr. S. Sundaram, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 4:

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the term of office of the present statutory auditors of the Company, S.R. Batliboi & Co. LLP., will end at the close of the ensuing AGM.

The Board of Directors at its meeting held on 22nd July 2021 has considered and recommended for approval of the members, the appointment of S.N. Dhawan & Co. LLP., Chartered Accountants as statutory auditors of the Company to hold office from the conclusion of 14^{th} Annual General Meeting until the conclusion of 19^{th} Annual General Meeting (FY 2021-22 to FY 2025-26).

A Resolution seeking member's approval for the appointment of S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company is included at Item No. 4 of this Notice. The Board has recommended the resolution for approval of the members at the ensuing AGM.

None of the other Directors, Key Managerial Personnel (KMP) of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 5:

The Board of Directors of the Company at its meeting held on 23^{rd} October 2020 has reappointed Mr. V. Shivakumar as Manager of the Company within the meaning of Section 2(53) of the Companies Act, 2013 for a further period of three years with effect from 8^{th} February 2021 subject to the approval of the members.

Mr. V. Shivakumar is working with the Company since 30 September 2017 as in-charge of Mines function of the Company. He also handles the project activities at site including the matters related to acquisition of land and as an Agent of Mines, Manager Mines and Mining Engineer as per Indian Bureau of Mines. He was appointed as Manager of the Company in the year 2018.

The terms and conditions of his appointment are as under:

a) His current remuneration comprise fixed pay of INR 1.41 million and variable pay of INR0.3 million.

b) He shall be entitled to such increment and other perquisites as may be applicable to the Senior Executives of the Company in line with applicable HR Policies. He is also entitled for other incentives including long time incentives as and when decided by the Management and as per the policies of the Company.

c) His employment terms are governed by the HR policies of the Company.

d) Termination: Appointment of Mr. V. Shivakumar as Manager of the Company may be terminated by either party by giving three months' notice in writing.

Except Mr. V. Shivakumar, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the proposed resolution.

Item No. 6:

The present borrowing limit of the Company is INR 7,000 million and to meet the future capex requirements it is proposed to obtain the consent of the members for enabling the Company to borrow funds up to INR 10,000 million.

Section 180 (1) (c) of the Companies Act, 2013 permits the Company to borrow money along with the money already borrowed by the Company (except the temporary loans obtained from the Companies banker in ordinary course of business) beyond the paid–up capital and free reserves of the Company, only if the same has been approved by the Members of the Company by passing a Special Resolution.

The Board recommends the resolution set out at Item No. 6 of the Notice for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolution.

By the Order of the Board of Directors

Shrinivas Harapanahalli
Company Secretary

Date: 22^{nd} July 2021

Place: Gurugram

GULBARGA CEMENT LIMITED
Registered Office: Adventz Centre, 2nd Floor, No. 28, Cubbon Road
Bangalore 560 001 Karnataka
Phone. No. 080-41194408; Email Id: shrinivas.hari@zcltd.com;
Website: www.zuaricements.com

BOARDS' REPORT

To the Members,

Your Directors place before you the Fourteenth Annual Report of the Company together with Audited Financial Statements for fifteen months period ended 31st March 2021.

The financial year of the Company has been changed and hence the period under review is for 15 months i.e., from 1st January 2020 to 31st March 2021 (FY21). Henceforth the financial year of the Company will commence from 1st April and end on 31st March each year.

STATUS OF THE GREENFIELD PROJECT:

The Company is in the process of setting up a Greenfield cement plant of 3 Million Tons Per Annum. The KIADB has issued the allotment letter for the entire land of 1821 acres with a Possession Certificate thereto. All the permissions and approvals have been obtained including environmental clearances, consent for establishment etc., for commencing the project activities. Most of the litigations with respect to procurement of land have been settled in favour of the company.

With respect to acquisition of land for Railway Lead Line due to various reasons, K&R Rail Engineering India Ltd. (KRREL) could not proceed with the acquisition of land, therefore order has been placed with Alishba Constructions for acquisition of land and also for transfer of sale agreements in the name of the Company that were entered into by KRREL w.r.t. acquisition of land.

During FY21 the Company has incurred a net loss of INR 163.07 million compared to the loss of INR 63.18 million during the previous year.

DIVIDEND:

Your Directors do not recommend any dividend for FY21 as the Company has not earned any profits.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year the Company has not given any loans, guarantees or provided any security in connection with a loan to any other Body Corporate or person; and not acquired by way of subscription, purchase or otherwise, the securities of any other Body Corporate.

DIRECTORS:

Directors retiring by rotation

- Mr. Juan-Francisco Defalque (DIN: 07318811) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for reappointment. His brief profile is given in the Notice of AGM. The Board recommends his reappointment by the members at the ensuing AGM.

- Mr. S. Sundaram (DIN: 07103135) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for reappointment. His brief profile is given in the Notice of AGM. The Board recommends his reappointment by the members at the ensuing AGM.

BOARD MEETINGS:

During the 15 months period ended 31 March 2021, the Board of Directors of the Company met 5 times on 11 February 2020, 28 May 2020, 25 June 2020, 23 October 2020 and 09 February 2021. Mr. Juan-Francisco Defalque, Ms. Soek Peng Sim, Mr. Jamshed Naval Cooper and Mr. S. Sundaram attended all the five meetings of the Board. Mr. Kevin Gerard Gluskie attended four meetings of the Board. The maximum time gap between two board meetings was less than 120 days. The Company does not pay any sitting fee to any of its directors.

PERFORMANCE EVALUATION OF BOARD:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 the Board has carried out an annual evaluation of its own as well as performance of its individual directors. Its own performance was carried out on the basis of Board composition and quality, Board meeting and procedure and on Board strategy and risk management. For the evaluation of the performance of individual directors' criteria for evaluation included attendance, contribution at the meetings, decision making ability and their preparedness for the meetings.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has neither commenced its operation nor made any profit till date. Hence, the provisions of the Companies Act, 2013 relating to constitution of Corporate Social Responsibility Committee are not applicable to the Company.

PUBLIC DEPOSITS:

Your Company has not invited any fixed deposits from the Shareholders/Public during the period under review.

AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:

Amended Sub-rule (2) of Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, exempts unlisted public companies which are joint ventures, wholly owned subsidiaries and dormant companies from the requirement of appointment of Independent Directors. Similarly, amended Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, exempts unlisted Public Companies from the constitution of Audit Committee and Nomination and Remuneration Committee.

Your Company is an unlisted public company and is a wholly-owned subsidiary of Ciments Francais S.A, France. Thus, Company is exempted from the requirement of appointing Independent Directors and constitution of Audit Committee and

Nomination and Remuneration Committee. In pursuance of the same the Audit Committee and the Nomination and Remuneration Committee constituted under section 177 and section 178 of the Companies Act, 2013 respectively were dissolved w.e.f. 25th October 2018.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the "going concern" status of the Company and its future operations.

AUDITORS & AUDITORS REPORT:

The observations of S.R. Batliboi & Co. LLP., Statutory Auditors in their report on financial statements for fifteen months period ended 31 March 2021 read with the relevant notes are self-explanatory. The Auditors' reported no fraud by the Company or no fraud on the Company by the Officers and Employees of the Company was noticed or reported during the year. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the term of office of the present statutory auditors of the Company, S.R. Batliboi & Co. LLP., will end after the closure of the ensuing AGM. The Board places on record its appreciation for the valuable services rendered by S.R. Batliboi & Co. LLP, during their tenure.

The Board of Directors at its meeting held on 22nd July 2021 has considered and recommended for approval of the members, appointment of S.N. Dhawan & Co. LLP., as statutory auditors of the Company to hold office from the conclusion of 14th Annual General Meeting until the conclusion of 19th Annual General Meeting (FY 2021-22 to FY 2025-26) Accordingly, a Resolution seeking member's approval for the appointment of S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company has been included at Item No. 5 of the Notice convening the AGM. S.N. Dhawan & Co. LLP., have given their consent and confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules made thereunder for their appointment as statutory auditors of the Company. The Board recommends the aforesaid resolution for approval of the members.

SECRETARIAL AUDIT:

In accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. K. Narayana Swamy & Co., Company Secretaries, Bangalore to conduct the secretarial audit of the Company for FY21. The Report of the Secretarial Auditor is annexed herewith as Annexure 'A'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

KEY MANAGERIAL PERSONNEL:

Mr. L. R. Neelakanta, former Company Secretary has retried from the services of the Company on 31st March 2021. The Board of Directors at its meeting held on 9th

February 2021 has appointed Mr. Shrinivas Harapanahalli as Company Secretary w.e.f. 1st April 2021. Apart from this there is no change in KMPs of the Company. As on 1st April 2021 following executives were KMPs of the Company:

- Mr.Vimal Kumar Chaudhary, Chief Financial Officer;
- Mr. Shrinivas Harapanahalli, Company Secretary; and
- Mr. V. Shiva Kumar, Manager under the Companies Act.

The Board of Directors at its meeting held on 23rd October 2020, subject to the approval of the members of the Company at the ensuing AGM, has reappointed Mr. V. Shiva Kumar, as a "Manager" as defined under Section 2(53) of the Companies Act, 2013 with effect from 8th February 2021. A resolution seeking approval of the members with respect to appointment of Mr. V. Shiva Kumar as "Manager" is included at Item No. 5 of the Notice of AGM. The Board recommends the aforesaid resolution for approval of the members.

Annual Return:

A copy of the Annual Return for the financial year ended 31st December 2019 filed with Registrar of Companies is posted on website of the Company. The draft Annual Return for FY21 is also posted on website of the Company. After filing of Annual Return for FY21 with MCA, the draft will be replaced with the final version. Weblink to access abovementioned Annual Returns is as under:
http://www.zuaricements.com/index.php/our-company

LISTING OF SHARES:

Your Company is not a listed Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year there were no Foreign Exchange earnings and outgo.

SECRETARIAL STANDARDS:

The Company has complied with the requirements of all applicable Secretarial Standards as mandated by the Government.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

There is no information required to be given under these heads of disclosures as the Company has not yet started its manufacturing operations.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Your Company has a Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud, unethical behaviour, irregularities and mismanagement, if any, and to ensure effective, timely and transparent process of such violations. During FY21 no complaint was received under the Vigil Mechanism. The Vigil Mechanism/Whistle Blower Policy is posted on the Company's website. The web-link to access the said policy is as follows:
http://www.zuaricements.com/images/policy/GCL---WHISTLE-BLOWING.pdf

RISK MANAGEMENT SYSTEM:

The Company has a sound Risk Management System and a structured Risk Management Policy in place. The business risks have been classified under the broad heads – strategic, operational, financial and legal and compliance risks. The Company's Risk Management Policy lays down a bottom-up process comprising risk identification, analysis and evaluation, treatment and controlling. Risk owners identify and analyse all risks in their area of operations. The business risks are reviewed by the Senior Management and thereafter evaluated by the Board of Directors on regular basis. The Risk Management Policy is posted on the Company's website. The web-link to access the said policy is as follows:
http://www.zuaricements.com/images/Company/2.GCLRiskManagementPolicy.pdf

RELATED PARTY TRANSACTIONS (RPT):

All the transactions entered into between the Company and its related parties during the fifteen months period ended 31st March 2021 were in the ordinary course of business and on an arms' length basis. During the year under review, the Company has not entered into any related party transaction exceeding the threshold limit provided under the Companies Act, 2013 / Rules made thereunder.

Details of transactions entered into by the Company with the related parties are given in the notes to the accounts at note no. 26 under heading Related Party disclosure and Related Party Transactions.

The Company has in place a Policy on Related Party Transactions and a Framework for the purpose of assessing the basis for determining the arm's length price of relevant transactions. The said policy and the framework are subject to the review by the Board of Directors from time to time. The same is posted on the Company's website. The web-link to access the said policy is as follows:
http://www.zuaricements.com/images/Company/1.GCLRelatedPartyTransactionPolicy.pdf

INTERNAL FINANCIAL CONTROLS:

The Company has in place various internal controls, policies and procedures to ensure orderly and efficient conduct of its business. The internal financial controls are tested for operating effectiveness through management's ongoing monitoring and review processes, and independently by the statutory auditors. In our view the internal financial controls are adequate and are operating effectively.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments that affect the financial position of the Company from the financial year ended 31 March 2021 to the date of signing of the Boards' Report. Further, there is no change in the nature of business of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

i) that in the preparation of the financial statements for fifteen months period ended 31 March 2021 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) that such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profit or loss of the Company for fifteen months period ended 31 March 2021;

iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the financial statements for fifteen months period ended 31 March 2021 have been prepared on a 'going concern' basis;

v) that systems to ensure compliance with the provisions of all applicable laws are in place and that such systems were adequate and operating effectively.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE:

The Company continues to remain compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect women at workplace against any form of sexual harassment and prompt redressal of any complaint. During the fifteen months period ended 31st March 2021, no complaint was received by the Company in this regard. The web-link to access the said policy is as follows:
http://www.zuaricements.com/images/Prohibition-Against-Sexual-Harassment.pdf

PARTICULARS OF EMPLOYEES:

Particulars of the employees as required, to be furnished under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013 are given in the 'Annexure B' of this Report.

ACKNOWLEDGEMENTS:

Your Directors thank the Shareholders, Consultants, Vendors, Service Providers and Government and Statutory Authorities for their continued support during this initial stage of project implementation. Your Directors also wish to place on record their sincere appreciation for the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board of Directors

Date: 22 July 2021
Place: Gurugram

Jamshed Naval Cooper
Chairman

ANNEXURE - A TO BOARD'S REPORT

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
(Covering a period of 15 months i.e., from 1st January, 2020 to 31st March, 2021)

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Gulbarga Cement Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by GULBARGA CEMENT LIMITED (hereinafter called 'the Company' CIN:U26941KA2007PLC054428). The Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2021 (covering a period of 15 months i.e., from 1st January, 2020 to 31st March, 2021) complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 (covering a period of 15 months i.e., from 1st January, 2020 to 31st March, 2021) according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder *(Not Applicable);*

III. The Depositories Act, 1996 and the Rules made thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and

V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), viz.,

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 *(Not Applicable)*;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(Not Applicable)*;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 *(Not Applicable);*

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not Applicable)*;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable)*;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with clients (Not *Applicable)*;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable)*;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable)*; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Not Applicable).*

We have also examined the following Industry Specific Laws / General Laws as applicable to the Company based on the information received and records maintained by the Company and upon examination of the same by us, on test-check basis:

1. Mines Act, 1952.
2. Karnataka Industrial Areas Development Act, 1966.
3. Karnataka Industrial Areas Development Board Regulations, 1969.
4. Indian Registration Act, 1908.
5. Karnataka Registration Rules, 1965.
6. Indian Stamp Act, 1899.
7. Karnataka Stamp Act, 1957.
8. All other applicable Industry-specific Laws, General Laws including Labour Laws and Rules & Regulations thereof.

The Management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as being specifically applicable to the Company relating to Industry / Factory / Labour, etc., have been complied with.

Apart from the above, we have also examined the compliance of applicable Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by ICSI.

Accordingly, we state that during the period under review there were adequate systems and processes in place to monitor and ensure compliance with various applicable and general laws and that the Company has complied with the provisions of the Acts, Rules, Regulations, Orders, Standards, Guidelines, etc., mentioned above.

We have not examined compliance by the Company of the applicable financial laws, like direct and indirect tax laws, since the same are subject to review by statutory financial audit and other designated professionals.

We report that:

The Board of the Company is duly constituted which includes a Woman Director.

Adequate notices were given to all Directors to schedule the Board Meetings and the Agenda and detailed notes on Agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the Meeting.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous inasmuch as minutes of the Meetings are self-explanatory.

We also report that based on the information provided and representation made by the Company and upon review of compliance mechanism established by the Company which include compliance certificates issued by the Company Secretary / Executives and taken on record by the Board at its meetings, we are of the opinion that there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable Laws.

We further report that:

1. As per the Article of Association of the Company, Zuari Cement Limited (ZCL) which holds 21.45% of the paid-up equity capital of the Company, has the right to appoint all Directors in the Board of the Company and hence on account of ZCL's right to control the composition of the Board of Directors of the Company, ZCL is the Holding Company under Section 2(87) of Companies Act 2013. The Ultimate Holding Company is HeidelbergCement AG with effect from 1.7.2016.

2. The Company has obtained Order from the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad under Section 2(41) of the Companies Act, 2013 for change of Financial Year, i.e., for the Current Financial Year to 15 months i.e., from January, 2020 to March, 2021 and thereafter for a period of 12 months commencing from "1st April and ending with 31st March of every year", vide Order dt. 3rd February, 2021.

3. The Company has received Order dt. 4.2.2020 from the Government of Karnataka granting extension of time for a further period of three years to implement the Project. The Company has also made application to Karnataka Industrial Areas Development Board (KIADB) seeking extension of time by further five years for completing the Project.

4. The Company is yet to commence its full-fledged business operations during the period under review.

For K. Narayana Swamy & Co.,
Company Secretaries

(K. Narayana Swamy)
FCS 1838 / CP 9878
UDIN NO: F001838C000669956

Place : Bengaluru
Date : 22nd July 2021

Note: This Report is to be read with our letter of even date which is annexed as **'Annexure - A'** and forms an integral part of this Report.

'Annexure - A'

To,

The Members,
Gulbarga Cement Limited.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, GST, Customs, etc., as the same were dealt with under separate Audits.

4. Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test-check basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. Due to the Covid-19 pandemic, we have to a large extent conducted online verification and examination of records as facilitated by the Company for the purpose of issuing this Report.

For K. Narayana Swamy & Co.,
Company Secretaries

(K. Narayana Swamy)
FCS 1838 / CP 9878
UDIN NO: F001838C000669956

Place : Bengaluru
Date : 22nd July 2021

ANNEXURE - B TO BOARD'S REPORT

Information pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation/ nature of duties	Qualification	Age/ years	Experience (No. of years)	Date of commencement of employment	Remuneration received Rs.	Name of last employer, post held and period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(A) EMPLOYED THROUGHOUT THE YEAR								
01.	V. Shiva Kumar	Manager-Mines	B.Tech (Mines)	37	14	06/08/2014	17,23,770	Penna Cement Industries Ltd. Deputy Manager 4 Years
02.	Rajkumar	Deputy Manager (Liasion & Administration)	Diploma in Civil	55	30	01/01/2010	13,43,654	Mescon Survey Services Manager 1 Year
03.	Ritesh Kumar Abhishek	Deputy Manager (Mechanical)	B.Tech. Mechanical	34	12	20/01/2010	11,72,580	Phillips Kiln Services (i) Pvt. Ltd. Engineer Trainee 1 Year
(B) EMPLOYED PART OF THE YEAR								
-	-	-	-	-	-	-	-	-

Notes: 1. Remuneration has been calculated in accordance with the applicable provisions of the Companies Act, 2013.

2. None of the employees is a relative of any Director of the Company.

3. None of the employees stated above, hold more than two percent of the equity shares either by himself or along with his spouse and dependent children.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gulbarga Cement Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Gulbarga Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' Section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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 Ind AS financial statements.

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

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

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS 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 Ind AS financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the period ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 (c) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 21104315AAAABN4673
Place of Signature: Bengaluru
Date: July 22, 2021

Annexure 1 referred to in clause 1 of Report on Other Legal and Regulatory Requirements paragraph of our report of even date

The Annexure referred to in our report to the members of Gulbarga Cement Limited ('the Company') for the period ended March 31, 2021. We report that:

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.

(ii) The Company has not procured any inventory during the year and accordingly does not hold any physical inventory verification. Accordingly, the requirements under paragraph 3(ii) of the order are not commented upon.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) Since the Company has not commenced commercial production of cement, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except in the cases mentioned below-

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Government of Karnataka (Water Resource Department)	Water Cess	154.25	September 2017 to March 2020	End of the respective year	Not yet paid

(c) According to the records of the Company, the dues of income-tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act,1961	Income tax	96.55	FY 2011 – 2012	Commissioner of Income Tax (Appeals)

*net off of amount paid under protest

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

(ix) According to the information and explanations given by the Management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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

(xi) According to the information and explanations given by the Management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

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

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number: 101049W/E300004

per **Sunil Gaggar**
Partner
Membership Number: 104315
UDIN: 21104315AAAABN4673
Place of Signature: Bengaluru
Date: July 22, 2021

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS Financial Statements of Gulbarga Cement Limited

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Gulbarga Cement Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone Ind AS 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS 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 Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS 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 controls with reference to standalone Ind AS 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 Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS 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 standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS 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, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 21104315AAAABN4673
Place of Signature: Bengaluru
Date: July 22, 2021

Gulbarga Cement Limited
Balance sheet as at March 31, 2021
(Presented in INR Lakhs except share data and EPS)

	Notes	31 March 2021	31 December 2019
Assets			
Non-current assets			
Property, plant and equipment	3	723.44	653.63
Right-of-use asset	34	6.77	-
Capital work-in-progress	3	42,130.53	17,560.21
Intangible assets	4	307.43	376.80
Financial assets			
Loans	5	284.80	284.80
Other non-current assets	6	1,533.87	26,123.18
		44,986.84	**44,998.62**
Current assets			
Inventories	7	46.94	-
Financial assets			
Cash and cash equivalent	8	8.86	448.75
Other financial assets	9	-	2.42
Other assets	6	0.55	0.55
		56.35	**451.72**
Total assets		**45,043.19**	**45,450.34**
Equity and liabilities			
Equity			
Equity share capital	10	10,488.05	10,488.05
Other equity	11	23,172.90	24,803.57
Total equity		**33,660.95**	**35,291.62**
Non-current liabilities			
Financial liabilities			
Borrowings	12	11,042.66	9,930.47
Provisions	13	42.58	193.16
		11,085.24	**10,123.63**
Current liabilities			
Financial Liabilities			
Trade payables	14		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		283.96	29.43
Lease liability	34	7.71	-
Provisions	13	0.95	0.82
Other current liabilities	15	4.38	4.84
		297.00	**35.09**
Total liabilities		**11,382.24**	**10,158.72**
Total equity and liabilities		**45,043.19**	**45,450.34**
Summary of significant accounting policies	2		

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

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Gulbarga Cement Limited
CIN: U26941KA2007PLC054428

per Sunil Gaggar
Partner
Membership number: 104315

Jamshed Naval Cooper
Chairman
DIN: 01527371

S. Sundaram
Director
DIN: 07103135

Vimal Kumar Choudhary
Chief Financial Officer

Shrinivas Harapanahalli
Company Secretary

Place: Gurugram
Date: July 22, 2021

Gulbarga Cement Limited
Statement of profit and loss for the period ended March 31, 2021
(Presented in INR Lakhs except share data and EPS)

Particulars	Notes	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Income			
Other income	16	12.28	31.01
Total Income (I)		**12.28**	**31.01**
Expenses			
Change in Inventories	17	(46.94)	-
Employee benefits expense	18	47.89	30.03
Finance costs	19	1,155.74	294.30
Depreciation and amortisation expense	20	85.30	61.73
Other expenses	21	400.96	87.34
Total expenses (II)		**1,642.95**	**473.40**
Loss before tax (I-II)		**(1,630.67)**	**(442.39)**
Tax expenses			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	189.42
Deferred tax		-	-
Loss after tax (III)		**(1,630.67)**	**(631.81)**
Other comprehensive income (OCI) (IV)		**-**	**-**
Total comprehensive income for the period, net of tax (III) + (IV)		**(1,630.67)**	**(631.81)**
Loss per equity share [nominal value of share INR 10 each (previous year: INR 10 each)]	22		
Basic (INR)		(1.55)	(0.60)
Diluted (INR)		(1.55)	(0.60)
Summary of significant accounting policies	2		

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

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Gulbarga Cement Limited
CIN: U26941KA2007PLC054428

per Sunil Gaggar
Partner
Membership number: 104315

Jamshed Naval Cooper
Chairman
DIN: 01527371

S. Sundaram
Director
DIN: 07103135

Vimal Kumar Choudhary
Chief Financial Officer

Shrinivas Harapanahalli
Company Secretary

Place: Gurugram
Date: July 22, 2021

Gulbarga Cement Limited
Statement of changes in equity for the period ended 31 March 2021
(Presented in INR Lakhs except share data and EPS)

a Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR in Lakhs
At 1 January 2019	104,880,532	10,488.05
Increase/(decrease) during the year	-	-
At 31 December 2019	104,880,532	10,488.05
Increase/(decrease) during the period	-	-
At 31 March 2021	**104,880,532**	**10,488.05**

b Other equity
For the period ended 31 March 2021

	Securities premium	Equity Contribution	Retained earnings	Items of OCI	Total
As at 1 January 2020	**29,445.70**	**2,067.61**	**(6,709.74)**	-	**24,803.57**
Loss for the period	-	-	(1,630.67)	-	(1,630.67)
Other comprehensive income	-	-	-	-	-
Balance at 31 March 2021	**29,445.70**	**2,067.61**	**(8,340.41)**	-	**23,172.90**

For the year ended 31 December 2019

	Securities premium	Equity Contribution	Retained earnings	Items of OCI	Total
As at 1 Jan 2019	**29,445.70**	**2,067.61**	**(6,077.93)**	-	**25,435.38**
Loss for the year	-	-	(631.81)	-	(631.81)
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2019	**29,445.70**	**2,067.61**	**(6,709.74)**	-	**24,803.57**

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

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
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Gulbarga Cement Limited
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Vimal Kumar Choudhary
Chief Financial Officer

Shrinivas Harapanahalli
Company Secretary

Place: Gurugram
Date: July 22, 2021

Gulbarga Cement Limited
Cash flow statement for the period ended 31 March 2021
(Presented in INR Lakhs except share data and EPS)

	31 March 2021	31 December 2019
Cash flows from operating activities		
Loss before tax	**(1,630.67)**	**(442.39)**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	85.30	61.73
Interest expenses	1,155.69	294.28
Interest income	(12.28)	(31.01)
Operating cash flows before working capital changes	**(401.96)**	**(117.39)**
Decrease/(Increase) in loans	-	1.10
Decrease/(Increase) in other non current assets	(27.78)	(5.42)
Decrease/(Increase) in other current assets	-	1.21
Decrease/(Increase) in inventories	(46.94)	-
Increase/(Decrease) in other financial liabilities	254.53	11.80
Increase/(Decrease) in other liabilities and provisions	0.91	(1.41)
Cash used in operations	**(221.24)**	**(110.11)**
Income tax paid, net of refund	(145.00)	3.23
Net cash used in operating activities (A)	**(366.24)**	**(106.88)**
Cash flows from investing activities		
Purchase of property, plant and equipment including intangible assets, capital work in progress and capital advances	(34.51)	(40.02)
Interest received	14.70	35.00
Net cash used investing activities (B)	**(19.81)**	**(5.02)**
Cash flows from financing activities		
Interest expenses paid	(43.51)	(59.62)
Payment of principal portion of lease liabilities (refer note 34)	(10.34)	-
Net cash used in financing activities (C)	**(53.85)**	**(59.62)**
Net decrease in cash and cash equivalents (A+B+C)	(439.90)	(171.52)
Cash and cash equivalents at the beginning of the year	448.75	620.27
Cash and cash equivalents at the end of the year	**8.86**	**448.75**
Cash and cash equivalents		
Balances with banks:		
On current accounts	8.86	38.75
Deposits with a original maturity of less than three months	-	410.00
Total cash and cash equivalents (refer note 8)	**8.86**	**448.75**

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

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Gulbarga Cement Limited
CIN: U26941KA2007PLC054428

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Vimal Kumar Choudhary
Chief Financial Officer

Shrinivas Harapanahalli
Company Secretary

Place: Gurugram
Date: July 22, 2021

Gulbarga Cement Limited
Notes to financial statements for the year ended March 31, 2021

1 Corporate Information

Gulbarga Cement Limited ("the Company") was incorporated on 23 September 2007 to set up a cement plant in Gulbarga, Karnataka. The Company was initially promoted by Chambal Infrastructures Venture Limited. Subsequently, Zuari Global Limited ("hereinafter ZGL") acquired 100% stake in the Company from Chambal Infrastructures Venture Limited. The Company then entered into Shareholders' agreement with ZGL and Zuari Cement Limited ("hereinafter ZCL") dated 31 August 2011. As per the Company's Article of Association, ZCL has right to appoint all directors in the board of the Company, hence on account of ZCL's right to control the composition of the Company's board, ZCL is the Holding Company ("the Holding Company") under Section 2(87) of Companies Act 2013. The Ultimate Holding Company upto June 30, 2016 was Italcementi S.p.A ('the Ultimate Holding Company').

HeidelbergCement AG has completed the acquisition of Italcementi from Italmobiliare and become the ultimate holding Company w.e.f. July 1, 2016. The Company is in the process of setting up its manufacturing facility and has not commenced commercial production as of March 31, 2021.

The financial statements were authorised for issue in accordance with a resolution of the directors on 22 July 2021.

2 Significant accounting policies

The Significant accounting policies applied by the Company in preparation of its financial statements are listed below. These accounting policies have been applied consistently to all the periods presented in these financial statements unless otherwise indicated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

During the current year, the Company has changed its financial year from January 1 - December 31 to April 1- March 31. Accordingly, the financial statements for the current period have been prepared for 15 months i.e. from January 1, 2020 to March 31, 2021.

The financial statements have been prepared on historical cost basis except certain items which need to be stated at fair value as per Ind AS. The financial statements are presented in Rupees Lakhs, except when otherwise indicated.

2.2 Summary of Significant accounting policies

a. Change in Accounting policy

New and amended standards
Ind AS 116 Leases

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

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

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2020.

This has resulted in recognizing a right of use assets at an amount equal to the lease liability on transition date. In the Statement of profit and loss for the year, operating lease expenses has been changed from Rent (included in other expenses) to depreciation cost for right of use assets and finance cost for interest accrued on lease liability (refer note 34)

The adoption of this standard did not have significant impact on the profit and earning per share of the current year.

b. Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

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

c. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

d. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

e. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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. The following specific recognition criteria must also be met before revenue is recognised.

Interest Income

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

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

g. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset category	Useful lives estimated by the Management(in years)
Furniture and fittings	5
Office equipment	3
Computer hardware	3
Plant and machinery	3

Further, the management has estimated the useful lives of asset individually costing INR 5,000 or less to be less than one year, which is lower than those indicated in schedule II. The management has estimated, supported by technical advice, the useful life of the category of assets, which are different from useful life prescribed in schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

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

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

Cost of assets not ready for their intended use at the balance sheet date are disclosed under capital work in progress.

h. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but tested for impairment annually, either individually or at the cash –generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over useful lives, as mentioned below:

Asset category	Useful lives estimated by the management (years)
Computer Software	3

Mining license (acquired) is amortized over the period of lease.

i. Borrowing Cost

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

j. Leases

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

Company as a Lessee (up to December 2019)

A lease is classified at the inception date as a finance lease or an operating lease. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessee (1 January 2020 onwards)

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building	2 years
Motor vehicles and other equipment	2 years

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

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

ii) Lease Liabilities

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

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

The Company's lease liabilities are included in Interest-bearing loans and borrowings (refer note 34).

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

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

Company as a lessor

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

k. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

l. Provisions

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

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

m. Retirement and other employee benefits

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member’s length of service and salary at retirement age. Under the gratuity plan of the Company, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. During the year the Company has provided for the gratuity expenses based on actual liability to be incurred in case the employee serves from the organisation.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. During the year the company has provided for the leave expenses based on actual liability to be incurred in case the employee severs from the Organisation. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n. Financial instruments

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

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

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

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

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, or a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what e amortised cost would have been had the impairment not been recognized.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 12.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

o. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Deposits with initial maturity greater than 3 months are considered as cash and cash equivalents if the deposits can be converted to cash without significant penalty on principle.

p. Contingent liabilities

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

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Gulbarga Cement Limited
Notes to financial statements for the period ended March 31, 2021
(Presented in INR Lakhs except share data and EPS)

3. Property, plant and equipment

	Freehold non-mining land	Plant and equipment	Furniture and fittings	Office equipment	Computer hardware	Total	Capital work-in-progress
Cost							
At 1 January 2019	**-**	**0.57**	**33.38**	**0.24**	**0.48**	**34.67**	**18,194.45**
Additions for the year	634.24	-	-	-	-	634.24	-
Disposals/adjustments	-	-	-	-	-	-	(634.24)
At 31 December 2019	**634.24**	**0.57**	**33.38**	**0.24**	**0.48**	**668.91**	**17,560.21**
Additions for the period	74.46	-	-	-	-	74.46	24,644.78
Disposals/adjustments	-	-	-	-	-	-	(74.46)
At 31 March 2021	**708.70**	**0.57**	**33.38**	**0.24**	**0.48**	**743.37**	**42,130.53**
Depreciation							
At 1 January 2019	**-**	**0.33**	**10.96**	**0.15**	**0.08**	**11.52**	**-**
Charge for the year	-	0.12	3.64	-	-	3.76	-
At 31 December 2019	**-**	**0.45**	**14.60**	**0.15**	**0.08**	**15.28**	-
Charge for the period	-	0.12	4.53	-	-	4.65	-
At 31 March 2021	**-**	**0.57**	**19.13**	**0.15**	**0.08**	**19.93**	-
Net book value							
At 31 December 2019	**634.24**	**0.12**	**18.78**	**0.09**	**0.40**	**653.63**	**17,560.21**
At 31 March 2021	**708.70**	**-**	**14.25**	**0.09**	**0.40**	**723.44**	**42,130.53**

4. Intangible assets

	Mining license*	Total
Cost		
At 1 January 2019	**608.68**	**608.68**
At 31 December 2019	**608.68**	**608.68**
At 31 March 2021	**608.68**	**608.68**
Amortisation and impairment		
At 1 January 2019	**173.91**	**173.91**
Charge for the year	57.97	57.97
At 31 December 2019	**231.88**	**231.88**
Charge for the period	69.37	69.37
At 31 March 2021	**301.25**	**301.25**
Net book value		
As at 31 December 2019	**376.80**	**376.80**
At 31 March 2021	**307.43**	**307.43**

* The Company had purchased mining license from Chambal Fertilisers and Chemicals Limited and the same is valid till 4 October 2027. Hence, the Company is depreciating the same over the period of license.

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5. Loans

	Non-current	
	31 March 2021	**31 December 2019**
Unsecured, considered good		
Security deposit	284.80	284.80
	284.80	**284.80**

6 Other assets

	Current		Non Current	
	31 March 2021	**31 December 2019**	**31 March 2021**	**31 December 2019**
Unsecured, considered good				
Capital advances #	-	-	110.00	24,720.28
Employee advance	0.15	0.15	-	-
Balances with government authorities	-	-	935.07	906.89
Advance income tax, net of provision for tax	-	-	3.51	1.88
Amount paid under protest	-	-	96.64	105.08
Prepaid expenses	0.40	0.40	-	0.40
Other advances *	-	-	687.98	687.98
Less: Provision for doubtful receivable	-	-	(299.33)	(299.33)
Total	**0.55**	**0.55**	**1,533.87**	**26,123.18**

#Capital advances includes Nil (December 31, 2019: INR 24,570.28 lakhs) paid to Karnataka Industrial Area Development Board (KIADB) towards the acquisition of land for its cement plant. Out of 1821 acres of land, there was court cases filed by farmers questioning the acquisition for 92 acres, however, court has disposed the cases on 83 acres of land and further stay order on remaining 9 acre land has been vacated in April'2019 by the honourable High court of Karnataka, Gulbarga bench. With this, no court cases are pending on land allotted by KIADB. Further it includes INR 110 lakhs (December 31, 2019: INR 150 lakhs) paid to Axis Rail India Ltd (formerly known as KVR Rail Infra Projects Pvt. Ltd) towards liaisioning for acquisition of land for railway sidings.

* Other advances paid to farmers towards acquisition of land for its cement plant. Out of the total amount, INR 299.33 lakhs were directly paid to farmers and were not facilitated by Karnataka Industrial Area Development Board (KIADB) and has been considered doubtful and hence the Company has created a provision in the books for the same. And for the remaining amount, the KIADB is in the process of collecting the money from the farmers and remitting the same back to the Company.

7. Inventories

	31 March 2021	**31 December 2019**
Inventories of limestone	46.94	-
(valued at cost or market value whichever is lower)	**46.94**	**-**

8. Cash and cash equivalent

	31 March 2021	**31 December 2019**
Balances with banks		
- On current accounts	8.86	38.75
- Deposits with original maturity of less than three months	-	410.00
	8.86	**448.75**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits made for varying periods of upto 3 months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

9. Other financial assets

	31 March 2021	**31 December 2019**
Interest accrued but not due on fixed deposits	-	2.42
	-	**2.42**

Gulbarga Cement Limited
Notes to financial statements for the period ended March 31, 2021
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10 Share capital

Authorised share capital	Equity Shares	
	Number	INR in lakhs
At 1 January 2019	108,000,000	10,800.00
Increase/(decrease) during the year	-	-
At 31 December 2019	108,000,000	10,800.00
Increase/(decrease) during the year	-	-
At 31 March 2021	**108,000,000**	**10,800.00**

Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. No dividend is declared during the year.

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

	Equity Shares	
Issued equity capital	Number	INR in lakhs
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 January 2019	104,880,532	10,488.05
Changes during the year	-	-
At 31 December 2019	104,880,532	10,488.05
Changes during the year	-	-
At 31 March 2021	**104,880,532**	**10,488.05**

(a) Equity shares held by holding / ultimate holding company and / or their subsidiaries / associates is given below:

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

	31 March 2021	31 December 2019
	INR in Lakhs	INR in Lakhs
a) Zuari Cement Limited, Holding Company	2,249.67	2,249.67
22,496,691(31 December 2019 : 22,496,691) equity shares		
b) Compagnie Pour L'Investissement Financier En Inde	8,238.38	8,238.38
82,383,841 (31 December 2019 : 82,383,841) equity shares		

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

Name of the shareholder	Number of shares	% of holding
Equity shares of INR 10 each fully paid		
Zuari Cement Limited		
At 31 December 2019	22,496,691	21.45%
At 31 March 2021	22,496,691	21.45%
Compagnie Pour L'Investissement Financier En Inde		
At 31 December 2019	82,383,841	78.55%
At 31 March 2021	82,383,841	78.55%

The Company has neither issued any bonus shares nor bought back any shares from the date of incorporation of the Company.
The Company has not reserved any shares for issue under options and contracts/commitments for sale of shares/disinvestment.

Gulbarga Cement Limited
Notes to financial statements for the period ended March 31, 2021
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11 Other Equity

	31 March 2021	31 December 2019
Securities premium		
At 01 January 2020	29,445.70	29,445.70
Closing balance	**29,445.70**	**29,445.70**
Equity contribution		
At 01 January 2020	2,067.61	2,067.61
Closing balance	**2,067.61**	**2,067.61**
Retained earnings		
At 01 January 2019	(6,709.74)	(6,077.93)
Add: Loss for the year	(1,630.67)	(631.81)
Total retained earnings	**(8,340.41)**	**(6,709.74)**
Total	**23,172.90**	**24,803.57**

Nature and purpose of reserves:

a) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of Section 52 of the Companies Act, 2013.

12 Borrowings

	31 March 2021	31 December 2019
Unsecured borrowings		
Loans from related party (refer note 26)	11,042.66	9,930.47
Net amount	**11,042.66**	**9,930.47**

Terms & Conditions:

Unsecured loan availed by the Company carries an interest at SBI base rate plus 1% per annum. Effective from 01.08.2019 rate of interest is changed to 5 years Government securities rate or 5 years fixed deposit rate offered by SBI, whichever is higher plus 50 basis points as margin. Till 31st July 19, interest was calculated at SBI base rate + 1% per annum as margin. The loan along with interest accrued is repayable in 12 quarterly instalments after expiry of 13 years from the date of disbursement of loan. To comply with requirements of Ind AS 109, the Company has disclosed the loan taken at amortised cost, the difference between the loan taken and fair value of the loan amounting to INR 2,067.61 lakhs is accounted as equity contribution from the holding company. The holding Company has given a letter of support that loan will not be demanded for the next twelve months.

13 Provisions (Non-current and current)

Non- Current	31 March 2021	31 December 2019
Provision for gratuity (refer note 24)	4.98	3.74
Provision for tax (net of advance income tax)	37.60	189.42
	42.58	**193.16**
Current		
Provision for leave encashment	0.95	0.82
	0.95	**0.82**

14 Trade payables

	31 March 2021	31 December 2019
Trade payables		
-Due to micro and small enterprises	-	-
-Total outstanding dues of micro enterprises and small enterprises	283.96	29.43
	283.96	**29.43**

15. Other current liabilities

Statutory liabilities	4.38	4.84
	4.38	**4.84**

Gulbarga Cement Limited
Notes to financial statements for the period ended March 31, 2021
(Presented in INR Lakhs except share data and EPS)

16 Other income

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Interest income on		
Bank deposits	12.28	30.48
Others	-	0.53
	12.28	**31.01**

17 Change in inventories

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Inventories of limestone	(46.94)	-
	(46.94)	**-**

18 Employee benefits expense

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Salary, wages and bonus	44.44	27.90
Gratuity Expenses (refer note 24)	1.24	0.87
Contribution to provident and other funds	2.21	1.26
	47.89	**30.03**

19 Finance costs

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Interest expense		
on inter-corporate loan*	1,154.40	294.28
on others	0.01	-
on lease liability (refer note 34)	1.28	-
Bank charges	0.05	0.02
	1,155.74	**294.30**

* Interest expense on inter-corporate loan include interest expenses of INR 641.19 lakhs (31 December 2019: INR (301.96 Lakhs)) as per Ind AS 109.

20 Depreciation and amortisation expense

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Depreciation on property, plant and equipment (refer note 3)	4.65	3.76
Amortisation of intangible assets (refer note 4)	69.37	57.97
Depreciation of Right-of-use assets (note 34)	11.28	-
	85.30	**61.73**

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Gulbarga Cement Limited
Notes to financial statements for the period ended March 31, 2021
(Presented in INR Lakhs except share data and EPS)

21 Other expenses

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Rent (refer note 34)	11.20	18.41
Repairs and maintenance - others	105.79	19.78
Legal and professional fees	53.68	24.17
Payment to auditor*	3.00	3.00
Rates and taxes	199.25	5.83
Traveling and conveyance	8.23	6.37
Printing and stationery	0.08	0.06
Miscellaneous expenses	19.73	9.72
	400.96	**87.34**

*** Payment to auditor**

	For the 15 months ended 31 March 2021	For the year ended 31 December 2019
Audit fee (excluding goods and services tax)	3.00	3.00
	3.00	**3.00**

22. Earnings/ (loss) per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the period/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 loss attributable to equity holders by the weighted average number of equity shares outstanding during the period/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.

	31 March 2021	31 December 2019
Net loss available to shareholders for calculation of basic and diluted earnings per share	(1,630.67)	(631.81)
Weighted average number of equity shares for calculation of basic and diluted earnings per share (in Lakhs)	1,048.81	1,048.81
Basic and diluted EPS (in INR)	(1.55)	(0.60)

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23. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Estimates and assumptions

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

(i) Useful Lives of Property, Plant & Equipment:

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

(ii) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 28 of the financial statement.

(iii) Impairment of Financial assets

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

(iv) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(v) Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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24 Gratuity and post employment benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement/ departure. Under the gratuity plan of the Company, every employee who has completed five years of service gets gratuity on departure @ 15 days of last drawn salary for each completed year of service. During the year the Company has provided for the gratuity expenses based on actual liability to be incurred in case the employee serves from the organisation.

Changes in the defined benefit obligation are as follows:

	31 March 2021	31 December 2019
Defined benefit obligation at the beginning of the year	3.74	2.87
Add: Gratuity expense during the year	1.24	0.87
Less: Benefits paid	-	-
Defined benefit obligation at the end of the	**4.98**	**3.74**

25 Commitments and Contingencies

a) Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as on March 31, 2021 is INR 1,827.50 lakhs (December 31, 2019 : INR 1,522.11 lakhs)

b) Other commitments (leases)

The Company has taken office premises and residential facilities under cancellable operating leases that are renewable on a periodic basis and cancellable at its option. The total rental expense under operating leases during the year is INR 11.20 Lakhs (December 31, 2019: INR 18.41 Lakhs). There are no non-cancellable leases, hence Company has no future minimum lease commitments.

c) Contingent Liabilities

	31 March 2021	31 December 2019
Claims against the Company not acknowledged as debts		
Income Tax Assessment Year 2012-13	155.68	193.28
	155.68	193.28

26 Related party disclosures

Names of related parties and their related party relationship

Related parties where control exists

Ultimate Holding Company	Heidelberg Cement AG
Holding Company	Zuari Cement Limited (ZCL)*
	Compagnie Pour L'Investissement Financier En Inde (CIFI)

Key managerial persons

Jamshed Naval Cooper - Chairman & Managing Director
Juan-Francisco Defalque - Non-Executive Director
Kevin Gerard Gluskie - Non-Executive Director
S. Sundaram - Non-Executive Director
Vimal Kumar Choudhary, Chief Financial Officer
V. Shivakumar , Manager
Soek Peng Sim, Additional Director
L. R. Neelakanta, Company Secretary (till 31 March 2021)
Shrinivas Harapanahalli, Company Secretary (w.e.f. 01 April 2021)

* Zuari Cement Limited (ZCL) is holding company by virtue of composition of Board of Directors.

The following table provides the total amount of transactions that have been entered into with related parties for relevant financial year:

Name of related party	Description of the transaction	Transactions during the year		Outstanding at year end-payable / (receivable)	
		31 March 2021	31 December 2019	31 March 2021	31 December 2019
ZCL	Unsecured loan taken	-	-	11,042.66	9,930.47
	Interest expense on loan (including IND AS	1,154.40	294.28	-	-
Transactions with key management personnel					
Remuneration#		17.24	11.38	-	-

\# Gratuity and leave encashment amounts pertaining to the key management personnel are not included above.

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27 Fair Value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair Value	
	31 March 2021	**31 December 2019**	**31 March 2021**	**31 December 2019**
Financial assets				
Loans	284.80	284.80	284.80	284.80
Cash and cash equivalent	8.86	448.75	8.86	448.75
Other financial assets	-	2.42	-	2.42
Financial liabilities				
Borrowings	11,042.66	9,930.47	11,042.66	9,930.47
Other financial liability	283.96	29.43	283.96	29.43
Lease Liability	7.71	-	7.71	-

The management assessed that cash and cash equivalents and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

28 Fair Value Hierarchy

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

As on March 31, 2021 and as on December 31, 2019 the Company does not hold any investments which are measured at fair value. Therefore, disclosure under fair value is not applicable to the Company.

29 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits and cash and cash equivalents which are part of the Company's operations.

The Company is exposed to market risk and liquidity risk. The policies and procedures considered by Company's senior management to oversee the management of these risks have been summarised below.

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two types of market risk: foreign currency risk and interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). These exposures are in relation to purchase of fixed assets/ technical services in relation to the plant being set up. As on March 31, 2021 and December 31, 2019, the Company has not hedged any of its foreign currency exposures.

(Presented in INR Lakhs except share data and EPS)

Foreign currency sensitivity

The Company is not exposed to significant foreign currency risks at the respective reporting dates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates on Company's profit before tax.

	Increase/decrease in percentage	Effect on profit before tax
31 March 2021	0.5%	(34.24)
	-0.5%	34.24
31 December 2019	0.5%	(34.24)
	-0.5%	34.24

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations towards settlement of financial liabilities. Financial liabilities are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through use of bank overdrafts, bank loans and other similar credit facilities.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

As at 31 March 2021	<1 year	1-5 years	>5 years	Total
Financial Liabilities				
Borrowings*	-	6,848.67	-	6,848.67
Other Payables	283.96	-	-	283.96
Lease Liability	7.71	-	-	7.71

As at 31 December 2019	<1 year	1-5 years	>5 years	Total
Financial Liabilities				
Borrowings*	-	6,713.01	135.67	6,848.67
Other Payables	29.43	-	-	29.43

* Excluding Ind AS adjustment and Interest amount

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its financing activities, including deposits with banks and financial institutions. The Company has no significant concentration of credit risk with any counterparty.

Financial instruments and cash deposits

Credit risk from balances with banks and financials institutions is managed by the Company's treasury department in accordance with the Company's policy, Investments of surplus funds are made with approved counterparties. Credit risk on cash and cash equivalent, deposits with the banks/financials institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

30 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	31 March 2021	31 December 2019
Borrowings	11,042.66	9,930.47
Less: Cash and cash equivalents	(8.86)	(448.75)
Net debt	11,033.80	9,481.72
Equity attributable to equity share holder	33,660.95	35,291.62
Capital and debt	44,694.75	44,773.34
Gearing ratio	24.69%	21.18%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous year.

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The identification of the micro, small and medium enterprise suppliers as defined under the provisions of the "The Micro, Small and Medium Enterprises Development Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31, 2021 and December 31, 2019.

32 Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has not recorded deferred tax asset as at 31 March 2021 on tax losses as it is not probable that taxable profit will be available to absorb such losses in near future.

33 The current financial year has been a challenging year. The year began amidst a strict lockdown post the emergence of COVID-19 towards the end of the last financial year. The economy gradually opened post June 2020 and the second half of the year was progressing towards recovery. However, a much stronger second wave of COVID -19 infections hit the country subsequent to March 31, 2021. The situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of COVID-19 and thus the full impact still remains uncertain and could be different from the estimates considered while preparing these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

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(Presented in INR Lakhs except share data and EPS)

34 Leases

Effective 1 January, 2020, the Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1 January 2020 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payment discounted at the incremental borrowing rate and the right-of-use asset equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended December 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for the year ended December 31, 2019. The effect of this adoption is insignificant on the profit before tax and earning per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payment. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right of Use of assets

Particulars	**Land & Buildings**	**Vehicles**	**Total**
Initial recognition as at 1 January 2020	**6.77**	**11.28**	**18.05**
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	**6.77**	**11.28**	**18.05**
Depreciation/ Amortization			
At 1 January 2020	-	-	-
Depreciation Expenses	4.23	7.05	**11.28**
Disposals	-	-	-
At 31 March 2021	**4.23**	**7.05**	**11.28**
Net book value			
At 31 March 2021	**2.54**	**4.24**	**6.77**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Lease Liability

Particulars	**Amount**
Initial recognition as at 1 January 2020	**18.05**
Additions	-
Accretion of interest	1.28
Payment of interest	(1.28)
Payment of principal	(10.34)
At 31 March 2021	**7.71**
Current	7.71
Non-Current	-

The maturity analysis of lease liabilities are disclosed in Note 29 (B).

The effective interest rate for lease liabilities is in the range of 7.28% to 7.88%, with maturity between 2021-22.

The following are the amounts recognized in statement of profit or loss account:

Particulars	**For the period ended 31 March , 2021**
Depreciation expense of right-of-use assets	11.28
Interest expense on lease liabilities	1.28
Variable lease payments (included in other expenses)	11.20
Total amount recognised in statement profit or loss	**23.75**

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35 Previous year figures

During the period, the Company's financial statements have been prepared for the fifteen months from January 01, 2020 to March 31, 2021 and hence not comparable with those of previous year. Previous year figures have been regrouped / reclassified, where necessary, to conform to this period's classification.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Gulbarga Cement Limited
CIN: U26941KA2007PLC054428

per Sunil Gaggar
Partner
Membership number: 104315

Jamshed Naval Cooper
Chairman
DIN: 01527371

S. Sundaram
Director
DIN: 07103135

Vimal Kumar Choudhary
Chief Financial Officer

Shrinivas Harapanahalli
Company Secretary

Place: Gurugram
Date: July 22, 2021