

Annual Report 2024-25

Gulbarga Cement Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Joydeep Mukherjee
Chairman

Mr. Roberto Callieri
Non-Executive Director

Mr. Juan-Francisco Defalque
Non-Executive Director

Ms. Poonam Sharma
Non-Executive Director

Mr. R.K. Nagesh
Non-Executive Director

Registered Office

No. 9, Malliks Embassy, 2nd Floor B Block, Union Street, Off Infantry Road, Cubbon Road Cross, Mahatma Gandhi Road, Bangalore, Bangalore North, Karnataka, India, 560001

Auditors

S.N. Dhawan & CO. LLP
Chartered Accountants

CONTENTS	
Notice to AGM	1
Board's Report	10
Independent Auditors' Report	24
Financial Statements	33

GULBARGA CEMENT LIMITED

Regd. Office: No. 9, Malliks Embassy, 2nd Floor B, B Block, Union Street, Off Infantry Road, Cubbon Road Cross, Bengaluru, Karnataka-560001

Phone. No. 080-41194408; Email Id: arjun.dutta@zcltd.com

[Website: www.zuaricements.com](http://www.zuaricements.com)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18th (Eighteenth) Annual General Meeting of the Members of Gulbarga Cement Limited will be held at 02:30 PM on Wednesday, 24 September 2025, 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 financial year ended 31 March 2025, together with the Report of the Directors and Auditors thereon, be and are hereby received, approved and adopted.”

2. To Re-appoint Mr. Roberto Callieri (DIN: 05139888) 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. Roberto Callieri (DIN: 05139888) who retires by rotation and being eligible has offered himself for reappointment be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

3. To Re-appoint 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 has offered himself for reappointment be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

SPECIAL BUSINESS:

4. To appoint Ms. Poonam Sharma as Non-Executive Director of the Company and to consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification, amendment or re-enactment thereof for the time being in force and the provisions of Articles of Association of the Company and based on the recommendation of the Board of Directors of the Company, the consent of the Shareholders be and is hereby accorded for appointment of Ms. Poonam Sharma (holding DIN: 11104806) as Non-Executive Director of the Company, being liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution, including but not limited to filing of necessary returns/forms to the appropriate authorities."

By the Order of the Board of Directors

Reena Bagla

Company Secretary

Date: 29 July 2025
Place: Gurugram

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its general circular dated 19 September 2024 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 General Circulars 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/video recording 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 2024-25 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 reena.bagla@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 enable them 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 shall click on the link and can join the Annual General Meeting to participate;

- 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 Ms. Reena Bagla, Company Secretary of the Company at reena.bagla@zcltd.com.

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

Item No. 4:

The members are informed that in view of resignation of Ms. Soek Peng Sim and further to ensure compliance with the provisions of Companies Act 2013 (“Act”), the Board of Directors at its meeting held on 28 May 2025 has appointed Ms. Poonam Sharma (Holding DIN:11104806) as an Additional Director in the category “Non-Executive & Non-Independent Director” with effect from 28 May 2025. Ms. Poonam Sharma holds office of the Directorship up to the date of ensuing Annual General Meeting of the Company. It is, therefore, proposed to obtain approval of shareholders by means of an Ordinary Resolution for appointing Ms. Poonam Sharma as a Non-Executive & Non-Independent Director of the Company liable to retire by rotation.

Brief profile of Ms. Poonam Sharma is given below:

Ms. Poonam Sharma is an MBA from HP University, Shimla and is an alumnus of Saint Bede’s College, Shimla. She did her schooling from Auckland Home School, Shimla.

She brings with her more than three decades of work experience in business and human resources profession and is presently working as Director – Human Resources at HeidelbergCement Limited. Before HeidelbergCement India, she had worked with Hero Honda Motors Limited (now Motor Corp) world’s leader in two wheelers manufacturing handling import (Commercial) in the initial part of her career and later moved to Corporate, Human Resources. She took care of Human Resources function in their Gurgaon plant of Hero Honda Motors before moving to ACME Telepower as Head – Human Resources.

She joined Carrier (an air-conditioner pioneer in the world) as Director – Human Resources before moving to HeidelbergCement India Limited. Having experience in both sides of commercial and in human resources her interest lies in partnering with the business to address the business as well as people aspects of the

organisation. Have interest in organisational development and integration of people and processes with respect to M&A, Organisational Design, People Development and Human Strategy. She is an ardent trainer and is a strong proponent of Diversity and Inclusivity in the Company.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Poonam Sharma, for the office of Director of the Company.

In the opinion of the Board of Directors, Ms. Poonam Sharma fulfils the conditions for appointment as Non-Executive & Non-Independent Director of the Company as specified in the Act. Therefore, Board of The Director proposed the appointment of Ms. Poonam Sharma as Non-Executive & Non-Independent Director of the Company.

She is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

Except, Ms. Poonam Sharma, 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.

The details required under Secretarial Standard-2 on General Meetings are set out at annexure to this notice.

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting (Pursuant to Secretarial Standard 2 on General Meetings)

Name of Director	Mr. Roberto Callieri	Mr. Juan Francisco Defalque	Ms. Poonam Sharma
DIN	05139888	07318811	11104806
Brief Resume	Mr. Roberto Callieri, aged 61 years, completed his Degree in Electrical Engineering from University of Cagliari in 1990 and obtained a Certificate in Financial Management from Bocconi University, Milan, Italy. He has also completed the Advanced Management Program from Harvard	Mr. Juan-Francisco Defalque, aged 62 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	Ms. Poonam Sharma, aged 60 years, is an MBA from HP University, Shimla and is an alumnus of Saint Bede's College, Shimla. She did her schooling from Auckland Home School, Shimla. She brings with her more than three decades of work experience in business

	<p>Business School, Boston, USA.</p> <p>Mr. Callieri joined Italcementi Group in 1990, where he held several senior management positions in Puerto Rico, USA, Canada, Turkey, Thailand, Egypt, and Italy. From 2016 until the end of 2023, he headed the Italian operations of Heidelberg Materials Group. He has been a member of the Managing Board of Heidelberg Materials AG since January 2024 and is responsible for Asia within the Asia-Pacific Group area.</p> <p>Traversing his professional career spanning over three decades, Mr. Callieri has gained rich and vast experience in plant operations & maintenance, project management, sustainability, business integration, brand leadership, corporate management, strategy formulation and cost leadership in international cement business. He has led many successful operational and marketing turnarounds resulting in re-establishing profitability and</p>	<p>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.</p> <p>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</p>	<p>and human resources profession and is presently working as Director – Human Resources at HeidelbergCement Limited.</p> <p>Before HeidelbergCement India, she had worked with Hero Honda Motors Limited (now Motor Corp) world's leader in two wheelers manufacturing handling import (Commercial) in the initial part of her career and later moved to Corporate, Human Resources. She took care of Human Resources function in their Gurgaon plant of Hero Honda Motors before moving to ACME Telepower as Head – Human Resources.</p> <p>She joined Carrier (an air-conditioner pioneer in the world) as Director – Human Resources before moving to HeidelbergCement India Limited. Having experience in both sides of commercial and in human resources her interest lies in partnering with the business to address the business as well as people aspects of the organisation. Have</p>
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	competitiveness. He is a highly disciplined professional with balanced approach, self-starting personality and ability to independently operate under challenging business situations. He is a strong believer in nurturing talent, building high performing teams and ability to successfully integrate and be accepted in multicultural environments.	manufacturing facilities of Heidelberg Materials Group in this region but, also takes care of the new projects. Mr. Juan-Francisco Defalque currently serves as the APAC Director for Competence Center Cement for the Heidelberg Materials Group.	interest in organisational development and integration of people and processes with respect to M&A, Organisational Design, People Development and Human Strategy. She is an ardent trainer and is a strong proponent of Diversity and Inclusivity in the Company.
Date of Birth	14 October 1963	23 August 1963	15 November 1964
Date of First Appointment on the Board	14 March 2024	26 July 2016	28 May 2025
Expertise in specific functional area(s)	He has a rich experience of over 34 years in plant operations & maintenance, project management, sustainability, business integration, brand leadership, corporate management, strategy formulation and cost leadership in international cement business.	He has a rich experience of over 35 years in Cement Industry.	She has more than three decades of work experience in business and human resources profession and is presently working as Director – Human Resources at HeidelbergCement Limited.
Qualifications	Degree in Electrical Engineering from University of Cagliari in 1990 and Certificate in Financial Management from Bocconi University, Milan, Italy. He has also completed the Advanced Management Program from Harvard	Master's degree in mining engineering from Catholic University of Louvain in Belgium in the year 1987.	Master of Business Administration from HP University, Shimla.

	Business School, Boston, USA.		
Shareholding in the Company (including shareholding as a beneficial owner)	Nil	Nil	Nil
Terms and Conditions of Appointment	Appointed as Non- Executive Director liable to retire by rotation.	Appointed as Non- Executive Director liable to retire by rotation.	Refer Explanatory Statement
Remuneration last drawn	Not Applicable	Not Applicable	Not Applicable
Remuneration proposed to be paid	Not Applicable	Not Applicable	Not Applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company.	Not related to any Director or Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company.
No. of Board meetings attended during FY25	Attended two out of five meetings held during FY25	Attended three out of five meetings held during FY25	Not Applicable
Directorships held in other Indian public limited companies	HeidelbergCement India Limited and Zuari Cement Limited.	Zuari Cement Limited	Zuari Cement Limited

Position of Chairperson / Member in the Committees of Directors of other public limited companies in which he/she is a Director	Committee position held in HeidelbergCement India Limited: - • Member of Nomination and Remuneration Committee.	• Nil	Committee position held in the Zuari Cement Limited: Member of Corporate and Social Responsibility Committee.
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BOARDS' REPORT

To the Members,

The Directors are pleased to present the 18th Annual Report together with the audited financial statements of Gulbarga Cement Limited ('the Company') for the financial year ended 31 March 2025 (FY25).

FINANCIAL RESULTS:

The Company has not earned any income during the Financial Year. The Company has incurred a net loss of Rs. INR 101.84 million as compared to a loss of INR 151.32 million during the previous year.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business of your Company during the year.

DIVIDEND:

Your directors do not recommend any dividend for the year ended 31 March 2025 as the Company has not earned any profits during the year.

CHANGE IN REGISTERED OFFICE:

During the year, the Registered Office of the Company was shifted from No. 28, Adventz Centre, 2nd Floor, Cubbon Road, Shivajinagar, Bangalore 560001 to No. 9, "Mallik's Embassy", 2nd Floor, 'B' Block, Union Street, Off Infantry Road, Cubbon Road Cross, Bangalore 560001 with effect from 01 February 2025.

TRANSFER FROM THE RESERVES:

During the Financial Year under review, due to loss the Company has transferred INR 101.84 million from the Reserves.

DIRECTORS:

Resignation and Appointment of Directors

Ms. Soek Peng Sim resigned as the Director from the Board of Directors of the Company w.e.f. the close of business hours on 28 May 2025. Consequent to the resignation by Ms. Soek Peng Sim, the Board in its meeting held on the same day, appointed Ms. Poonam Sharma as an Additional Director in the category of Non-Executive Director on the Company's Board with effect from 28 May 2025.

Approval of Members is being sought for the appointment of Ms. Poonam Sharma as Non-Executive Director in the ensuing Annual General Meeting which forms part of the AGM Notice.

Directors retiring by rotation

- Mr. Roberto Callieri (DIN: 05139888) 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 re-appointment by the members at the ensuing AGM.
- 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 re-appointment by the members at the ensuing AGM.

BOARD MEETINGS:

During the financial year ended 31 March 2025, the Board of Directors of the Company met 5 times on 29 May 2024, 31 July 2024, 28 October 2024, 06 January 2025 and 30 January 2025. The maximum time gap between two meetings was less than 120 days. The Company does not pay sitting fee to any of its Directors.

PERFORMANCE EVALUATION OF BOARD:

Pursuant to the provisions of Section 134 of the Companies Act, 2013, a performance evaluation Policy has been formulated containing the criteria and methodology for facilitating performance evaluation of the Board as a whole and Directors individually. The Board has carried out an annual evaluation of its own performance and also 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. The Directors have expressed their satisfaction on the outcome of the performance evaluation.

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 is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year the Company has not given any loans, guarantees or provided 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.

SHARE CAPITAL

The Company at its meeting held on 31 July 2024 decided to raise funds by issue of equity shares by way of rights issue of 1,45,98,540 equity shares at a face value of Rs. 10/- each and at a premium of Rs. 17.40/- aggregating to an amount

of INR 400 million from its existing shareholders. The Company received application money for an amount of INR. 39,99,99,859/- and accordingly, the Company at its Board Meeting held on 06 January 2025 allotted 1,45,98,535 equity shares to its shareholders. Therefore, the paid-up share capital of the Company Stands increased from 10,48,80,532 equity shares of Rs. 10/- aggregating to INR 1,04,88,05,320/- (Rupees One Hundred Four Crores Eighty-Eight Lakhs Five Thousand Three Hundred Twenty Only) to 11,94,79,067 equity shares of Rs. 10/- each aggregating to INR 1,19,47,90,670 (One Hundred Nineteen Crores Forty-Seven Lakhs Ninety Thousand Six Hundred Seventy Only).

General: The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions with respect to these items during FY25:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of stock options or sweat equity shares.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
- Neither any application was made, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking loans from the Banks or Financial Institution along with the reasons thereof: - The Company has not defaulted in the repayment of loans to the Banks or Financial Institutions. Accordingly, disclosure relating to one-time settlement with the Banks or Financial Institutions is not applicable

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 inter alia exempts unlisted public companies which are wholly owned subsidiaries from the requirement of appointing Independent Directors on their Board. Similarly, amended Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, exempts such unlisted Public Companies from the constitution of Audit Committee and Nomination and Remuneration Committee.

In view of the aforesaid provisions of the Companies Act, 2013 and the Rules made thereunder, the Company is exempted from the requirement of appointing

Independent Directors and constitution of Audit Committee and Nomination and Remuneration Committee.

AUDITORS:

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 the members at the 14th Annual General Meeting of the Company held on 13 September 2021 had appointed S.N. Dhawan & Co. LLP., Chartered Accountants, as Statutory Auditors of the Company to hold office up to the conclusion of the 19th Annual General Meeting for conducting statutory audits commencing from FY2021-22 until FY2025-26.

Auditors' comments / observations referred to in their report are self-explanatory and do not call for any further explanation from the Board. The Auditors' reported 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.

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. Rajesh Relan & Associates., Company Secretaries to conduct the secretarial audit of the Company for the financial year ended 31 March 2025. 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:

Details of Key Managerial Personnel of the Company are given below:

- Mr. Vimal Kumar Chaudhary, Chief Financial Officer (Ceased to act w.e.f. 28 May 2025).
- Mr. Arjun Dutta, Company Secretary (Ceased to act w.e.f. 26 March 2025).
- Mr. Venkateshwararao Puli, Manager under the Companies Act, 2013.
- Ms. Reena Bagla, Company Secretary (appointed w.e.f. 01 June 2025).
- Mr. Kishan Kumar Acharya, Chief Financial Officer (appointed w.e.f. 01 June 2025).

ANNUAL RETURN:

A copy of the Annual Return for the financial year ended 31 March 2024 filed with Registrar of Companies is posted on website of the Company. The draft Annual Return for FY25 is also posted on website of the Company. After filing of Annual Return for FY25 with MCA, the draft will be replaced with the final version. The web-link to access above mentioned Annual Returns is as under:

<http://www.zuaricements.com/index.php/our-company>

LISTING OF SHARES:

Your Company is not a listed Company.

DISCLOSURE UNDER SECRETARIAL STANDARDS

The Directors state that the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The details with respect to the composition, terms of reference, number of meetings held, etc. of the statutory committees of the Board of Directors are included in the Report on Corporate Governance, which is forming part of this Annual Report.

DISCLOSURE FROM LOAN TAKEN FROM DIRECTORS:

The Company has not taken any loan from the Directors of the Company.

HOLDING, SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

During the year under review, none of the Company become the Subsidiaries / Associates and Joint Venture of the Company. Therefore AOC-1 does not form part of this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

SECRETARIAL STANDARDS:

The Company has also ensured compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India pursuant to Section 118(10) of the Companies Act, 2013.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to the provision of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014, the Company has neither accepted the deposit from the public nor the Borrowings from the Banks and Public Financial Institutions are more than Rs. 50 Crore. Therefore, the provision is not applicable to the Company.

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 and 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:

<https://www.zuaricements.com/images/Company/gcl-risk-management-policy.pdf>

RELATED PARTY TRANSACTIONS (RPT):

All the transactions entered into between the Company and its related parties during the year ended 31 March 2025 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. 27 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:

https://www.zuaricements.com/images/Company/gcl_rpt_policy.pdf

The Company does not have any material related party transaction during the year therefore the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable for FY25 and does not form part of this report.

INTERNAL FINANCIAL CONTROLS:

The Company has in place various internal controls, policies and procedures to ensure orderly and efficient conduct of its business. Standard Operating Procedures (SOPs) and Risk Control Matrix (RCM) have been designed for critical processes across all operations. The internal financial controls are tested for operating effectiveness through management's ongoing monitoring and review processes, and independently by the internal 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 2025 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:

To the best of their knowledge and belief and according to the information and explanations obtained by them and based on the assessment of the management, the Board of Directors makes the following statements in terms of Section 134 of the Companies Act, 2013:

- i) that in the preparation of the accounts for the year ended 31 March 2025 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 2025 and of the profit or loss of the Company for the financial year ended 31 March 2025;
- 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 the financial year ended 31 March 2025 have been prepared on a 'going concern' basis;
- v) that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- vi) 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 financial year ended 31 March 2025, no complaint was received by the Company in this regard. The web-link to access the said policy is as follows:

<https://www.zuaricements.com/images/Prohibition-Against-Sexual-Harassment.pdf>

Status of complaints as on 31 March 2025:

S.no	Particulars	No. of Complaints
1.	Number of complaints of sexual harassment received in the year	Nil
2.	Number of complaints disposed off during the year	Nil
3.	Number of cases pending for more than ninety days	Nil

STATEMENT ON COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company is committed to upholding the rights and welfare of all employees in accordance with applicable labour laws and statutory regulations. The Company fully complies with the provisions of the Maternity Benefit Act, 1961, as amended, across all its locations in India. All eligible women employees are entitled to maternity benefits, as prescribed under the aforesaid Act. We remain committed to fostering employee well-being and ensuring that our policies and practices are aligned with both the letter and the spirit of the law.

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: 29 July 2025
Place: Gurugram

Joydeep Mukherjee
Chairman



Rajesh Relan & Associates

Company Secretaries

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2025

[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

No. 9, Malliks Embassy, 2nd Floor B Block,
Union Street, Off Infantry Road, Cubbon Road Cross,
Mahatma Gandhi Road, Bangalore, Karnataka-560001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Gulbarga Cement Limited** (hereinafter called 'the company') CIN: U26941KA2007PLC054428. The Secretarial Audit was conducted in a manner that provided us a 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 covering the financial year ended on **March 31, 2025** 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of;

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Complied to the extent applicable).**
- (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable)**
- (v) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable)**
- (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable)**
- (vii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable)**



Rajesh Relan & Associates

Company Secretaries

- (viii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable)**
- (ix) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable)**
- (x) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable)**
- (xi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable)**
- (xii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable)**

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

1. Mines Act, 1952.
2. Karnataka Industrial Areas Development Act, 1966.
3. Karnataka Industrial Areas Development Board Regulations, 1969.
4. Approval / Clearance required to be obtained from Government of India (MOEF & CC) and Government of Karnataka (SHLCC).
5. All other applicable Industry-specific Laws, General Laws including Labour Laws and Rules & Regulations thereof.

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

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

We have not examined compliance by the company with respect to applicable financial laws, like direct and indirect tax laws, maintenance of financial records, etc., since the same have been subject to review by statutory (financial) auditors, tax auditors and other designated professionals.

We further report that;

The Board of Directors of the Company is duly constituted including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meeting; 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 all the Meetings were taken unanimously.



Rajesh Relan & Associates

Company Secretaries

- a) During the year under review, there was no amendment/modification of the Articles of Association. However, the Company has amended the Memorandum of Association in respect of the Authorized Share Capital of the Company. The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. mentioned above.

We further report that based on the information provided and representations made by the Company, there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, there were no instances during the year under review; with respect to the following events:

- Public/ Preferential issue of shares/ Debentures/ Sweat equity
- Merger/ Amalgamation/ Reconstruction.
- Foreign Technical Collaborations.
- Major decision by Members in pursuance of Section 180 of Act.

During the year under review, the following instances have occurred;

- a) The Company increased its authorised share capital pursuant to the resolution passed by the shareholders in General Meeting held on 05 July 2024.
- b) The Company has allotted equity shares aggregating to INR 400 million on Rights basis on 06-01-2025 to the existing shareholders.
- c) The Company compounded an offence under FEMA relating to the delayed reporting of foreign inward remittance received towards share capital subscription and the delayed submission of Form FC-GPR pertaining to allotment of shares during the years 2013 and 2015. The said non-compliances were compounded by Reserve Bank of India vide its order number – C.A. BGL981/2024 dated February 25, 2025. The company has paid an amount of INR 6,01,798/- within the prescribed time.
- d) Mr. Puli Venkateswara Rao appointed as Manager of the Company w.e.f. 01st April, 2024.

We further report that; after closing of financial year, the following instances have occurred;

- i) Ms. Reena Bagla has been appointed as Company Secretary w.e.f. 01st June, 2025 on account of resignation of Mr. Arjun Dutta w.e.f. 26th March, 2025;
- ii) Mr. Kishan Kumar Acharya has been appointed as Chief Financial Officer of the Company w.e.f. dated 01st June, 2025 on account of resignation of Mr. Vimal Kumar Choudhary w.e.f. 31st May, 2025.
- iii) Ms. Poonam Sharma has been appointed as Additional Director on the Board of Directors of the Company w.e.f. 28th May, 2025 on account of resignation of Ms. Soek Peng Sim.

For **Rajesh Relan & Associates**
Company Secretaries
FRN-S2024DE996600



Rajesh Relan & Associates

Company Secretaries

Rajesh Relan

Proprietor

FCS:6093

COP:27594

UDIN: F006093G000886984

Place: Delhi

Date: 29 July 2025



Rajesh Relan & Associates

Company Secretaries

ANNEXURE – A

To,
The Members,
Gulbarga Cement Limited
No. 9, Malliks Embassy, 2nd Floor B Block,
Union Street, Off Infantry Road, Cubbon Road Cross,
Mahatma Gandhi Road, Bangalore, Karnataka-560001

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 the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in 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;
4. Wherever required, we have obtained Representation Letter from the Management about the compliance of laws, rules and regulations and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedures on test basis; and
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. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically/physically and also the information provided by the company and its officers.

For **Rajesh Relan & Associates**
Company Secretaries

Rajesh Relan
Proprietor
FCS: 6093
COP: 27594
UDIN: F006093G000886984
Place: Delhi
Date: 29 July 2025

ANNEXURE 'B' TO DIRECTORS' 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)
01.	Puli Venkateswara Rao	Deputy General Manager (Mines)	Diploma in Mining Engineering	49	30	01/03/2024	31,43,544/-	Zuari Cement Ltd. Deputy General Manager- Mines 14.5 Years
02.	S. Sharada	Deputy Manager (Human Resources)	MBA (Finance)	36	14	25/07/2024	7,77,246/-	Empower Financial Services Lead Specialist 7 Years

- 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 Financial Statements

Opinion

We have audited the accompanying financial statements of Gulbarga Cement Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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's Report, but does not include the financial statements and our Auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during our 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 and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under

Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial controls 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, 2020 ("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 A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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 Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (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 financial statements – Refer Note 25 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 25077974BMOBLX3687

Place: Gurugram
Date: 29 July 2025

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Gulbarga Cement Limited on the financial statements as of and for the year ended 31 March 2025.

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its Property, Plant and Equipment under which these assets are verified in a phased manner to cover all assets over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification as compared to the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time during the year from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of clause 3(iii)(a) - (f) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not granted any loan, made investment or provided guarantees and securities that are covered under Section 185 and 186 of the Act. Accordingly the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits and in our opinion, the Company is not holding any amounts which are deemed to be deposits during the year. Further the Company had no unclaimed deposits at the beginning of the year. 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.
- (vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other material statutory dues, as applicable to the Company, with the appropriate authorities during the year. There were no undisputed amounts payable in respect thereof which were outstanding at the year-end for a

period of more than six months from the date they become payable. We have been informed that the provisions of Employees State Insurance Act, 1948 are not applicable to the Company and the operations of the Company during the year did not give rise to any liability for service tax, sales tax, value added tax and duty of excise.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of statute	Nature of dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
The income tax act, 1961	Income tax	96.64	FY 2011-12	Commissioner of Income Tax (Appeals)
	Income tax	15.49	FY 2017-18	

*Net off of amount paid under protest

- (viii)** According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)** **(a)** In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b)** According to the information and explanations given to us, we report that the Company does not have any loan or borrowings from any bank or financial institution or government or any government authority.
- (c)** In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained, though funds which were not required for immediate utilization were temporarily invested pending application.
- (d)** On an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have prima facie, not been used for long-term purposes by the Company.
- (e)** The Company did not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable.
- (f)** The Company did not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable.
- (x)** **(a)** The Company had not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b)** During the year, the Company has made preferential allotment. In respect of such allotment, in our opinion, the Company has complied with the requirement of Section 62 of the Act and the Rules framed there under. In our opinion, the funds raised have been utilized for the purposes for which the funds were raised though funds which were not required for immediate utilisation were temporarily invested in liquid funds, however these funds were ultimately utilized for the stated end-use.
- (xi)** **(a)** To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b)** To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c)** As represented to us by the management, there are no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii)** The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Since, the Company is unlisted public company and is a wholly-owned subsidiary, therefore, the provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.
- (b) The Company has not conducted any non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) The Group does not have any CIC as part of the Group.
- (xvii) The Company has incurred cash losses amounting to INR 968.28 lakhs in the current financial year and INR 840.27 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3 (xx) (a) and (b) of the order is not applicable for the year.
- (xxi) The Company has no subsidiary, associate or joint venture and the Company is not required to prepare consolidated financial statements. Accordingly, provisions of clause 3(xxi) of the Order are not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 25077974BMOBLX3687

Place: Gurugram
Date: 29 July 2025

Annexure B to the Independent Auditors Report on the Financial Statements of – Gulbarga Cement Limited for the year ended 31 March 2025

Independent Auditor's report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

We have audited the internal financial controls with reference to financial statements of Gulbarga Cement Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note.

For **S.N. Dhawan & CO LLP**

Chartered Accountants

Firm's Registration No.:000050N/N500045

Rajeev Kumar Saxena

Partner

Membership No.: 077974

UDIN: 25077974BMOBLX3687

Place: Gurugram

Date: 29 July 2025

Gulbarga Cement Limited**Balance sheet as at 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

	Note no.	31 March 2025	31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	3	711.20	712.59
Capital work-in-progress	3	42,850.05	42,641.22
Intangible assets	4	112.67	161.36
Financial assets			
Other financial assets	5	796.08	795.50
Other non-current assets	6	1,652.71	1,585.13
		46,122.71	45,895.80
Current assets			
Inventories	7	259.25	206.94
Financial assets			
Cash and cash equivalent	8	2,436.78	32.01
Other financial assets	9	32.17	-
Other current assets	6	1.27	6.17
		2,729.47	245.12
Total assets		48,852.18	46,140.92
Equity and liabilities			
Equity			
Equity share capital	10	11,947.91	10,488.05
Other equity	11	21,227.70	19,705.91
Total equity		33,175.61	30,193.96
Non-current liabilities			
Financial liabilities			
Borrowings	12	15,076.77	15,492.50
Provisions	13	37.60	37.60
		15,114.37	15,530.10
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		382.28	285.34
Provisions	13	0.12	0.08
Other financial liabilities	15	157.29	120.26
Other current liabilities	16	22.51	11.18
		562.20	416.86
Total liabilities		15,676.57	15,946.96
Total equity and liabilities		48,852.18	46,140.92
Summary of material accounting policies	2		

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

As per our report of even date

For S.N. Dhawan & CO LLP

Chartered Accountants

ICAI Firm registration number: 000050N/N500045

For and on behalf of the Board of Directors of

Gulbarga Cement Limited

CIN: U26941KA2007PLC054428

Rajeev Kumar Saxena

Partner

Membership number: 077974

Joydeep Mukherjee

Director

DIN:06648469

Nagesh Ramakrishnaiah Kalavathi

Director

DIN- 09690467

Place: Gurugram

Date: July 29, 2025

Kishan Kumar Acharya

Chief Financial Officer

Reena Bagla

Company Secretary

Gulbarga Cement Limited**Statement of profit and loss for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

Particulars	Note no.	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Other income	17	48.68	1.73
Total Income (I)		48.68	1.73
Expenses			
(Increase)/decrease in inventories of work-in-progress	18	(52.11)	(43.37)
Employee benefits expense	19	39.60	26.74
Finance costs	20	642.40	1,272.90
Depreciation and amortisation expense	21	50.08	52.28
Other expenses	22	387.07	206.39
Total expenses (II)		1,067.04	1,514.94
Loss before tax (I-II)		(1,018.36)	(1,513.21)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Loss for the year (III)		(1,018.36)	(1,513.21)
Other comprehensive income ('OCI') (IV)		-	-
Total comprehensive income for the year, net of tax (III) + (IV)		(1,018.36)	(1,513.21)
Loss per equity share [nominal value of share INR 10 each (previous year: INR 10 each)]	23		
Basic (INR)		(0.94)	(1.44)
Diluted (INR)		(0.94)	(1.44)
Summary of material accounting policies	2		

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

As per our report of even date

For S.N. Dhawan & CO LLP

Chartered Accountants

ICAI Firm registration number: 000050N/N500045

For and on behalf of the Board of Directors of

Gulbarga Cement Limited

CIN: U26941KA2007PLC054428

Rajeev Kumar Saxena

Partner

Membership number: 077974

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Director

DIN- 09690467

Place: Gurugram

Date: July 29, 2025

Kishan Kumar Acharya

Chief Financial Officer

Reena Bagla

Company Secretary

Gulbarga Cement Limited
Statement of changes in equity for the year ended 31 March 2025
(Presented in INR Lakhs except share data and EPS)

a Equity share capital

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

At 1 April 2023

Increase/(decrease) during the year

At 31 March 2024

Increase/(decrease) during the year

At 31 March 2025

	Number	INR in Lakhs
At 1 April 2023	104,880,532	10,488.05
Increase/(decrease) during the year	-	-
At 31 March 2024	104,880,532	10,488.05
Increase/(decrease) during the year	14,598,535	1,459.86
At 31 March 2025	119,479,067	11,947.91

b Other equity

For the year ended 31 March 2025

	Attributable to the equity holders				
	Securities premium	Equity Contribution	Retained earnings	Items of OCI	Total
As at 1 April 2024	29,445.70	2,067.61	(11,807.40)	-	19,705.91
Addition during the year	2,540.15	-	-	-	2,540.15
Loss for the year	-	-	(1,018.36)	-	(1,018.36)
Other Comprehensive Income	-	-	-	-	-
Balance at 31 March 2025	31,985.85	2,067.61	(12,825.76)	-	21,227.70

For the year ended 31 March 2024

	Attributable to the equity holders				
	Securities premium	Equity Contribution	Retained earnings	Items of OCI	Total
As at 1 April 2023	29,445.70	2,067.61	(10,294.19)	-	21,219.12
Loss for the year	-	-	(1,513.21)	-	(1,513.21)
Other Comprehensive Income	-	-	-	-	-
Balance at 31 March 2024	29,445.70	2,067.61	(11,807.40)	-	19,705.91

As per our report of even date

For S.N. Dhawan & CO LLP

Chartered Accountants

ICAI Firm registration number: 000050N/N500045

For and on behalf of the Board of Directors of

Gulbarga Cement Limited

CIN: U26941KA2007PLC054428

Rajeev Kumar Saxena

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Membership number: 077974

Joydeep Mukherjee

Director

DIN:06648469

Place: Gurugram

Nagesh Ramakrishnaiah Kalavathi

Director

DIN- 09690467

Place: Gurugram

Date: July 29, 2025

Kishan Kumar Acharya

Chief Financial Officer

Reena Bagla

Company Secretary

Gulbarga Cement Limited**Statement of Cash flow for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Loss before tax	(1,018.36)	(1,513.21)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	50.08	52.28
Interest expenses	638.32	1,267.79
Deposit written off	-	28.34
Interest income	(48.68)	(1.73)
Operating cash flows before working capital changes	(378.64)	(166.53)
Decrease/(Increase) in other non current assets	(64.04)	(59.98)
Decrease/(Increase) in other current assets	4.90	(4.23)
Decrease/(Increase) in inventories	(52.31)	(43.36)
Decrease/(Increase) in other financial assets	(0.58)	(510.70)
Increase/(Decrease) in other financial liabilities	96.34	(55.32)
Increase/(Decrease) in other liabilities and provisions	11.37	0.39
Cash used in operations	(382.96)	(839.74)
Income tax paid, net of refund	(5.18)	(0.50)
Net cash used in operating activities (A)	(388.14)	(840.24)
Cash flows from investing activities		
Purchase of property, plant and equipment including intangible assets, capital work in progress and capital advances	(169.54)	(194.22)
Interest received	16.51	1.73
Net cash used in investing activities (B)	(153.03)	(192.49)
Cash flows from financing activities		
Proceed from borrowings	500.00	1,100.00
Repayment of borrowings	(1,400.00)	-
Proceed from issue of shares	4,000.00	-
Interest and financing charges paid	(154.06)	(68.52)
Net cash from financing activities (C)	2,945.94	1,031.48
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,404.77	(1.25)
Cash and cash equivalents at the beginning of the year	32.01	33.26
Cash and cash equivalents at the end of the year	2,436.78	32.01
Cash and cash equivalents		
Balances with banks:		
On current accounts	10.78	6.01
Deposits with a original maturity of less than three months	2,426.00	26.00
Total cash and cash equivalents (refer note 8)	2,436.78	32.01

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

As per our report of even date

For S.N. Dhawan & CO LLP

Chartered Accountants

ICAI Firm registration number: 000050N/N500045

For and on behalf of the Board of Directors of

Gulbarga Cement Limited

CIN: U26941KA2007PLC054428

Rajeev Kumar Saxena

Partner

Membership number: 077974

Joydeep Mukherjee

Director

DIN:06648469

**Nagesh Ramakrishnaiah
Kalavathi**

Director

DIN- 09690467

Place: Gurugram

Date: July 29, 2025

Kishan Kumar Acharya

Chief Financial Officer

Reena Bagla

Company Secretary

Gulbarga Cement Limited

Notes to financial statements for the year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

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 Heidelberg Materials Italia Cementi S.P.A (Erstwhile Italcementi S.p.A (‘the Ultimate Holding Company’).

Heidelberg Materials AG (Erstwhile 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, 2025.

The financial statements were authorised for issue in accordance with a resolution of the directors on 29 July 2025.

2 Material accounting policies

The material 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.

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 material accounting policies

a. 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

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

- 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.

b. 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).

c. 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.

Gulbarga Cement Limited

Notes to financial statements for the year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

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.

d. 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.

e. 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.

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

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.

f. 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	5-20
Office equipment	3
Computer hardware	3
Plant and machinery	3-15

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

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.

g. 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:

<u>Asset category</u>	<u>Useful lives estimated by the management (years)</u>
Computer Software	3

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

h. 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

Gulbarga Cement Limited

Notes to financial statements for the year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

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.

i. 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

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, if any.

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 (j) 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.

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

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.

j. 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.

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

k. 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.

l. 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.

m. 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:

Gulbarga Cement Limited

Notes to financial statements for the year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

- 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

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

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.

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

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/ losses 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.

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

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.

n. 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.

o. 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.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 year ended 31 March 2025

(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 April 2023	708.69	0.46	33.45	0.22	0.57	743.39	42,477.80
Additions	-	-	-	-	-	-	163.42
Disposals	-	-	-	-	-	-	-
At 31 March 2024	708.69	0.46	33.45	0.22	0.57	743.39	42,641.22
Additions	-	-	-	-	-	-	208.83
Disposals	-	-	-	-	-	-	-
At 31 March 2025	708.69	0.46	33.45	0.22	0.57	743.39	42,850.05
Depreciation							
At 1 April 2023	-	0.18	26.33	0.17	0.53	27.21	-
Charge for the year	-	0.02	3.56	0.01	-	3.59	-
At 31 March 2024	-	0.20	29.89	0.18	0.53	30.80	-
Charge for the year	-	0.02	1.36	0.01	-	1.39	-
At 31 March 2025	-	0.22	31.25	0.19	0.53	32.19	-
Net book value							
At 31 March 2024	708.69	0.26	3.56	0.04	0.04	712.59	42,641.22
At 31 March 2025	708.69	0.24	2.20	0.03	0.04	711.20	42,850.05

Gulbarga Cement Limited**Notes to financial statements for the year ended 31 March 2025**

(Presented in INR Lakhs except share data and EPS)

4. Intangible assets

	Mining license*	Total
Cost		
At 1 April 2023	608.68	608.68
At 31 March 2024	608.68	608.68
At 31 March 2025	608.68	608.68
Amortisation		
At 1 April 2023	398.63	398.63
Charge for the year	48.69	48.69
At 31 March 2024	447.32	447.32
Charge for the year	48.69	48.69
At 31 March 2025	496.01	496.01
Net book value		
At 31 March 2024	161.36	161.36
At 31 March 2025	112.67	112.67

* 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.

Capital work in progress ('CWIP') Ageing Schedule

Projects in progress	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025	208.83	163.42	689.80	41,788.00	42,850.05
As at 31 March 2024	163.42	689.80	-	41,788.00	42,641.22

Project execution plans are modulated as per requirement on an annual basis and all the projects are executed as per rolling annual plan.

5. Other financial Assets

	Non-Current	
	31 March 2025	31 March 2024
Unsecured, considered good		
Security deposit	796.08	795.50
	796.08	795.50

6. Other assets

	Current		Non-Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Unsecured, considered good				
Capital advances #	-	-	110.80	112.45
Advances other than Capital Advances	0.15	5.05	-	-
Balances with government authorities	-	-	1,110.71	1,045.54
TDS/TCS receivables	-	-	9.30	4.12
Income tax paid under protest	-	-	96.64	96.64
Prepaid expenses	1.12	1.12	0.33	1.45
Other advances *	-	-	324.93	624.26
Less: Provision for doubtful advance	-	-	-	(299.33)
Total	1.27	6.17	1,652.71	1,585.13

Capital advances for INR 110.00 lakhs (31 March 2024: INR 110.00 lakhs) paid to K&R Rail India Ltd (formerly known as KVR Rail Infra Projects Pvt. Ltd) towards liaising 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 (31 March 2024: 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. As the Company has already initiated for cancellation of these agreement, therefore INR 299.33 lakhs is actually being write off during the current year. For the remaining amount of INR 324.93 lakhs, the KIADB is in the process of collecting the money from the farmers and remitting the same back to the Company.

7. Inventories

(valued at cost or market value whichever is lower)

	31 March 2025	31 March 2024
Inventories of Limestone	259.05	206.94
Stores and Spares	0.20	-
	259.25	206.94

8. Cash and cash equivalent

	31 March 2025	31 March 2024
Balances with banks		
- On current accounts	10.78	6.01
- Deposits with original maturity of less than three months	2,426.00	26.00
	2,436.78	32.01

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 2025	31 March 2024
Interest accrued but not due on fixed deposits	32.17	-
	32.17	-

Break up of financial assets carried at amortised cost

Security Deposit (refer note 5)	796.08	795.50
Cash and cash equivalents (refer note 8)	2,436.78	32.01
	3,232.86	827.51

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10 Share capital

Authorised share capital

	Equity Shares	
	Number	INR in lakhs
At 1 April 2023	108,000,000	10,800.00
Changes during the year	-	-
At 31 March 2024	108,000,000	10,800.00
Changes during the year	17,000,000	1,700.00
At 31 March 2025	125,000,000	12,500.00

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	
	Number	INR in lakhs
Issued equity capital		
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2023	104,880,532	10,488.05
Changes during the year	-	-
At 31 March 2024	104,880,532	10,488.05
Changes during the year	14,598,535	1,459.86
At 31 March 2025	119,479,067	11,947.91

(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 2025	31 March 2024
	INR in Lakhs	INR in Lakhs
a) Zuari Cement Limited		
25,628,073 (31 March 2024: 22,496,691) equity shares	2,562.81	2,249.67
b) Compagnie Pour L'Investissement Financier En Inde		
93,850,994 (31 March 2024 : 82,383,841) equity shares	9,385.10	8,238.38

(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 March 2023	22,496,691	21.45%
At 31 March 2024	22,496,691	21.45%
At 31 March 2025	25,628,073	21.45%
Compagnie Pour L'Investissement Financier En Inde		
At 31 March 2023	82,383,841	78.55%
At 31 March 2024	82,383,841	78.55%
At 31 March 2025	93,850,994	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 year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

(c) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Promoter name	As at 31 March 2025		As at 31 March 2024		% Change during the Year
	No. of shares	% of total shares	No. of shares	% of total shares	
Zuari Cement Limited	25,628,073	21.45%	22,496,691	21.45%	-
Compagnie Pour L'Investissement Financier En Inde	93,850,994	78.55%	82,383,841	78.55%	-
Total	119,479,067	100.00%	104,880,532	100.00%	-

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	As at 31 March 2024		As at 31 March 2023		% Change during the Year
	No. of shares	% of total shares	No. of shares	% of total shares	
Zuari Cement Limited	22,496,691	21.45%	22,496,691	21.45%	-
Compagnie Pour L'Investissement Financier En Inde	82,383,841	78.55%	82,383,841	78.55%	-
Total	104,880,532	100.00%	104,880,532	100.00%	-

11. Other Equity

A) Other reserves	31 March 2025	31 March 2024
Securities premium		
Balance as per last financial statements	29,445.70	29,445.70
Addition during the year	2,540.15	-
Closing balance	31,985.85	29,445.70
B) Equity contribution		
Balance as per last financial statements	2,067.61	2,067.61
Closing balance	2,067.61	2,067.61
C) Retained earnings		
Balance as per last financial statements	(11,807.40)	(10,294.19)
Add: Loss for the year	(1,018.36)	(1,513.21)
Total retained earnings	(12,825.76)	(11,807.40)
Total (A + B + C)	21,227.70	19,705.91

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 2025	31 March 2024
Unsecured borrowings		
Loans from related party (refer note 27)	15,076.77	15,492.50
Net amount	15,076.77	15,492.50

Detail of repayment terms and interest:

The Company has availed unsecured long term borrowing of INR 6,848.69 lakhs from Zuari Cement Limited ('ZCL') which carries an interest at SBI base rate plus 1% per annum. The loan is repayable in 12 quarterly instalments along with interest accrued after expiry of 10 years from the date of loan. On the date of transition to Ind AS and 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.

Owing to delay in execution and commissioning of the project, repayment of the loan together with accrued interest was further extended for a period of three years falling due for repayment from September 2024. The Company during the year ended 31 March 2024 again made a representation to ZCL seeking extension of time for repayment of the loan together with accrued interest for a further period of 3 years on the same terms and conditions as stipulated in the existing said agreements. ZCL has accorded its consent for further extension of 3 years for the repayment of loan. The interest rate on outstanding loan amount amended from 50 bps over and above the 3-year G-Sec yield to 75 bps over and above the 3-year G-Sec yield with effect from 1 April 2023 and rate of interest will be reset on 1st day of April each year.

During the current year, the Company has taken additional loan of INR 500.00 lakhs and repaid INR 1,480.84 lakhs towards principal loan and outstanding interest out of proceed from issue of shares amounting INR 4,000.00 lakhs. As on 31 March 2025, the fair value of loan is INR 15,076.77 lakhs (31 March 2024: INR 15,492.50) while actual aggregate loan amount payable to ZCL is INR 15,975.19 lakhs (31 March 2024: INR 16,297.08 lakhs) comprising principal amount and outstanding interest thereon.

Gulbarga Cement Limited
Notes to financial statements for the year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

13. Provisions (Non-current and current)
Non- Current

Provision for gratuity (refer note 25)

Provision for tax (net of advance income tax)

31 March 2025
31 March 2024

-

37.60

37.60

-

37.60

37.60
Current

Provision for leave encashment

0.12

0.12

0.08

0.08
14. Trade payables

Trade payables

-Due to micro and small enterprises (refer note 32)

-Due to creditors other than micro enterprises and small enterprises

31 March 2025

-

382.28

382.28

-

285.34

285.34
Trade payables Ageing Schedule

As at 31 March 2025

	Outstanding for following periods from due date of payment				Total Rs in Lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	123.24	22.90	26.63	209.51	382.28
	123.24	22.90	26.63	209.51	382.28

Trade payables Ageing Schedule

As at 31 March 2024

	Outstanding for following periods from due date of payment				Total Rs in Lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	54.54	24.23	18.51	188.06	285.34
	54.54	24.23	18.51	188.06	285.34

15. Other Financial Liabilities

Employee related liabilities

Payable against property plant and equipment

31 March 2025

-

157.29

157.29

0.60

119.66

120.26
16. Other current liabilities

Statutory liabilities

31 March 2025

22.51

22.51

11.18

11.18

Gulbarga Cement Limited
Notes to financial statements for the year ended 31 March 2025
(Presented in INR Lakhs except share data and EPS)

17. Other income		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on		
- Bank deposits	48.68	1.73
	48.68	1.73
18. (Increase)/decrease in inventories of work-in-progress		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories of limestone	(52.11)	(43.37)
	(52.11)	(43.37)
19. Employee benefits expense		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Salary, wages and bonus	37.97	25.56
Gratuity Expenses (refer note 25)	-	0.18
Contribution to provident and other funds	1.63	1.00
	39.60	26.74
20. Finance costs		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense		
On inter-corporate loan*	638.32	1,267.79
Bank charges	4.08	5.11
	642.40	1,272.90
* Interest expense on inter-corporate loan include notional interest income of INR 93.85 lakhs (31 March 2024: Interest expenses of INR 582.61 lakhs) as per Ind AS 109.		
21. Depreciation and amortisation expense		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment (refer note 3)	1.39	3.59
Amortisation of intangible assets (refer note 4)	48.69	48.69
	50.08	52.28
22. Other expenses		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	4.22	3.19
Repairs and maintenance - others	21.52	2.26
Stripping expenses (overburden removal)	153.39	88.61
Legal and professional fees	69.12	21.21
Payment to auditor*	2.00	2.00
Rates and taxes	88.98	47.36
Traveling and conveyance	9.48	6.65
Communication expenses	0.12	0.08
Deposit written off	-	28.34
Miscellaneous expenses	38.24	6.69
	387.07	206.39
* Payment to auditor		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit fee	2.00	2.00
	2.00	2.00
23. Earnings/ (loss) per share (EPS)		
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Net loss available to shareholders for calculation of basic and diluted earnings per share	(1,018.36)	(1,513.21)
Weighted average number of equity shares for calculation of basic and diluted earnings per share (in lakhs)	1,082.80	1,048.81
Basic and diluted EPS (in INR)	(0.94)	(1.44)

24. 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.

Gulbarga Cement Limited
Notes to financial statements for the year ended 31 March 2025

(Presented in INR Lakhs except share data and EPS)

25. 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 2025	31 March 2024
Defined benefit obligation at the beginning of the year	-	4.72
Add: Gratuity expense during the year	-	0.18
Less: Benefits paid	-	(4.90)
Defined benefit obligation at the end of the year	-	-

26. 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 31 March 2025 is INR 1,867.13 lakhs (31 March 2024: INR 1,917.80 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 4.22 Lakhs (31 March 2024: INR 3.19 Lakhs). There are no non-cancellable leases, hence Company has no future minimum lease commitments.

c) Contingent Liabilities

	31 March 2025	31 March 2024
Claims against the Company not acknowledged as debts		
Income Tax Assessment Year 2012-13	155.68	155.68
Income Tax Assessment Year 2018-19	15.49	15.49
	171.17	171.17

27. Related party disclosures

Names of related parties and their related party relationship

Related parties where control exists

Ultimate holding company

Holding company

Heidelberg Materials AG (Erstwhile HeidelbergCement AG)

Zuari Cement Limited (ZCL)*

Compagnie Pour L'Investissement Financier En Inde (CIFI)

Key managerial persons

Joydeep Mukherjee - Chairman and Director

Juan-Francisco Defalque - Non-Executive Director

Kevin Gerard Gluskie - Non-Executive Director (till 13 March 2024)

Roberto Callieri - Non-Executive Director (w.e.f 14 March 2024)

Nagesh Ramakrishnaiah Kalavathi- Non-Executive Director

Vimal Kumar Choudhary- Chief Financial Officer (till 28 May 2025)

Kishan Kumar Acharya- Chief Financial Officer (w.e.f 01 June 2025)

V. Shivakumar - Manager (till 08 November 2023)

P Venkateswra Rao - Manager (w.e.f 1 April 2024)

Soek Peng Sim- Non-Executive Director (till 28 May 2025)

Poonam Sharma- Non-Executive Director (w.e.f 28 May 2025)

Arjun Dutta- Company Secretary (till 26 March 2025)

Ms. Reena Bagla-Company Secretary (w.e.f. 01 June 2025)

* 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 (Amount in Lakhs)		Outstanding at year end-payable / (receivable)	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
ZCL	Unsecured loan taken	500.00	1,100.00	15,076.77	15,492.50
	Repayment of Loan and Interest	1,480.84	-		
	Interest expense on loan (including Ind AS adjustment)	638.32	1,267.79	-	-
	Issue of shares including premium	858.00	-	-	-
CIFI	Issue of shares including premium	3,142.00	-	-	-
Transactions with key management personnel					
Remuneration#		32.62	11.09	-	-

Gratuity and leave encashment amounts pertaining to the key management personnel are not included above. However remuneration for previous financial year ended 31 March 2024 include INR 2.89 lakhs for actual Gratuity and leave encashment payment.

28. 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 2025	31 March 2024	31 March 2025	31 March 2024
Financial assets				
Cash and cash equivalent	2,436.78	32.01	2,436.78	32.01
Other financial assets	796.08	795.50	796.08	795.50
Financial liabilities				
Borrowings	15,076.77	15,492.50	15,076.77	15,492.50
Trade payables	382.28	285.34	382.28	285.34
Other financial liabilities	157.29	120.26	157.29	120.26

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.

29 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 31 March 2025 and as on 31 March 2024, the Company does not hold any investments which are measured at fair value. Therefore, disclosure under fair value is not applicable to the Company.

30. 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 31 March 2025 and 31 March 2024, the Company has no foreign currency exposures to hedge.

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 2025	0.5%	(46.77)
	-0.5%	46.77
31 March 2024	0.5%	(43.85)
	-0.5%	43.85

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 2025	<1 year	1-5 years	>5 years	Total
Financial Liabilities				
Borrowings*	-	8,448.69	-	8,448.69
Trade payables	382.28	-	-	382.28
Other financial liabilities	157.29	-	-	157.29
As at 31 March 2024	<1 year	1-5 years	>5 years	Total
Financial Liabilities				
Borrowings*	-	9,157.02	191.67	9,348.69
Trade payables	285.34	-	-	285.34
Other financial liabilities	120.26	-	-	120.26

* 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 financial 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/financial 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.

31. 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 2025	31 March 2024
Borrowings	15,076.77	15,492.50
Less: Cash and cash equivalents	(2,436.78)	(32.01)
Net debt	(A) 12,639.99	15,460.49
Equity attributable to equity share holder	(B) 33,175.61	30,193.96
Capital and debt	(C)=(A)+(B) 45,815.60	45,654.45
Gearing ratio	(D)= (A)/(C) 27.59%	33.86%

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.

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

S.N	Particulars	March 31, 2025	March 31, 2024
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each		
	-Principal amount due to micro and small enterprises (Not overdue)	-	-
	-Interest due on above	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

33. 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 2025 on tax losses as it is not probable that taxable profit will be available to absorb such losses in near future.

34. The Company has entered into short term rental contracts thereby claiming exemption set under Ind AS 116.

35. Other Statutory Information

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

The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024

Ratio	Numerator	Denominator	31-Mar-25	31-Mar-24	% change
Current ratio (in times)	Current Assets	Current Liabilities	4.85	0.59	726%
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.45	0.51	-11%
Debt Service Coverage ratio (in times)	Earnings before Depreciation, Finance cost and Tax	Interest on long term debt + Principal repayment within next 12 months	(0.45)	(0.27)	62%
Return on Equity ratio (%)	Net Profits after taxes	Average Shareholder's Equity	-3.2%	-4.9%	2%
Inventory Turnover ratio (in days)	Cost of goods sold	Average Inventory	NA	NA	-
Trade Receivable Turnover Ratio (in days)	Revenue from operation (incl. GST)	Average Trade Receivable	NA	NA	-
Trade Payable Turnover Ratio (in days)	Total Operating Cost (incl. GST)	Average Trade Payables	240	407	-41%
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	NA	NA	-
Net Profit ratio (%)	Net Profit	Net sales = Total sales - sales return	NA	NA	-
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.8%	-0.5%	0%
Return on Investment	Interest (Finance Income)	Investment	NA	NA	-

Notes:- Current ratio improved due to increase in cash and bank balance on account of issue of shares. The Company's debt service coverage ratio declined due to lower EBIDTA. Further, trade payable outstanding days decreased due to settling of dues faster with available cash and bank balance.

36. Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S.N. Dhawan & CO LLP

Chartered Accountants

ICAI Firm registration number: 000050N/N500045

For and on behalf of the Board of Directors of

Gulbarga Cement Limited

CIN: U26941KA2007PLC054428

Rajeev Kumar Saxena

Partner

Membership number: 077974

Joydeep Mukherjee

Director

DIN:06648469

Nagesh Ramakrishnaiah Kalavathi

Director

DIN- 09690467

Place: Gurugram

Date: July 29, 2025

Kishan Kumar Acharya

Chief Financial Officer

Reena Bagla

Company Secretary