HEIDELBERGCEMENT

Annual Report 2020-21

Zuari Cement Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kevin Gerard Gluskie
Chairman

Mr. Juan-Francisco Defalque
Non-Executive Director

Ms. Soek Peng Sim
Non-Executive Director

Mr. Jamshed Naval Cooper
Managing Director

Mr. S.K. Tiwari
Non-Executive Director

Company Secretary
Mr. Shrinivas Harapanahalli

Registered Office

Krishna Nagar, Yerraguntla, Kadapa District (YSR), Andhra Pradesh - 516 311

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

CONTENTS	

ZUARI CEMENT LIMITED

Regd. Office: Krishna Nagar, Yerraguntla, Kadapa District (YSR), Andhra Pradesh - 516 311
Phone. No. 080-41194408; Email Id: shrinivas.hari@zcltd.com;
Website: www.zuaricements.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Zuari Cement Limited will be held at 3.00 P.M. on Monday, the 13th day of September 2021, through Video Conferencing ("VC") / Other Audio Visual Means (OAVM) to transact the following businesses:-

ORDINARY BUSINESS:

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

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

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

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

3. To declare dividend on Equity Shares and in this regard, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

   RESOLVED that dividend at the rate of Rs. 2/- per Equity Share of Rs. 10 each (i.e., 20 %) for the fifteen months period ended 31 March 2021, as recommended by the Board of Directors at its meeting held on 22nd July 2021 be and is hereby declared.

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

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

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

"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder S.N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No.: 000050N/N500045) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting (FY 2021-22 to FY 2025-26) at a fee of INR 5.8 million for the financial year 2021-22 towards Statutory Audit, Group Audit and Tax Audit in addition to reimbursement of applicable taxes and out of pocket expenses in connection with Audit of the accounts of the Company.

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

Special Business

6. To ratify the remuneration payable to M/s. R.J. Goel & Co., Cost Accountants as Cost Auditors and in this regard, if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 consent of the Company be and is hereby accorded for the payment of remuneration to M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 000026), appointed by the Board of Directors of the Company to conduct the audit of the Cost Accounting Records of the Company for the financial year ending 31 March 2022 amounting to INR 0.35 million plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit."

7. To approve extension of the period of repayment of loan given to Gulbarga Cement Limited and in this regard, if thought fit to pass, with or without modification(s) the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), consent of the members be and is hereby accorded to extend the period of repayment of loan, along with interest, given to Gulbarga Cement Limited for the purpose of capital expenditure relating to its greenfield project at Gulbarga, Karnataka, by further period of 3 years on the same terms and conditions as stipulated in the loan agreements dated 08 September 2011 and 01 June 2012, at a rate of interest as may be mutually agreed upon between the Company and Gulbarga Cement Limited, provided however that rate of interest on the said term loan shall be 50 basis points over and above 3 year G-sec yield.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any person authorized by the Board in this behalf) be and are hereby authorized to execute necessary documents and to do all such acts, deeds and things as may be necessary from time to time with respect to extending the period of abovementioned term loan to Gulbarga Cement Limited."

By the Order of the Board of Directors

Shrinivas Harapanahalli
Company Secretary

Date: 22 July 2021
Place: Gurugram

NOTES:

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

2. Pursuant to the Circular No. 14/2020 dated 8th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized 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 a 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 Secretary.

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

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

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

10. The dividend on equity shares, if declared, at the AGM will be credited within thirty days from the date of AGM to those members whose names appear on the Company's Register of Members as on cut-off date i.e., 6^{th} September 2021. In respect of the shares held in dematerialised form the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on cut-off date i.e., 6^{th} September 2021. In case of joint holders only the first holder will be entitled to receive dividend.

11. Members holding shares in electronic form may note that the bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend. Any changes need to be advised by the members directly to the depository participants with whom they are maintaining a demat account.

12. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and with their depository participants (in case of shares held in demat mode). Shareholders are requested to note that in case their PAN is not registered or they have not filed the Income Tax Return during the last two assessment years, the tax will be deducted at a higher rate of 20%.Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to submission of necessary documents before record date.

13. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at the Email ID - shrinivas.hari@zcltd.com till the date of AGM. Similarly, statutory registers that are available for inspection at the registered office of the Company in the normal course of business prior to and during the continuance of AGM at the venue of meeting, may also be accessed through the abovementioned mode.

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

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

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

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

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

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

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

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

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

Item No. 4:

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

Mr. Juan-Francisco Defalque, aged 58 years, completed his Master's degree in Mining Engineering from Catholic University of Louvain in Belgium in the year 1987. He started his professional career in 1989 with CBR, a Belgian International Company engaged in the production of cement, ready-mix and aggregates in Europe and North America (in 1993 CBR was acquired by HeidelbergCement Group). From 1989 to 2002 he held several management positions including director of technical projects for Belgium. In 2002, he joined HC Cimbenin located in Benin (West Africa) as its Managing Director. In 2006 he joined HC Indocement to set up a completely new Heidelberg Technology Centre (HTC), Indonesia organization holding the position of Head of HTC, Indonesia. During his time in Indonesia several major projects were executed or started including an integrated plant with 10,000 TPD clinker line located in South of Jakarta.

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

Mr. Juan-Francisco Defalque also holds the position of Director in Gulbarga Cement Limited (subsidiary company).

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

Item No. 5:

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

The Board of Directors at its meeting held on 22nd July 2021 has considered and recommended for approval of the members, the appointment of S.N. Dhawan & Co. LLP., Chartered Accountants as statutory auditors of the Company to hold office from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting (FY 2021-22 to FY 2025-26).

A Resolution seeking member's approval for the appointment of S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company is included at Item No. 5 of the Notice convening the AGM. The Board has recommended the resolution set out at Item No. 5 of the Notice for approval of the members at the ensuing AGM.

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

Item No. 6:

The Board of Directors of the Company approved the reappointment of M/s. R.J. Goel & Co., Cost Accountants, to conduct the Audit of the Cost Accounting Records of the Company for the financial year ended 31 March 2022. In terms of the provisions of section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be approved by the members of the Company. Members are requested to approve the remuneration payable to the cost auditor as set out in the resolution.

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

Item No. 7:

Gulbarga Cement Limited (GCL), is a subsidiary company of Zuari Cement Limited ("the Company") and as such the Company has given unsecured term loan to GCL to meet the requirement of capital expenditure relating to its greenfield project in Gulbarga, Karnataka. GCL was required to repay the loan along with accrued interest in 12 quarterly instalments commencing from the date expiring 60 months from the date of availment of the loan and accordingly the first repayment falls due on 09 September 2021.

The Company has received a request from GCL seeking extension of the period of repayment of loan by further period of 3 years, on account of delay in commissioning of the project and nil cash flow. As on 31 March 2021, the aggregate loan amount outstanding from GCL is INR 1244.40 million, principal amount of INR 684.86 and accrued interest of INR 559.53 (net of TDS). Based on request received from GCL the Company has in October 2016 already extended the period of repayment of loan along with interest accrued by five years.

Pursuant to Section 185 of the Companies Act, 2013 approval of shareholders is hereby sought by way of a special resolution for extending the period of repayment of loan given to GCL by 3 years. The Board of Directors of the Company at its meeting held on 22nd July 2021 considered the same and has recommended the special resolution set out at Item No. 7 for approval of the members at the ensuing AGM.

Except Mr. Sushil Kumar Tiwari, all the other directors and both the key Managerial Personnel of the Company hold directorship and KMP position in GCL as well and as such they may be deemed to be concerned or interested in the aforesaid resolution to that extent.

By the Order of the Board of Directors

Date: 22nd July 2021
Place: Gurugram

Shrinivas Harapanahalli
Company Secretary

ZUARI CEMENT LIMITED

Regd. Office: Krishna Nagar, Yerraguntla, Kadapa District (YSR),
Andhra Pradesh - 516 311
Phone. No. 080-41194408; Email Id: shrinivas.hari@zcltd.com;
Website: www.zuaricements.com

BOARD'S REPORT

To the Members,

Your Directors place before you the Twenty First Annual Report of the Company together with Audited Financial Statements for fifteen months period ended 31st March 2021 (FY21).

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

THE YEAR IN RETROSPECT

The FY21 witnessed unprecedented turmoil as the novel Corona virus caused a major health crisis posing the biggest ever threat of survival to the mankind in a century. To protect lives and to give a breather to the healthcare systems, isolations, lockdowns and widespread closures were implemented by governments across the globe. In India, at the onset of the pandemic an intense nationwide lockdown was enforced to contain the spread of COVID-19. The pandemic and the consequent lockdowns affected daily life of people and the economic activity in myriad ways. In India a vast number of migrant labourers were forced to move from cities to their native places.

COVID-19 put brakes on the Indian economy that had started gaining momentum in the beginning of Q1-2020. Most of the initial predictions indicated a contraction of ~ 8% in India's GDP for FY21 comprising a steep decline in first half followed by a modest recovery. To combat the situation, the central government and RBI deployed a range of policy tools such as Atmanirbhar Bharat economic stimulus package, lowering key policy rates, quantitative easing, loan guarantees, moratorium on loan repayments, frequent reductions in repo rate, reverse repo and CRR, and measures to ease working capital requirements. Fresh insolvency proceedings under the Insolvency and Bankruptcy Code (IBC) were also suspended for a year. The recovery rate for the Scheduled Commercial Banks through IBC (since its inception) has been over 45%.

Through these concerted efforts and resilience demonstrated by the India's citizens, the economy bounced back and India once again became a preferred investment destination with FPIs pouring in money amidst global asset shifts towards equities and prospects of quicker recovery in emerging economies. NIFTY-50 and BSE SENSEX scaled their new high on 16th February 2021. Just when the things seemed to be returning to normalcy, India was unfortunately hit by a far more devastating second wave of COVID-19 . In a desperate move the state governments again resorted to containment measures such as night curfews, weekend lockdowns and complete lockdowns.

COVID-19 pandemic had a catastrophic impact on many industries especially the global oil and gas industry. Declining consumer demand and high levels of output made oil storage capacities look dwarf, resulting in brent crude slipping into negative territory for the first time ever in the global history. In India the GDP for FY21 contracted by 7.25%* and the real GDP growth was -2.97%. The combined index of eight core industries stood at 143.1 in March 2021, registering an increase of 24.1% over the previous year.

Except for the months of April and May 2020, the Indian cement industry reported robust production and sales volume on the back of emergence of pent up demand post COVID-19 lockdown and resurgence in government infrastructure construction activities. India's cement manufacturing capacity was about 535 million tons as at the end of March 2021, an increase of about 10 million tons or a ~2 percent capacity expansion over last year.

*Source: Economic Survey 2020-21.

FINANCIAL HIGHLIGHTS / REVIEW OF OPERATIONS:

Production and Sales figures for the fifteen months period ended 31 March 2021 were as under:

	Jan 2020 – Mar 2021 (15 Months)	CY2019 (12 Months)
Clinker Production (KMTs)	3794	3,360
Cement Production (KMTs)	4701	4,239
Cement Sales (KMTs)	4780	4,286
Clinker Sales (KMTs)	360	361

A snapshot of the Company's financial performance for FY21 vis-à-vis performance for FY19 is as under:

INR in million

Particulars	Financial year ended 31st March 2021 (15 Months)	Financial year ended 31st December 2019 (12 Months)
Revenue from Operations (Gross)	23,064	19,192
Other Income	362	272
Total Revenue	23,426	19,464
Total Expenses	21,236	18,406
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	4,401	2,837

Depreciation and Amortization	1,533	1,173
Finance Costs	679	606
Profit before Tax	2,190	1,058
Tax expense	447	330
Net Profit	1,743	728

FY 20-21 began with a ray of hope as the economic activity was gaining steam and the commodity prices were also soft leading to visible procurement savings. However, that phase was short lived as the fear and uncertainty created by COVID-19 and subsequent lockdowns engulfed all the economic activities.

The pandemic impacted almost every business and your Company was no exception. In compliance with the directions issued by the Central and State Governments the Company suspended operations in its plants in last week of March 2020. Guided by the phrase 'Survival of the fittest', your Company chalked out plans to ensure safety of its employees, upkeep of plants, securing supply of fuels, raw materials, spares, consumables, and packing bags. The proactive approach enabled us to quickly restart our plant operations as soon as the lockdown restrictions were partially relaxed by the government.

The Company also reviewed its Risk Control Matrix to counter the emerging challenges arising from the unprecedented situation. A continuous process of coordination with all stakeholders is in place to assess the risks and take corrective measure to mitigate the same.

During the lockdown, we renegotiated fuel contracts and focused on spot purchases to nullify the price fluctuations. We procured best available grades of fuels while constantly changing the fuel mix towards cost optimization. All services and manpower contracts were reviewed and renegotiated to bring down the costs by 10% through bundling, consolidation of contracts and restructuring of manpower. We deferred contracts, renegotiated the annual agreements that contributed for additional savings. Fixed term contracts were extended by 3 months without adverse impact on the cost.

Despite the shortage of fly-ash due to frequent shutdown of power plants, we ensured its continuous availability from alternate locations. In the wake of challenges posed by COVID-19 pandemic your Company, as a responsible corporate citizen, stands fully committed to the wellbeing of its employees and the society at large and is doing everything within its capacity to support the Government in overcoming the serious challenge faced by our Nation.

DIVIDEND:

The Board has recommended a dividend of INR 2/- per share (20%) for fifteen months period ended 31 March 2021 (FY21), subject to the approval of the shareholders at the ensuing AGM. The dividend distribution would result in cash outflow of INR 549.9 million. In accordance with the provisions of the Income Tax Act, 1961 the proposed dividend will be taxable in the hands of shareholders and liable for Tax Deduction at Source (TDS) by the Company at the applicable rates.

DEBT SERVICING:

Your Company has met all its obligations towards timely repayment of principal and interest on the loans availed from time to time.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of investments and loans covered under section 186 of the Companies Act, 2013 are given in notes to the financial statements at note no. 5 and 6 respectively. No guarantee or security in connection with a loan to any other body corporate or person is given by the company.

DIRECTORS:

Director retiring by rotation

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

BOARD MEETINGS:

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

PERFORMANCE EVALUATION OF BOARD:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 the Board has carried out an annual evaluation of its own 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 preparedness for the meetings.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee as on 31st March 2021 comprised three members namely, Mr. Jamshed Naval Cooper (Chairman of the Committee); Ms. Soek Peng Sim and Mr. Sushil Kumar Tiwari.

During the 15 months period ended 31 March 2021, the Committee met twice on 11th February 2020 and 23rd October 2020. Mr. Jamshed Naval Cooper, Mr. S.K. Tiwari and Ms. Soek Peng Sim attended both meetings of the Committee.

The scope and functions of the Corporate Social Responsibility Committee are in conformity with the requirements of the Companies Act, 2013.

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

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

AUDITORS & AUDITORS REPORT:

The observations of S.R. Batliboi & Co. LLP., Statutory Auditors in their report on financial statements for fifteen months period ended 31 March 2021 read with the relevant notes are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

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

The Board of Directors at its meeting held on 22nd July 2021 had considered and recommended for approval of the members, the appointment of S.N. Dhawan & Co. LLP., as statutory auditors of the Company to hold office from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting (FY 2021-22 to FY 2025-26) Accordingly, a Resolution seeking member's approval for the appointment of S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company is included at Item No. 5 of the Notice convening the AGM. S.N. Dhawan & Co. LLP., have given their consent and confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules made thereunder for their appointment as statutory auditors of the Company. The Board recommends the aforesaid resolution for approval of the members.

COST AUDIT:

The Company is maintaining cost accounting records in accordance with provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder. The Cost Audit for the financial year ended 31st December 2019 (twelve months) was conducted by M/s R. J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the fifteen months period ended 31st March 2021 is also being conducted by the said firm and the Report will be filed within the stipulated time.

In accordance with Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors has appointed M/s. R.J. Goel & Co., Cost Accountants as Cost Auditor of the Company for the financial year ending 31st March 2022 on a remuneration of INR 0.35 million.

Pursuant to Section 148(3) of the Companies Act, 2013, a resolution seeking member's ratification for the remuneration payable to M/s. R.J. Goel & Co., Cost Accountants for the financial year ending 31st March 2022 is included in the Notice convening the AGM. The Board recommends the aforesaid resolution for approval of the members.

SECRETARIAL AUDIT:

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

Annual Return:

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

AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:

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

Your Company is an unlisted public company and is a wholly-owned subsidiary of Ciments Francais S.A, France. Thus the Company is exempted from the requirement of appointing Independent Directors and constitution of Audit Committee and Nomination and Remuneration Committee. In pursuance of the same the Audit Committee and the Nomination and Remuneration Committee constituted under section 177 and section 178 of the Companies Act, 2013 respectively were dissolved w.e.f. 25th October 2018.

PUBLIC DEPOSITS:

Your Company has not invited any Fixed Deposits from the shareholders / public during the period under review.

LISTING OF SHARES:

Your Company is not a listed Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange inflows and outgo during the year were at INR 5.79 million and INR 5,338.16 million respectively.

SECRETARIAL STANDARDS:

The Secretarial Standards issued by the Institute of Company Secretaries of India have been complied with" in terms of Sec.118 (10) of the Companies Act, 2013.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION:

The particulars relating to Conservation of Energy, Technology Absorption and Research & Development as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 forming part of this report are annexed as 'Annexure B'.

ENVIRONMENT:

Your Company aims to achieve progress and harmony with the environment. We continuously follow environment friendly approach in our operations viz. conserving energy, exploring alternative sources of energy, reducing air pollution, conserving water, enhancing the carbon sink by increasing green cover promoting circular economy etc.

During FY21 following measures were implemented towards protection of environment, controlling and reduction of pollution levels.

Yerraguntla Plant:

- Cooler ESP internals were replaced to improve the ESP efficiency.
- Temperature reduced by 1 deg.C compared to outside the plant by increasing green cover.
- Green belt development - 3000 saplings were planted at mines and plant area.
- Sewage treatment water 100% utilization for green belt.

Sitapuram Plant

- Installed Continuous Monitoring system for measuring emissions of PM, Sox, NOx and additional parameters like flow, temperature, pressure etc.
- Focused on green belt development in open areas in the plant and mines, 4000 saplings were planted during FY21.
- Water sprinklers were installed for plantation.
- Temperature reduction is achieved to an extent of 1.4 deg c. inside the plant compared to outside the plant by increasing green cover.
- Increased the utilization of TSR% from 6.0 % to 7.5 %
- Treated sewage water was used to the fullest extent for green belt.
- Flora and fauna adaptation and improvement of biodiversity

Chennai Grinding Unit

- Green belt development - 2500 saplings were planted within plant premises.
- Achieved Zero discharge

Sholapur Grinding Unit

- Green belt development - 2000 saplings were planted near the area of weighbridge, truck loading, truck parking, Clinker silo and surrounding boundary wall.
- Laid RCC road of 4000 sqm inside the plant to reduce fugitive emissions.

Sitapuram Power Plant

To control and comply with the norms on Sulphur Dioxide (SO2) emissions in boilers stack, Flue Gas Desulphurization system was installed for injecting 3 mm lime powder into boiler furnace.

Also replaced the existing telescopic spout with compact modular type with level based control system in Ash handling plant.

Closure Order in respect of Yerraguntla Plant

The Andhra Pradesh Pollution Control Board (APPCB) had issued a closure order on 23 April 2021 directing the Yerraguntla plant to close its operations and simultaneously it also directed the State Electricity Board to disconnect the Plant’s power supply.

Before the issue of closure order, the officials of APPCB had conducted inspections of the plant in February and March 2021 and noted certain irregularities relating to fugitive dust emissions, hazardous pharma waste, housekeeping issues, ambient air quality etc.

The show-cause notices issued by issued by APPCB in February and March 2021 were duly replied by the Company on point-wise basis. It was explained to APPCB that until June 2020 the plant’s operations were adversely impacted on account of nation-wide lockdown imposed by the government to contain the spread of COVID-19. Thereafter the unexpected torrential rains in August / September 2020 were a big blow for the plant’s operations. The operations of the plant have not yet recouped from these adversities. Moreover, the work on establishment of Waste Heat Recovery Power Plant is also in progress which adds to the fugitive dust emissions. Against this backdrop the Company had sought time from APPCB to close all the open issues. However, the APPCB officials acted hurriedly without considering our request and referred the matter to External Advisory Committee, which met on 20 April 2021. Thereafter closure order was issued by APPCB, alleging non-compliance of consent for operation conditions resulting in the plant’s closure with immediate effect.

Being aggrieved by the said closure order the Company filed a Writ petition before the Hon’ble Andhra Pradesh High Court. The Hon’ble High Court after hearing the matter has passed an interim order suspending the closure order. The matter is still pending before the Court.

OCCUPATIONAL HEALTH AND SAFETY

Safety of employees and all stakeholders is of paramount importance to us and has now become a part of our business DNA. “Someone is waiting for you at Home” is the message that’s emphasized most during all meetings. Driven by this philosophy, we endeavor to provide a safe and healthy working environment. HeidelbergCement Group’s cardinal norms, guidelines, standards and legal requirements along with stipulations under ISO 45001-Occupational Health and Safety Management System are being strictly adhered to at all the plants.

The management activated its “Contingency Management and Business Continuity Plan” in March 2020 to counter the onslaught of COVID-19 pandemic. The priority envisaged by the business continuity team was to create awareness amongst the employees about corona virus and the means to safeguard against it. Therefore, various communications were issued and online awareness sessions were conducted to make employees aware about the impending risk.

To protect against COVID-19, thermal scanning of individuals has been made mandatory at entry gates of all plants. In addition to the usual Personal Protective Equipment (PPE), COVID-19 protection has also been made mandatory while working in the plant premises. Sanitizer dispensing machines and handwashing facilities have been provided at relevant places and social distancing norms are being strictly followed.

Safety conversations and safety zones are being effectively used for employee engagement and nurturing safety culture in all aspects of operations. Safety zones have been created at all plants with cross functional teams including contractual employees. A schedule of twenty four most critical safety hazards relevant to the cement industry has been compiled. These safety themes are announced every month and key aspects relating to the theme are dwelt upon throughout the month to firmly instil the safety culture in the organization. National Safety week was observed from 4th to 11th March 2021 across all the plants. Monitoring of the workplace for noise, particulate matter, free silica and illumination level is being done as per the regulatory norms. All the plants are ISO 45001 certified.

We are happy to inform that the Company has achieved safe business year with no fatality and lost time injuries.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to the three pillars of ecology, economy and social responsibility. We are working for the benefit of the communities around our plants with the spirit of "partners in progress". We encourage community participation at all levels from planning and implementation to monitoring and maintenance of assets created under CSR projects. While discharging our responsibilities as a good corporate citizen, we are looking at all aspects of development. Our CSR initiatives have wide coverage ranging from education, skill development, health & hygiene, infrastructure development and sports. During FY21 the Company has spent INR 36.5 million on various CSR projects / programmes exceeding the obligations pursuant to Section 135 of the Companies Act, 2013.

The Company has undertaken projects in the areas of promotion of education, health, skill development and rural development as part of its commitment to Corporate Social Responsibility (CSR). These projects are in accordance with the scope outlined under schedule VII of the Companies Act, 2013. The CSR policy of the Company is posted on the Company's website. The web-link to access the said policy is as follows:
http://www.zuaricements.com/images/ZCL_CSR_Policy.pdf

Several medical camps were organized at Plants of the Company, offering free consultations and medications to people from the villages. The plant's health centres free consultation, medicines, treatments and ambulance service are being provided to patients from nearby villages.

In view of the onslaught of COVID-19 pandemic, the Company is maintaining constant dialogue with local panchayats and village representatives to assess their needs and provide them necessary support to the extent possible. The Company has distributed face masks, sanitizer dispensers, grocery items, food packets (under aNNAM Scheme) etc. to the local people in need. Sanitization drive was also carried out in some villages that were identified as high-risk areas. All these tasks were executed in close coordination with the officials of district administration.

The Company provided financial and other support to the students studying in our Schools coming from nearby villages, distributed notebooks and school kits to the school children and also provided mid-day meal to the children studying in Government Schools. Computer literacy and soft skill development training were also imparted to the school children. Tailoring skills were imparted at plant locations and the sewing machines were distributed to rural women to improve their wellbeing.

At all locations of the Company, support was extended for development of infrastructure comprising roads, public toilets, community halls, drainage lines, solar streetlights etc., which has been very well appreciated by the local community.

The Report on CSR activities in the revised format prescribed by the Ministry of Corporate Affairs is annexed herewith as 'Annexure C'.

KEY MANAGERIAL PERSONNEL:

Mr. L. R. Neelakanta, former Company Secretary has retried from the services of the Company on 31st March 2021. The Board of Directors at its meeting held on 9th February 2021 approved appointment of Mr. Shrinivas Harapanahalli as Company Secretary w.e.f. 1st April 2021. Apart from this there is no change in KMPs of the Company. As on 1st April 2021 the following executives were KMPs of the Company:

- Mr. Jamshed Naval Cooper, Managing Director;
- Mr.Vimal Kumar Chaudhary, Chief Financial Officer; and
- Mr. Shrinivas Harapanahalli, Company Secretary.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

RISK MANAGEMENT SYSTEM

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

RELATED PARTY TRANSACTIONS (RPT):

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

Details of transactions entered into by the Company with the related parties are given in the notes to the accounts at note no. 31 titled "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 of 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 Related Party Transactions Policy is posted on the Company's website. The web-link to access the said policy is as follows:
http://www.zuaricements.com/images/Company/1.ZCLRelatedPartyTransactionsPolicy.pdf

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE:

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

INTERNAL FINANCIAL CONTROLS:

The Company has in place various internal controls, policies and procedures to ensure orderly and efficient conduct of its business. The internal financial controls are tested for operating effectiveness through management's ongoing monitoring and review processes, and independently by the 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 fifteen months period ended 31 March 2021 and up to the date of signing of the Boards' Report. Further, there is no change in the nature of business of the Company.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors confirm:

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

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

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

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

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

MERGER OF SITAPURAM POWER LIMITED (SPL) WITH ZUARI CEMENT LIMITED (ZCL):

Both Sitapuram Power Limited (amalgamating company) and Zuari Cement Limited (amalgamated company) had filed the petition under Section 230-232 of the Companies Act, 2013 with the respective jurisdictional National Company Law Tribunal (NCLT) Bench seeking approval for the Scheme of Amalgamation of SPL with ZCL. The said petitions were heard, and the Scheme of Amalgamation submitted by SPL was sanctioned by the Hon'ble NCLT, Hyderabad Bench vide its Order dated 19th March 2020 and in respect of Scheme of Amalgamation submitted by ZCL the same was approved by the Hon'ble NCLT, Amaravati Bench vide its Order dated 4th May 2020.

Thereafter, both the Companies filed the certified copies of the orders with the jurisdictional Registrar of Companies and the scheme became effective from 5th June 2020 with the appointed date as 1st April 2019.

Upon this scheme becoming effective all the assets and liabilities of the Amalgamating Company and the entire business of the Amalgamating Company, got transferred to and vested in the Amalgamated Company, as a going concern, without any further act or deed, as per the provisions of the Scheme.

Effective from the appointed date, the main objects of the Amalgamated Company stood altered by addition of the following new object.

"To construct, establish, set up, operate and manage captive power plants for generating electricity primarily for use by the Company and, if deemed fit or necessary, supply power to other third parties, either directly or through the transmission lines of any licensee by entering into appropriate agreements."

Effective from the appointed date the authorised share capital of the Amalgamating Company got transferred and merged with the authorized share capital of the Amalgamated Company. As a result of this, Clause V of the Memorandum of Association and Article 6 of the Amalgamated Company stands modified.

The amalgamated Company accounted the amalgamation in its books of accounts in accordance with the method of accounting as prescribed under pooling of interest method in Appendix 'C' of Indian Accounting Standards (IND AS) 103 on accounting of business combinations, read with Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs and other generally accepted accounting principle.

In the Scheme of Amalgamation, no consideration was proposed or payable by the Amalgamated Company since the Amalgamated Company is the only the beneficial shareholder in the Amalgamating Company and accordingly, neither shares were allotted by the Amalgamated Company or nor consideration was paid.

Upon the Scheme becoming effective, the Amalgamating Company stood dissolved without any further action and without being wound-up. As a consequence of such dissolution, the Board of Directors and Committee of the Amalgamating Company stand dissolved without any further action.

The Amalgamation will help in achieving greater synergies.

SUBSIDIARY COMPANY:

The Company has a subsidiary company Gulbarga Cement Limited (GCL). A brief review of subsidiary Company is given below:

GCL is in the process of setting up a Greenfield cement plant of 3 MTPA. The requisite permissions and approvals have been obtained including environmental clearances, consent for establishment etc., with respect to commencing project activities. Most of the litigations with respect to procurement of land have been settled in favour of the company.

A separate statement containing the salient features of the financial statements of the Company's subsidiaries are attached under Form AOC-1 to the financial statements.

PARTICULARS OF EMPLOYEES:

Industrial relations remained cordial and peaceful throughout the year.

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 'Annexure D' of this Report.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the assistance and support received from the customers, dealers, suppliers, bankers, government and all other business associates. Your Directors also wish to place on record their sincere appreciation for dedicated efforts put in by the employees at all levels.

For and on behalf of the Board of Directors

Date: 22nd July 2021	Jamshed Naval Cooper	Sushil Kumar Tiwari
Place: Gurugram	Managing Director	Director

Annexure – A to the Board's Report

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

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

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

To,

The Members,
Zuari Cement Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by ZUARI CEMENT LIMITED (hereinafter called 'the Company' CIN:U26942AP2000PLC050415). The Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VI. Industry-specific Laws -

1. Cement Control Order, 1967
2. Legal Metrology Act, 2009
3. Mines Act, 1952
4. Boilers Act, 1993
5. Explosives Act, 1884
6. Bureau of Indian Standards (BIS) Act, 2016 &
7. Other allied applicable Industry-specific Laws, Rules & Regulations thereof.

VII. General Laws -

1. Factory/Environmental Laws:

   a. Factories Act, 1948
   b. Environmental Protection Act, 1986.
   c. Water (Prevention and Control of Pollution) Act, 1974.

d. Air (Prevention and Control of Pollution) Act, 1981.
e. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2015
f. Electricity Act, 2003 &
g. Other allied applicable Factory Laws, Rules & Regulations thereof.

2. Labour Laws:

a. Employees State Insurance Act, 1948
b. Employees Provident Funds and Miscellaneous Provisions Act, 1952
c. Payment of Wages Act, 1936
d. Payment of Gratuity Act, 1972
e. Employees Compensation Act, 1923
f. Maternity Benefit Act, 1961
g. Contract Labour (Regulation and Abolition) Act, 1970
h. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 &
i. Other allied applicable Labour Laws, Rules & Regulations thereof.

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

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

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

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

We report that:

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

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

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

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

We further report that:

1. The Certified Copies of National Company Law Tribunal (NCLT) Order/s with respect to the "Scheme of Amalgamation of Sitapuram Power Limited (SPT) with the Zuari Cement Limited (ZCL)" was received by SPT on 20th May, 2020 from NCLT, Hyderabad Bench and by ZCL on 26th May, 2020 from NCLT, Amaravathi Bench. The effective date of the said Orders was 1.4.2019. In pursuance of the above, the Company has filed Form No.CAA-8 as required under Sec.232(7) and Rule 21 with the Registrar of Companies on 27.1.2021 declaring due compliance of the Scheme as per the said Orders including increasing the Authorized Capital of the Company.

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

For K. Narayana Swamy & Co.,
Company Secretaries

(K. Narayana Swamy)
FCS 1838 / CP 9878
UDIN NO: F001838C000669945

Place : Bengaluru
Date : 22nd July 2021

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

'Annexure - A'

To,

The Members,
Zuari Cement Limited.

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

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

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

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

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

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

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

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

For K. Narayana Swamy & Co.,
Company Secretaries

(K. Narayana Swamy)
FCS 1838 / CP 9878
UDIN NO: F001838C000669945

Place : Bengaluru
Date : 22nd July 2021

Annexure – B to the Board's Report

Particulars of Energy Conservation Technology Absorption and Research & Development as required under the Companies (Accounts) Rules, 2014

A. Conservation of Energy

YERRAGUNTLA PLANT

(i) Energy Conservation measures taken for the period ended 31 March 2021:

- Line-1 New Multi-channel outer tip with swirler installed
- Line-2 cooler vent hot gas tunnel converted into MS duct for reducing the pressure drop in ID fan (replaced with new duct).
- Installed LED light
- Line-1 preheater and cooler false air arresting
- Line-2 preheater false air arresting
- Line-1 coal feed screw replaced with RAL.

(ii) **Additional investment proposals implemented during the year for reduction of consumption of Energy:**

- Cooler vent duct replacement
- Kiln-1 shell with outlet seal replacement
- Line-1 Preheater top cyclones modification.

(iii) Impact of the measures at (i) & (ii) above for reduction of energy consumption:

SITAPURAM PLANT

(i) Energy Conservation measures taken for the period ended 31 March 2021:

- New Multi-channel burner installed.
- False air arresting across cooler vent duct for reducing the power losses in ID fan (replacement with new duct).

(ii) Additional investment proposals implemented during the year for reduction of consumption of Energy:

- Cooler vent duct modification
- DSC roof was replaced
- Primary crusher arm was replaced
- New Multi-channel burner installed

(iii) Impact of the measures at (i) & (ii) above for reduction of energy consumption:

- Due to (i) above, there is a saving of 0.5 Kcal/Kg Clinker and reduction in power loss to an extent of 10 kWh.

CHENNAI GRINDING UNIT

(i) Energy Conservation measures taken for the period ended 31 March 2021:

- Optimization in the grinding media and replacement of discharge diaphragm with lower slot size resulted in improving the mill grinding efficiency along with quality parameters.
- Utilized 85.6% wind energy instead of conventional energy.

(ii) Additional investment proposals implemented during the year for reduction of consumption of Energy:

- Installed dedicated screw compressor for Mill girth gear lubrication system.

(iii) Impact of the measures at (i) & (ii) above for reduction of energy consumption:

- Cement Mill second chamber compartment grinding efficiency improved and reduced the energy consumption.

SOLAPUR GRINDING UNIT

(i) Energy Conservation measures taken for the period ended 31 March 2021:

- Optimization of compressor pressure for Mill and bulker unloading
- Phase wise Replacement of conventional lights by LEDs
- Operation of bag House in DP mode
- Modification in process interlock of blowers and pump

(ii) Additional investment proposals implemented during the year for reduction of consumption of Energy: Nil.

(iii) Impact of the measures at (i) & (ii) above for reduction of energy consumption:

- Annual energy saving of 72000 Units

COCHIN CEMENT TERMINAL

(i) Energy Conservation measures taken for the period ended 31 March 2021:

- Installation of Motor Protection Circuit Breaker (MPCB) for Conveying Compressor water circulation pump.

(ii) Additional investment proposals implemented during the year for reduction of consumption of Energy: Nil.

(iii) Impact of the measures at (i) & (ii) above for reduction of energy consumption: Nil.

SITAPURAM POWER PLANT

(i) Energy Conservation measures taken for the period ended 31 March 2021:

- Transporter vessel ash conveying logic is changed to back pressure switch based i.e., when vessel pressure low switch acts the conveying cycle will be auto stopped. Earlier conveying preset convey time and vessel pressure low both should be act.
- Changed the logic of boiler 1 & 2 ESP 2nd, 3rd & 4th field and boiler 1 & 2 economizer conveying logic from master & slave concept to parallel operations. Reduced the cycles to 30% with avg 4.5 to 5.0 kg/cm conveying service air pressure. Consumption of conveying air pressure reduced.

- Installed the level-based float type auto drain valve in common for two instrument air receiver tanks and three level-based float type auto drain valves for service air receiver tanks in place of timer-based drain valves.
- Screw and service air compressor loading setting is changed from 5.1 Kg/cm2 to 4.5 Kg/cm2 and for unloading setting is changed from 5.7 Kg/cm2 to 5.0 Kg/cm2. Now the conveying air pressure is always maintained below 5.0 Kg/cm2.
- Instrument air compressor loading setting is changed from 6.2 Kg/cm2 to 5.5 Kg/cm2 and unloading setting is changed from 6.6 Kg/cm2 to 6.3 Kg/cm2. Now the Instrument air pressure is always maintained below 5.5 Kg/cm2. and for improving reliability stand by Service air & Instrument air compressors remote auto start / off with user set point is provided in DCS.
- Single Auxiliary Cooling Water (ACW) Pump operation up to 31 MW, instead of two pumps.

(ii) Additional investment proposals implemented during the year for reduction of consumption of Energy:

- Replacement of existing aluminum fan blades & hub with E Glass epoxy blades for Cooling tower fan 1, 3 & 4.

(ii) **Impact of the measures at (i) & (ii) above for reduction of energy consumption:**

Annual energy saving of 1.1 MkWh per annum.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

YERRAGUNTLA PLANT

(i) Efforts made towards technology absorption, adoption and innovation: Nil.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil.

(iii) Information regarding technology imported during last 3 years: Nil.

SITAPURAM PLANT

(i) Efforts made towards technology absorption, adoption and innovation: Nil.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil.

(iii) Information regarding technology imported during last 3 years: Nil.

CHENNAI GRINDING UNIT

(i) Efforts made towards technology absorption, adoption and innovation:

- Installed cement mill discharge diaphragm grate plate with lesser slot size against original design.
- Construction of ramp for clinker silo to access the entry point.
- Installed dedicated screw compressor for Mill girth gear lubrication system.
- Installed gypsum belt conveyor to transport gypsum from storage shed to feeding hopper.
- Installed de-dusting system for Cement Silo extraction equipment.
- Installed Weighing system at wagon tippler.

- Installed WD-XRF for quality control.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Improved second chamber efficiency due to installation of discharge diaphragm plate.
- Construction of ramp helped to consume raw material by optimizing dead stock of silo.
- Installation of screw compressor ensures performance of lubrication to mill girth gear assembly by where we extend life of gear assembly.
- Installation of gypsum belt conveyor has eliminated reverse operation of pay loader, JCB fuel saving and reduced hiring cost of JCB.
- Installation of de-dusting system to cement extraction equipment's at cement silo reduced the emission level.
- Installation of weighing system at wagon tippler to cross check the weighment of received clinker
- Installation of WD-XRF for optimize the quality control and to maintain the consistency in product quality.

(iii) Information regarding technology imported during last 3 years:

As per HTC recommendation:

- Installed intermediate and discharge diaphragm plate in cement mill.
- Installed the Clinker Silo ramp to access the silo entry point.

SOLAPUR GRINDING UNIT

(i) Efforts made towards technology absorption, adoption and innovation:

- Use of variable frequency drives for process fan
- Use of LEDs for plant lighting.
- Process optimization and modification in fly ash feeding system.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Overall reduction in power consumption by 0.55 Units/ ton.

(iii) Information regarding technology imported during last 3 years: Nil.

COCHIN CEMENT TERMINAL

(i) Efforts made towards technology absorption, adoption and innovation:

- Due to very negligible load during non-operating hours none of the capacitor bank would turn ON, this led to power factor lagging or to leading when the capacitor bank turned ON manually.
- Installed additional Low - Tension Capacitors of 5KVAR in spare feeder and kept it ON round the clock to maintain the power factor during the non-operating hours (i.e. 1730 hrs. to 0930 hrs.) of the plant.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- We started receiving incentive from KSEB for maintaining the overall power factor of 0.98.

(iii) Information regarding technology imported during last 3 years: Nil.

SITAPURAM POWER PLANT

(i) Efforts made towards technology absorption, adoption and innovation: Nil.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil.

(iii) Information regarding technology imported during last 3 years: Nil.

C. Research and Development (R&D)

YERRAGUNTLA PLANT

(i) Specific areas in which R&D activities carried out by the company: Nil.

(ii) Benefit derived of the above R&D: Nil.

SITAPURAM PLANT

(i) Specific areas in which R&D activities carried out by the company: Nil.

(ii) Benefit derived of the above R&D: Nil.

CHENNAI GRINDING UNIT

(i) Specific areas in which R&D activities carried out by the Company: Nil.

(ii) Benefit derived of the above R&D: Nil.

SOLAPUR GRINDING UNIT

(i) Specific areas in which R&D activities carried out by the Company: Nil.

(ii) Benefit derived of the above R&D: Nil.

COCHIN CEMENT TERMINAL

(i) Specific areas in which R&D activities carried out by the Company: Nil.

(ii) Benefit derived of the above R&D: Nil.

SITAPURAM POWER PLANT

(i) Specific areas in which R&D activities carried out by the Company: Nil.

(ii) Benefit derived of the above R&D: Nil.

Annexure – C to Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE

FIFTEEN MONTHS PERIOD ENDED 31ST MARCH 2021 (FY21)

1	Brief outline of CSR policy of the Company.		Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of the Company has on recommendation of the CSR Committee approved a CSR Policy. Brief outline of the said Policy is given below: • The overall objective of the CSR Policy of the Company is to promote sustainable development of the local communities with set targets and timeframes. The Policy focuses on mitigating the adversities faced by the communities and guiding them towards helping themselves. • The Company takes up CSR activities in key sectors including but not limited to, healthcare, education, rural development and skill development, giving maximum freedom to the local communities and employees to evolve meaningful initiatives. • The Company believes that supporting the development efforts of local community addresses the felt needs of the community and in return leads to greater ownership and involvement in maintaining the assets created. • CSR initiatives are implemented through the Company's own employees. However, if required, the Company may also deploy appropriate agencies based on their proven credentials in the area of rural development to supplement its efforts. • The CSR projects are implemented through committees comprising local Company officials at all plants. The committees are chaired by the Plant Heads and have key officials representing Human Resources, Welfare and Administration functions at the local level as members.

			• Proposals sent by the Implementation Committees are vetted by a committee at the Corporate Office together with the financial allocation and thereafter the same are placed before the CSR Committee and the Board of Directors for consideration and approval. The Policy is placed on the Company's website and the web link to access the same is: http://www.zuaricements.com/images/ZCL_CSR_Policy.pdf
2	Composition of the CSR Committee:		

S.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during FY21	Number of meetings of CSR Committee attended during FY21
1	Mr. Jamshed Naval Cooper	Chairman	2	2
2	Ms. Soek Peng Sim	Member	2	2
3	Mr. Sushil Kumar Tiwari	Member	2	2

3.	Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.		The web-link to access composition of CSR committee, CSR Policy and CSR projects as approved by the Board are as under: Composition of CSR Committee:- http://www.zuaricements.com/index.php/our-company CSR Policy:- http://www.zuaricements.com/images/ZCL_CSR_Policy.pdf CSR Projects- http://www.zuaricements.com/index.php/our-company
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.		Not Applicable
5.	Details of the amount available for set off in pursuance of sub-rule (3)		Not Applicable

	of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.		
6	Average net profit of the Company as per section 135(5) i.e., for last three financial years (FY2017, FY2018 and FY2019).		INR 13,073.94 Lakhs
7	(a) Two percent of average net profit of the company as per section 135(5)		INR 261.48 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		Not Applicable
	(c) Amount required to be set off for the financial year, if any		Not Applicable
	(d) Total CSR obligation for the financial year (7a+7b- 7c).		INR 261.48 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in INR Lakh)	Amount Unspent (Rs. In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
389.99	N.A.	N.A.	N.A.	N.A.	N.A.

b) Details of CSR amount spent against ongoing projects during FY21: NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in MINR).	Amount spent in the current financial Year (in MINR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in MINR).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District.						Name	CSR Registeration number.
N.A.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in INR Lakh).	Mode of implementation – Direct (Yes/ No).	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Expenditure towards Students in our schools coming from Nearby Villages	II	Yes	Andhra Pradesh	Yerraguntla	91.79	Direct	-	-
2.	Providing School support programmes like Distribution of notebooks and kits to School	II	Yes	Telengana, ,Maharashtra,Kerla	Suryapat,Dondapadu,Solapur,Cochin	5.91	Direct	-	-

	children & Support for mid-day meal in Government schools								
3.	Supporting computer Education and soft skill development at village school	II	Yes	Tamilnadu	Thiruvallur	1.20	Direct	-	-
4.	General health check-up, Free medicines & Ambulance support for wellbeing of the nearby villagess	II	Yes	Andhra Pradesh, Telengana, ,Maharashtra,Kerla	Yerraguntla, Suryapat, Thriuvallur, Solapur ,Cochin	20.35		-	-
5.	Imparting tailoring skills and distribution of sewing machines to improve the wellbeing of rural women	VII	Yes	Andhra Pradesh, Telengana, ,Maharashtra,	Yerraguntla, Suryapat,Solapur	2.48	Direct	-	-
6.	Providing infrastructure support for various Public works	II	Yes	Andhra Pradesh, Telengana, ,Maharashtra,Kerla	Yerraguntla, Suryapat, Thriuvallur, Solapur ,Cochin	164.51	Direct	-	-

	related to road, toilets, solar street lights, community Hall, drainage line, enhancing drinking water facility etc.								
7.	Support extended during Covid 19 – Health and Food like - ANNAM Scheme	I	Yes	Andhra Pradesh, Telengana, ,Maharashtra,Kerla	Yerraguntla, Suryapat, Thriuvallur, Solapur ,Cochin	103.75	Direct	-	-
	Total					389.99			

(d) Amount spent in Administrative Overheads	Nil
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	INR 389.99 Lakhs

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	261.48
(ii)	Total amount spent for the Financial Year	389.99
(iii)	Excess amount spent for the financial year [(ii)-(i)]	128.51

(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	128.51

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in lakhs)	Amount spent in the reporting Financial Year (in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in lakhs)
				Name of the Fund	Amount (in lakhs)	Date of transfer	
N.A.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects preceding financial year(s):NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in lakhs)	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year. (in lakhs)	Status of the project - Completed /Ongoing.

						(in lakhs)		
N.A.								

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): (a) Date of creation or acquisition of the capital asset(s). (b) Amount of CSR spent for creation or acquisition of capital asset. (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Nil Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

12. RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is given below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Place: Gurugram
Date: 22 July 2021

Jamshed Naval Cooper
Chairman – CSR Committee

Sushil Kumar Tiwari
Member of CSR Committee

Annexure – D to the Board's Report

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

Sl. No.	Name	Designation/ nature of duties	Qualification	Age/ years	Experience (No. of years)	Date of commencement of employment	Remuneration received Rs.	Name of last employer, post held and period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(A) EMPLOYED THROUGHOUT THE YEAR								
01.	S. Sundaram	Head - Technical	B.Tech. Mechanical	56	32	22/08/2002	2,06,95,662	Gujarat Ambuja Cement Executive Assistant to Director 14 Years
02.	Vimal Kumar Choudhary	Chief Financial Officer & Head-Logistics	Chartered Accountant	47	25	01/12/2018	2,03,49,070	HeidelbergCement India Limited Head - Logistics 8 Years
03.	V.V.L. Narasimha Rao	President (Sales & Marketing)	MBA - Marketing PGPMax	54	33	18/03/2010	1,96,06,657	Andhra Cements Senior General Manager 7 Months
04.	C.V Rajesh	Regional Manager (Kerala)	B.A(B.L), MBA	51	25	02/02/2015	1,36,88,116	Chettinad Cement Corporation Limited Asst. Vice President 5 Years
05.	P. Jagatheesan	Head - Safety (HC India)	B.Tech. Civil & M.Tech. (Industrial Safety)	53	25	19/02/2014	1,27,38,798	Dalmia Cement DGM & Corporate Head(Safety) 1 Year
06.	Trivikram Dasu	Head - Legal (ZCL)	B.Com., LLB, ACS	56	36	06/07/2015	1,15,44,475	Mythra Energy India Limited Asst. Vice President 3 Years
07.	G. Gopala Krishna Murthy	Head Works (SPM)	B.Tech. (Mech), PGDMM	56	34	16/03/2015	1,12,01,634	Bharathi Cement Corporation Limited Sr. General Manager

								6.9 Years
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
08.	L.R. Neelakanta	Vice President - Finance & Company Secretary	B.Sc., ACMA, FCS	61	39	13/07/2001	1,10,64,535	Bhuwalka Steels Limited GM-Finance & CS 2 Years
09.	Raghunath L Shirke	Head - Maintenance (Sitapuram Plant)	Dip. In Mech. Engg., MBA (Industrial Safety)	58	38	16/01/2014	85,55,189	Ultratech Cement Limited Asst. Vice President 19 Years
(B) EMPLOYED PART OF THE YEAR								
10.	Sunil Kumar	Plant Head (SGU)	B.Tech.(Mech), MBA	57	33	29/01/2015	1,32,66,934	Jaiprakash Associates Limited, Jaypee Cement Vice-President (Project Engineering & Excellence Department), Plant Operation Head 4 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 Zuari Cement Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the fifteen months period ended March 31, 2021;

(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 standalone Ind AS financial statements – Refer Note 32 (c) and (d) to the standalone Ind AS financial statements;

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

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

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

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 21104315AAAABM8166
Place of Signature: Bengaluru
Date: July 22, 2021

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

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

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

(b) All fixed assets have not been physically verified by the Management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for the immovable properties acquired on acquisition in earlier years as mentioned in Note 3 of the financial statements for which registration of title deeds is in progress.

(ii) The inventory, except for goods in transit, stock lying with third parties and clinker included in work in progress, has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such physical verification. As explained to us, stock of clinker included in work in progress, is stored in sealed containers, the content of which cannot be verified.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the period. Accordingly, the provisions of clause 3(iii)(a) is not applicable and hence not commented upon.

However, the Company has an existing loan which was granted to one company covered in the register maintained under Section 189 of the Companies Act, 2013. The repayment of the principal and the interest on aforesaid loan is not yet due. Accordingly, para 3(iii)(b) and 3(iii)(c) of the Order is not applicable and hence not commented upon.

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

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General sales Tax Act, 1957	Cenvat Credit	23.88	Apr 2011- Mar-2013	Tribunal
Andhra Pradesh General sales Tax Act, 1957	Sales Tax	124.44	2012-13	Appellate Authorities
Andhra Pradesh Valued Added Tax Act, 2005	Entry Tax	32.51	2015-2018	Appellate Authorities
Andhra Pradesh Valued Added Tax Act, 2005	Entry Tax	63.70	2012-2017	Tribunal
Andhra Pradesh Valued Added Tax Act, 2005	Entry Tax	178.33	2009-11	Hon'ble High Court, Andhra Pradesh
Andhra Pradesh Valued Added Tax Act, 2005	Sales Tax	171.25	2014-15, 2015-16 & 2016-17	Appellate Authorities
Andhra Pradesh Valued Added Tax Act, 2005	Sales Tax	7.92	2014-15	Tribunal
Central Excise Act, 1944	Cenvat Credit	1,310.23	2007-08, 2015-16, 2016-17 & 2017-18	Appellate Authorities
Central Excise Act, 1944	Cenvat Credit	1,121.78	Dec-2007 to June-2015	Tribunal
Central Excise Act, 1944	Excise Duty	419.30	January 2016 to June 2017	Appellate Authorities

Name of the statute	Nature of the dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	569.23	2005-08 & April-2010 to March-2015	Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	3,061.79	2002-2005	Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	1,275.07	1997-1999	Hon'ble High Court, Andhra Pradesh
Odisha Entry Tax Act,1999	Entry Tax	28.98	2005-06, 2011-12 & 2012-13	Tribunal
Odisha Sales Tax Act,1947	Sales Tax	1.43	1991-92 & 2004-05	Tribunal
Odisha Sales Tax Act,1947	Sales Tax	16.73	1992-93	Hon'ble High Court, Orissa
Tamil Nadu General Sales tax Act,1959	CST	9.87	1992-93	Appellate Authorities
Tamil Nadu General Sales tax Act,1959	Sales Tax	1.55	Jul 2012 to Jun 2013	Appellate Authorities
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.44	1991-92	Appellate Authorities
Tamil Nadu General Sales tax Act,1959	Sales Tax	26.44	2011-12	Tribunal
The Customs Act, 1962	Customs Duty	1,631.30	Jan 2012 to Dec-2012	Hon'ble Supreme Court
The Customs Act, 1962	Customs Duty	616.04	Feb 2012 to Feb 2013	Tribunal
The Finance Tax ,1994	Service Tax	981.59	2011-12 to 2015-16	Tribunal
The Income Tax Act,1961	Income tax	4,070.96	2009-10 & 2015-16	Appellate Authorities
The Income Tax Act,1961	Income tax	4,462.53	2006-07, 2008-09, 2010-11, 2011-12, 2012-13 & 2013-14	Tribunal

*net off of amount paid under protest

(viii) In our opinion and according to the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowing to a bank or to government. The Company did not have any dues to financial institution and debenture holders and hence not commented upon.

(ix) In our opinion and according to information and explanations given by the Management, monies raised by the Company by way of term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits. The maximum amount of idle/surplus funds invested during the period was Rs. 116 crore, of which Rs. 116 crore was outstanding at the end of the period. Also, Refer Note 14 to the financial statements with regards to utilization of term loan. The Company has not raised any money way of initial public offer / further public offer and debt instruments, hence not commented upon.

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

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

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

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

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

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

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

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

per **Sunil Gaggar**
Partner
Membership Number: 104315
UDIN: 21104315AAAABM8166
Place of Signature: Bengaluru
Date: July 22, 2021

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 21104315AAAABM8166
Place of Signature: Bengaluru
Date: July 22, 2021

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

Particulars	Notes	March 31, 2021	December 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	166,218.14	178,786.67
Capital work-in-progress	3	9,069.61	1,638.83
Right-of-use-asset	45	5,648.83	-
Goodwill	4	2,300.00	2,300.00
Intangible assets	4	28.39	51.71
Investment in subsidiaries	5	10,541.93	10,541.93
Financial assets			
Investments	5	21.70	21.70
Loans	6	13,759.74	12,700.64
Other financial assets	7	5,262.75	3,861.96
Other non-current assets	8	10,524.36	10,765.14
		223,375.45	**220,668.58**
Current assets			
Inventories	9	15,189.32	14,066.72
Financial assets			
Trade receivables	10	7,729.96	9,328.35
Cash and cash equivalents	11	27,503.32	32,109.19
Other bank balances	11	-	769.04
Loans	6	406.31	396.47
Other financial assets	7	121.38	187.48
Other current assets	8	4,662.53	3,607.14
		55,612.82	**60,464.39**
Total assets		**278,988.27**	**281,132.97**
Equity and liabilities			
Equity			
Equity share capital	12	27,496.14	27,496.14
Other equity	13	128,479.91	117,958.87
		155,976.05	**145,455.01**
Non-current liabilities			
Financial liabilities			
Borrowings	14	21,304.09	58,246.12
Provisions	15	6,926.32	4,688.77
Lease liabilities	45	1,165.14	-
Deferred tax liabilities (net)	16	17,488.27	18,189.06
Other non-current liabilities	17	586.24	627.52
		47,470.06	**81,751.47**
Current liabilities			
Financial liabilities			
Trade payables	18		
-Total outstanding dues of micro enterprises and small enterprises		137.52	30.24
-Total outstanding dues of creditors other than micro enterprises and small enterprises		27,535.12	29,048.17
Other financial liabilities	19	40,937.09	16,312.22
Provisions	15	474.18	503.82
Other liabilities	20	6,458.25	8,032.04
		75,542.16	**53,926.49**
Total liabilities		**123,012.22**	**135,677.96**
Total equity and liabilities		**278,988.27**	**281,132.97**
Summary of significant accounting policies	2		

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

per Sunil Gaggar
Partner
Membership number: 104315

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Place: Gurugram
Date: July 22, 2021

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

Particulars	Notes	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Income			
Revenue from contract with customers	21	230,643.02	191,924.34
Other income	22	3,619.80	2,716.39
Total Income (I)		**234,262.82**	**194,640.73**
Expenses			
Cost of raw material and packing material consumed	23	37,996.04	32,942.17
Change in inventories of traded goods, finished goods and work-in-progress	24	1,850.82	1,850.94
Employee benefits expense	25	10,385.84	8,392.63
Finance costs	26	6,789.68	6,062.58
Depreciation and amortisation	27	15,326.08	11,734.74
Other expenses	28	140,017.83	123,076.35
Total Expense (II)		**212,366.29**	**184,059.41**
Profit before tax (I) - (II)		**21,896.53**	**10,581.32**
Tax expense			
Current tax	16	5,150.06	2,297.19
Deferred tax charge/(credit)	16	(682.56)	1,043.74
Adjustment of tax relating to earlier years		-	(38.18)
Total tax expense		**4,467.50**	**3,302.75**
Profit after tax for the period (III)		**17,429.03**	**7,278.57**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement losses of net defined benefit plans		(52.18)	(198.61)
Income tax effect		18.23	69.40
Other comprehensive losses for the period/year, net of tax (IV)		**(33.95)**	**(129.21)**
Total comprehensive income for the period/year, net of tax (III) + (IV)		**17,395.08**	**7,149.36**
Earnings per share [nominal value of share INR 10 (December 31, 2019: INR 10)]	29		
Basic		6.34	2.65
Diluted		6.34	2.65
Summary of significant accounting policies	2		

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	**Number**	**Amount**
At January 1, 2019	274,961,400	27,496.14
Increase/(decrease) during the year	-	-
At December 31, 2019	274,961,400	27,496.14
Increase/(decrease) during the period	-	-
At March 31, 2021	**274,961,400**	**27,496.14**

b. Other equity:
For the year ended March 31, 2021

	Attributable to the equity holders			
Particulars	**Securities premium account**	**Retained earnings**	**Items of OCI**	**Total**
At January 1, 2020	**37,201.93**	**80,807.04**	**(50.10)**	**117,958.87**
Profit for the period	-	17,429.03	-	17,429.03
Dividend on equity and tax thereon (Note 13)	-	(6,874.04)	-	(6,874.04)
Other comprehensive loss (Note 13)	-	-	(33.95)	(33.95)
At March 31, 2021	**37,201.93**	**91,362.03**	**(84.05)**	**128,479.91**

For the year ended December 31, 2019

	Attributable to the equity holders			
Particulars	**Securities premium account**	**Retained earnings**	**Items of OCI**	**Total**
At January 1, 2019	**37,201.93**	**80,158.08**	**79.11**	**117,439.12**
Profit for the year	-	7,278.57	-	7,278.57
Dividend on equity and tax thereon (Note 13)	-	(6,629.61)	-	(6,629.61)
Other comprehensive loss (Note 13)	-	-	(129.21)	(129.21)
At December 31, 2019	**37,201.93**	**80,807.04**	**(50.10)**	**117,958.87**

Summary of significant accounting policies **2**
The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

per Sunil Gaggar
Partner
Membership number: 104315

Jamshed Naval Cooper
Managing Director
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Director
DIN: 03265246

Place: Gurugram
Date: July 22, 2021

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

	For the 15 months ended March 31,	For the year ended December 31, 2019
Cash flow from operating activities		
Profit before tax	21,896.53	10,581.32
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	15,326.08	11,734.74
Interest income	(2,550.89)	(958.42)
Interest expense	6,723.03	5,988.79
Loss on sale of property, plant and equipment net	199.36	64.68
Upfront processing fees amortization for term loan	-	22.03
Provision for bad and doubtful debts, net	44.16	257.61
Sundry balances written off	31.32	235.21
Unrealised foreign exchange differences (gain)/loss	0.03	32.01
Provision no longer required written back	(801.26)	(633.19)
Operating profit before working capital changes	**40,868.36**	**27,324.78**
Movements in working capital:		
Increase / (decrease) in trade payables	(604.52)	(16,830.49)
Increase / (decrease) in long-term provisions	803.68	(114.83)
Increase / (decrease) in short-term provisions	(29.64)	76.84
Increase / (decrease) in other long-term liabilities	(41.28)	(33.03)
Increase / (decrease) in other financial liabilities	(400.95)	2,133.87
Increase / (decrease) in other short term liabilities	(1,573.79)	2,681.41
Decrease / (increase) in trade receivables	1,554.23	791.37
Decrease / (increase) in inventories	(1,122.60)	10,464.29
Decrease / (increase) in long-term loans	53.09	(102.63)
Decrease / (increase) in short-term loan	(9.84)	89.93
Decrease / (increase) in other financial assets	(1,401.35)	1,654.12
Decrease / (increase) in other non-current assets	(1,001.39)	537.44
Decrease / (increase) in other current assets	(1,086.71)	1,631.36
Cash generated from operations	**36,007.29**	**30,304.43**
Income taxes paid (net of refunds)	(4,507.40)	(2,577.43)
Net cash flow from operating activities (A)	**31,499.89**	**27,727.00**
Cash flows from investing activities		
Purchase of Property, plant and equipment including capital work-in-progress and capital advances	(8,845.76)	(2,200.22)
Proceeds from sale of Property, plant and equipment	0.06	8.23
Redemption/ maturity of bank deposits (having original maturity of more than twelve months)	769.60	(115.07)
Interest received	1,504.80	1,005.58
Net cash used in investing activities (B)	**(6,571.30)**	**(1,301.48)**
Cash flows from financing activities		
Proceeds from long-term borrowings	15,000.00	-
Repayment of long-term borrowings	(29,157.70)	(3,792.11)
Payment of principal portion of lease liabilities (refer note 45)	(965.45)	-
Dividend and Tax Paid thereon	(6,874.04)	(6,629.61)
Interest paid	(7,537.27)	(5,105.87)
Net cash used in financing activities (C)	**(29,534.46)**	**(15,527.59)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(4,605.87)	10,897.93
Cash and cash equivalents at the beginning of the period	32,109.19	21,211.26
Cash and cash equivalents at the end of the period	**27,503.32**	**32,109.19**

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

	For the 15 months ended March 31,	For the year ended December 31, 2019
Components of cash and cash equivalents		
Cash on hand	0.14	1.58
Balance with banks:		
- On current accounts	981.75	4,109.61
- Deposits with original maturity of less than three months	26,521.43	27,998.00
Total cash and cash equivalents (note 11)	**27,503.32**	**32,109.19**

Explanatory notes to statement of cash flows
1. Changes in liabilities arising from financing activities:

	Liability arising from financing activities	
	Lease Liabilities (refer note 45)	Non-Current Borrowing (including current maturities)
As at 1 January 2020	**3,117.94**	**61,042.03**
Additions	-	15,000.00
Accretion of interest	276.59	1,033.13
Payment of interest	(276.59)	-
Payment of principal	(965.45)	(29,157.70)
At 31 March 2021	**2,152.49**	**47,917.46**
As at 1 January 2019	-	63,973.03
Additions	-	-
Accretion of interest	-	861.11
Payments	-	(3,792.11)
At 31 December 2019	**-**	**61,042.03**

Summary of significant accounting policies **2**

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

1. Corporate Information

Zuari Cement Limited (hereinafter referred to as "ZCL" or "the Company") is domiciled in India. The Company is engaged in the manufacturing of cement and trading of other construction materials. The Company was a joint venture between Zuari Global Limited ('ZGL') and Ciments Français S.A. ('CF', part of the Italcementi Group) up to May 31, 2006. Pursuant to CF's acquisition of 50% stake held by ZGL, the Company became a wholly owned subsidiary of CF ('the Holding Company'), effective May 31, 2006. The Ultimate Holding Company upto June 30, 2016 was Italcementi S.p.A ('the Ultimate Holding Company').

HeidelbergCement AG has completed the acquisition of Italcementi S.p.A from Italmobiliare and become the ultimate holding Company w.e.f. July 1, 2016.

On July 26, 2018, the Board of Directors of the Company had approved the Scheme of Amalgamation ('Scheme') between Sitapuram Power Limited ('SPL' or 'Transferor Company') and the Company, wherein, the Transferor Company is a wholly owned subsidiary of the Company. The Scheme was approved by National Company Law Tribunal, Hyderabad, and National Company Law Tribunal, Amravati, (together 'Tribunals'), vide their Orders dated March 19, 2020 and May 04, 2020, respectively. Pursuant to the approval of Scheme by the Tribunals, the entire business and undertaking comprising of all assets and liabilities of Transferor Company is transferred to the Company, on a going concern basis.

As the Company and the Transferor Company are companies under common control, the comparative financial information of the Company, is restated, as if the business combination had occurred from the beginning of the preceding period. Further, the assets and liabilities including reserves of the Transferor Company were recorded by the Company at their existing carrying values as on January 1, 2018.

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

2. Significant accounting policies

The Significant accounting policies applied by the Company in preparation of its financial statements are listed below:

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments), and
'- defined benefit plans - plan assets measured at fair value

Zuari Cement Limited
Notes to standalone financial statements for the period ended March 31, 2021
All amounts are in Rupees Lakhs, unless otherwise stated

2.2 Summary of significant accounting policies

a. Change in Accounting policy

New and amended standards
Ind AS 116 Leases

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

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

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

This has resulted in recognizing a right of use assets at an amount equal to the lease liability on transition date. In the Statement of profit and loss for the year, operating lease expenses has been changed from Rent (included in other expenses) to depreciation cost for right of use assets and finance cost for interest accrued on lease liability (refer note 45)

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

b. Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to goodwill in accordance with Ind AS Transition Facilitation Group (ITFG) clarification Bulletin 9.

As provided in the Scheme, the assets and liabilities including reserves of Transferor Companies as on the Appointed Date were recorded by the Company at their existing carrying values and the amalgamation was accounted for in accordance with Indian Accounting Standard (Ind AS) 103, 'Business Combinations of entities under Common Control - Appendix C' under Pooling of Interest method for the year 2019 as notified under section 133 of the Companies Act, 2013 and as per ITFG-9.

c. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

d. 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 recognized 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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

e. Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized 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.

f. Revenue Recognition

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Sale of goods
Revenue from the sale of the Company's core products Cement is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice.

Sale of electricity
Sale of energy is recognized on accrual basis in accordance with the relevant agreements. Revenue in excess of billing, if any, is disclosed as unbilled revenue.

Contract Balances

Trade receivables

A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a company's right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract liabilities
Contract liabilities, which is a company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in note no.20. Contract liabilities are recognized as revenue when the Company performs under the contract.

Rendering of services Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

h. Property, plant and equipment ('PPE')

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 recognized 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 recognized 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 asset as follows:

Asset category	Useful lives estimated by the management (years)
Buildings	10-60
Plant and machinery	3-25
Railway sidings	15
Furniture and fittings	10
Motor vehicles	8
Office equipment	3 – 25
Computer hardware	5 – 6

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 believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non mining land is not depreciated.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 income statement when the asset is derecognized.

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.

i. 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 amortization 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 recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

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

Asset category	Useful lives estimated by the management (years)
Computer Software	5

j. Borrowing Cost

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

k. Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants in the nature of Sale tax incentive are recognized in the Statement of Profit and Loss in the period in which they become receivable.

l. Inventories

Raw materials, packing materials, coal and fuel, stores and spares are valued at the lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, coal and fuel, stores and spares is determined on a weighted average basis and includes cost incurred in bringing the material to its present location and condition. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Zuari Cement Limited
Notes to standalone financial statements for the period ended March 31, 2021
All amounts are in Rupees Lakhs, unless otherwise stated

m. Leases

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

Company as a Lessee (up to December 2019)

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

Company as a lessee (1 January 2020 onwards)

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

i) Right-of-use assets

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

Asset Category	Useful lives estimated by the management (years)
Land & Building	0-24
Furniture and Fixtures	1 -4
Motor vehicles and other equipment	2

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

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

ii) Lease Liabilities

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

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

The Company's lease liabilities are included in Interest-bearing loans and borrowings (refer note 45).

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.

n. 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, including impairment on inventories, are recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

o. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of the past event and 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 recognized as a finance cost.

Provision for mine reclamation expenses

The Company provides for the estimated expenses to reclaim the quarries used for mining. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Site restoration expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

p. Retirement and other employee benefits

Superannuation Fund (being administered by Trusts) and Employees' State Insurance Corporation (ESIC) are defined contribution schemes and the contributions are charged to the statement of profit and loss for the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

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. 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 Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q. 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 recognized 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized 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 recognized 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 recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognized in other comprehensive income as the 'accumulated impairment amount"

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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 recognized 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 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 recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized 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 recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 14.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. Cash and cash equivalents

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

For the purpose of 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.

s. Segment reporting

The Company is primarily engaged in the manufacturing of cement and hence entire operation represents a single primary segment. The company operates within India only and hence geographical segment is not applicable to the company.

t. 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.

u. Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in equity.

v. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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.

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

3. Property, plant and equipment

	Freehold non-mining land**	Freehold mining land#	Buildings	Plant and machinery	Railway sidings##	Furniture and fittings	Motor vehicles	Office equipment	Computer hardware	Total	Capital work in progress***
Cost or valuation											
At January 1, 2019	6,699.25	6,773.25	57,844.63	129,312.94	23,654.59	622.35	439.42	400.63	532.05	**226,279.11**	**2,702.89**
Additions	-	-	491.24	2,542.65	-	15.32	-	99.06	-	**3,148.27**	2,084.21
Disposals	-	-	-	(59.39)	-	(6.18)	(77.59)	(57.04)	(40.42)	**(240.62)**	(3,148.27)
At December 31, 2019	**6,699.25**	**6,773.25**	**58,335.87**	**131,796.20**	**23,654.59**	**631.49**	**361.83**	**442.65**	**491.63**	**229,186.76**	**1,638.83**
Additions/Adjustments	-	-	101.55	1,180.99	-	0.75	51.86	162.95	-	**1,498.10**	8,928.88
Disposals				(323.56)	(0.01)	(12.54)	(1.08)	(4.33)	(12.86)	**(354.38)**	(1,498.10)
At March 31, 2021	**6,699.25**	**6,773.25**	**58,437.42**	**132,653.63**	**23,654.58**	**619.70**	**412.61**	**601.27**	**478.77**	**230,330.48**	**9,069.61**
Depreciation											
At January 1, 2019	-	233.50	7,010.95	25,831.25	4,672.35	365.38	237.25	191.60	330.39	**38,872.67**	-
Charge for the year	-	2.77	2,500.17	7,215.67	1,720.11	67.52	52.23	65.65	71.01	**11,695.13**	-
Disposals	-	-	-	(34.43)	-	(4.10)	(49.09)	(46.76)	(33.33)	**(167.71)**	-
At December 31, 2019	**-**	**236.27**	**9,511.12**	**33,012.49**	**6,392.46**	**428.80**	**240.39**	**210.49**	**368.07**	**50,400.09**	-
Charge for the period		32.94	2,932.54	8,492.07	2,150.14	60.45	44.66	93.46	60.96	**13,867.22**	-
Disposals				(128.99)	(0.01)	(10.23)	(0.85)	(3.89)	(11.00)	**(154.97)**	-
At March 31, 2021	**-**	**269.21**	**12,443.66**	**41,375.57**	**8,542.59**	**479.02**	**284.20**	**300.06**	**418.03**	**64,112.34**	-
Net Block											
At December 31, 2019	**6,699.25**	**6,536.98**	**48,824.75**	**98,783.71**	**17,262.13**	**202.69**	**121.44**	**232.16**	**123.56**	**178,786.67**	**1,638.83**
At March 31, 2021	**6,699.25**	**6,504.04**	**45,993.76**	**91,278.06**	**15,111.99**	**140.68**	**128.41**	**301.21**	**60.74**	**166,218.14**	**9,069.61**

**Freehold non-mining land includes INR 516.21 lakhs (December 31, 2019: INR 516.21 lakhs) in respect of land at Yerraguntala of which conveyance documents have been submitted to the Registering Authority for registration. Pursuant to the scheme of arrangement between Zuari Global Limited (formerly "Zuari Industries Limited") and the Company, sanctioned by the Honourable High Court of Bombay on January 12, 2001, the cement undertaking of Zuari Global Limited stood vested in the Company with effect from April 1, 2000. The Company is taking necessary steps for securing the title deeds in respect of land at Yerraguntala in its name.

Cost of mineral reserve embedded in the cost of freehold mining land has been depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of mineral reserve.

The Company has leased out railway sidings under non-cancellable lease. Refer note 32(b)(ii).

*** Capital work-in-progress includes amount paid for the purchase of land at Chennai of INR 671.43 Lakhs (December 31, 2019: INR 671.43 Lakhs). The Company has entered into a land swapping arrangement with the Government of Tamil Nadu, wherein, the Company would obtain the ownership of the existing leasehold land at Chennai, by surrendering the aforesaid land purchased. The Company has availed the exemption of short term leases for classifiacation this lease under Ind AS 116. The Company has obtained the title deeds for the aforesaid land purchased and is completing the process for swapping the land with the Government authorities.

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

4. Intangible assets

	Goodwill*	Computer software	Total	Capital work in progress
Cost or valuation				
At January 1, 2019	**2,300.00**	**634.89**	**2,934.89**	-
Additions/Adjustments	-	-	-	-
Disposals	-	-	-	-
At December 31, 2019	**2,300.00**	**634.89**	**2,934.89**	-
Additions/Adjustments	-	-	-	-
Disposals	-	(1.22)	**(1.22)**	-
At March 31, 2021	**2,300.00**	**633.67**	**2,933.67**	-
Amortisation/ Impairment				
At January 1, 2019	-	**543.56**	**543.56**	-
Charge for the year	-	39.62	**39.62**	-
Disposals	-	-	-	-
At December 31, 2019	-	**583.18**	**583.18**	-
Charge for the period	-	23.32	**23.32**	-
Disposals	-	(1.22)	**(1.22)**	-
At March 31, 2021	-	**605.28**	**605.28**	-
Net Block				
At December 31, 2019	**2,300.00**	**51.71**	**2,351.71**	-
At March 31, 2021	**2,300.00**	**28.39**	**2,328.39**	-

* Consequent to the merger of Sitapuram Power Limited (SPL) with the Company in the previous year, the assets, liabilities and reserves pertaining to SPL, as appearing in the consolidated financial statements of the Company, immediately before the merger, are recognized at their carrying values. Accordingly, Goodwill of INR 2,300 Lakhs appearing in the consolidated financial statement of the Company is recognized at it's carrying value.

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

5. Non-current investments

	March 31, 2021	December 31, 2019
Investments in Equity Instruments (fully paid)		
Subsidiaries		
Unquoted equity instruments		
A. 22,496,691 (December 31, 2019: 22,496,691) equity shares of INR 10/- each fully paid up in Gulbarga Cement Limited ("GCL").[refer note (i)]	10,541.93	10,541.93
	10,541.93	**10,541.93**
Others		
Unquoted equity instruments		
A. 22,460 (December 31, 2019: 22,460) equity shares of INR. 10/- each fully paid up of Vena Energy Power Resources Private Limited [refer note (ii)]	2.32	2.32
B. 44,962 (December 31, 2019: 44,962) equity shares of INR. 10/- each fully paid up of Echanda Urja Private Limited. [refer note (iii)]	4.50	4.50
	6.82	**6.82**
Unquoted preference shares		
A. 14,419 (December 31, 2019: 14,419) Cumulative Compulsorily Convertible Non-Participative Preference shares of INR. 100/- each fully paid up in Vena Energy Power Resources Private Limited [refer note (ii)]	14.88	14.88
	14.88	**14.88**
	21.70	**21.70**

(i). Investments in Gulbarga Cement Limited

The Company has given long term loan of INR 6,848.69 lakhs to Gulbarga Cement Limited and 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. To comply with requirements of Ind AS 109, the Company has disclosed the loan given at amortised cost. On the date of transition to Ind AS, the difference between the loan given and fair value of the loan amounting to INR 2,067.61 lakhs is accounted as investment in GCL. Effective from 01.08.2019 rate of interest is changed to 5 years G-sec rate or 5 years fixed deposit rate offered by SBI whichever is higher plus 50 basis points as margin. Till 31st July 19, interest was calculated at SBI base rate + 1% per annum as margin.
The Company has given a letter of support to "GCL" that loan will not be demanded for the next twelve months.

(ii). Investments in Vena Energy Power Resources Private Limited (formerly known as Energon Power Resources Private Limited)

During the year ended December 31, 2014, the Company, had executed a Share Subscription and Shareholders Agreement (SSHA) dated June 2, 2014 with Energon Power Resources Private Limited ("EPRPL") and Energon Renewables Private Limited. Pursuant to the terms of SSHA, the Company has invested a sum of INR 2.32 Lakhs to acquire 2.89% equity stake and INR 14.88 Lakhs to acquire 2.89% cumulative compulsorily convertible non-participative preference shares in ERPL in the year 2014. This will provide an entitlement of 6 MW dedicated wind energy capacity in EPRPL for the Company.

(iii). Investment in Echanda Urja Private Limited

During the year ended December 31, 2016, the Company, had executed a Shareholders Agreement (SHA) dated April 26, 2016 with Echanda Urja Private Limited ("EUPL") and NuPower Renewables Private Limited for the procurement of wind energy upto 10 MKWh. During the year ended December 31, 2017, the Company made a further investment of INR 1.10 lakhs in EUPL for the supply of wind energy upto 16.2 MKWh.

6. Loans

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Loan to related parties				
Unsecured, considered good				
Inter-corporate loan to Gulbarga Cement Limited*	11,042.66	9,930.47	-	-
	11,042.66	**9,930.47**	**-**	**-**
Security deposit				
Unsecured, considered good				
Electricity deposits	2,370.17	2,257.09	-	-
Supplier deposits	346.91	513.08	-	-
Rental deposits	-	-	406.31	396.47
	2,717.08	**2,770.17**	**406.31**	**396.47**
	13,759.74	**12,700.64**	**406.31**	**396.47**

* For disclosure required under section 186(4) of the Companies Act 2013, refer note 5(i) and note 31.

7. Other financial assets

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Interest accrued on fixed deposits	-	-	34.71	100.16
Interest accrued on other deposits	-	-	86.67	87.32
VAT/GST Incentive receivables	5,262.75	3,861.40	-	-
Non-current bank balances (refer note 11)	-	0.56	-	-
	5,262.75	**3,861.96**	**121.38**	**187.48**

8. Other assets

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Capital advances				
Unsecured, considered good	2,114.47	129.22	-	-
	2,114.47	**129.22**	**-**	**-**
Other- unsecured, considered good				
Advance income tax, net of provision for tax	-	1,144.09	-	-
Balance with government authorities	45.00	91.95	1,399.32	1,729.63
Amount paid under protest	8,096.79	5,322.55	-	-
Employee advances	-	-	25.78	39.67
Advance to suppliers	-	-	2,306.78	1,022.91
Prepaid expenses@	268.10	4,077.33	928.50	814.18
Other receivables	30.00	30.00	2.15	0.75
Less: Provision for doubtful receivable	(30.00)	(30.00)	-	-
	8,409.89	**10,635.92**	**4,662.53**	**3,607.14**
	10,524.36	**10,765.14**	**4,662.53**	**3,607.14**

@ includes non-refundable premium paid to Cochin Port Trust for allotment of 2.40 hectares of land for a period of thirty years effective from September 24, 2013 amounting to INR 3,801.47 lakhs (December 31, 2019: INR 3,801.47 lakhs) under non-current and INR 164.96 lakhs (December 31, 2019: INR 164.96 lakhs) under current prepaid expenses transferred to right-to-use-assets on the date of application of Ind AS 116.

9. Inventories (valued at lower of cost and net realizable value)

	March 31, 2021	December 31, 2019
Raw materials (includes in transit INR 18.16 lakhs) (December 31, 2019: INR 18.06 lakhs)	1,804.56	1,192.54
Work-in-progress	1,470.48	3,091.75
Finished goods	1,217.90	1,447.45
Consumable stores and spares (includes in transit INR 206.12 lakhs) (December 31, 2019: INR 1,616.95 lakhs)	10,696.38	8,334.98
	15,189.32	**14,066.72**

10. Trade receivables

	March 31, 2021	December 31, 2019
Trade receivables	7,324.37	8,791.61
Receivables from other related parties*	405.59	536.74
	7,729.96	**9,328.35**
Break-up for trade receivable:		
Secured, considered good	3,302.52	2,446.22
Unsecured, considered good	4,427.44	6,882.13
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	607.02	577.32
	8,336.98	**9,905.67**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(607.02)	(577.32)
	7,729.96	**9,328.35**

*Include dues from companies where directors are interested (refer note 31).

11. Cash and cash equivalents

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Cash and cash equivalents:				
Cash on hand	-	-	0.14	1.58
Balance with banks:				
- On current accounts	-	-	981.75	4,109.61
- Deposits with original maturity of less than three months	-	-	26,521.43	27,998.00
	-	**-**	**27,503.32**	**32,109.19**
Other bank balances				
Deposits with remaining maturity for more than twelve months	-	0.56	-	-
Deposits with remaining maturity for less than twelve months, but more than three months	-	-	-	769.04
	-	**0.56**	**-**	**769.04**
Amount disclosed under non-current financial assets (note 7)	-	(0.56)	-	-
	-	-	27,503.32	32,878.23

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 requirement of the Company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Current	
	March 31, 2021	December 31, 2019
Cash and cash equivalents:		
Cash on hand	0.14	1.58
Balance with banks:		
- On current accounts	981.75	4,109.61
- Deposits with original maturity of less than three months	26,521.43	27,998.00
	27,503.32	32,109.19

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

12. Share capital	**Equity Shares**		**Preference Shares**	
	Number	**Amount**	**Number**	**Amount**
Authorized share capital				
At January 1, 2019	348,000,000	34,800.00	140,000,000	14,000.00
Increase/(decrease) during the year	-	-	-	-
At December 31, 2019	348,000,000	34,800.00	140,000,000	14,000.00
Increase/(decrease) during the period	-	-	-	-
At March 31, 2021	348,000,000	34,800.00	140,000,000	14,000.00

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

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully	**Number**	**Amount**
At January 1, 2019	274,961,400	27,496.14
Increase/(decrease) during the year	-	-
At December 31, 2019	274,961,400	27,496.14
Increase/(decrease) during the period	-	-
At March 31, 2021	**274,961,400**	**27,496.14**

(a) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates is given below
Out of the equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/ associates are as below:

	March 31, 2021	**December 31, 2019**
Ciments Français S.A, the Holding Company	266,461,350	266,461,350
Compagine Pour I'Investment Financier En Inde	8,500,000	8,500,000
Investcim S.A.S	10	10
Sax S.A.S	10	10
Cafipar S.A.S	10	10
Tercim S.A.S	10	10
Menaf S.A.S	10	10

(b) Details of shareholders holding more than 5% shares in the Company
Equity shares of INR 10/- each fully paid

	March 31, 2021		**December 31, 2019**	
	Number	**Amount**	**Number**	**Amount**
Name of the shareholder				
Ciments Français S.A, the Holding Company	266,461,350	96.91%	266,461,350	96.91%

In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

The Company has not reserved any shares for issue under options and contracts/commitments for sale of shares/disinvestment.

(Presented in INR Lakhs except share data and EPS)

13. Other equity

	March 31, 2021	December 31, 2019
A) Retained earnings		
At the commencement of the period/year	80,807.04	80,158.08
Add: Profit for the period/year	17,429.03	7,278.57
Less: Appropriations		
Dividend on equity shares (refer note 36)	(6,874.04)	(5,499.23)
Tax on equity dividend (refer note 36)	-	(1,130.38)
Closing balance (A)	**91,362.03**	**80,807.04**
B) Remeasurement gain/ (losses) of net defined benefit plans, net of tax		
At the commencement of the period/year	(50.10)	79.11
Additions during the period	(33.95)	(129.21)
Closing balance (B)	**(84.05)**	**(50.10)**
Securities premium account	37,201.93	37,201.93
Closing balance (C)	**37,201.93**	**37,201.93**
Total (A+B+C)	**128,479.91**	**117,958.87**

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. No movement during the year/period.

14. Borrowings

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
From related parties (unsecured)				
-Rupee denominated bonds ("masala bond") (refer note (i))	-	50,000.00	25,000.00	-
Inter corporate loan (refer note (ii))	15,000.00	-	-	-
	15,000.00	**50,000.00**	**25,000.00**	-
Term loans				
From Bank				
- Secured bank loan (refer note (iii))	-	-	-	1,875.15
(A)	-	-	-	**1,875.15**
Other loans and advances (secured)				
Deferred payment liability				
- Sales tax deferral loan (refer note (iv))	6,304.09	8,246.12	1,613.37	920.76
	6,304.09	**8,246.12**	**1,613.37**	**920.76**
The above amount includes				
Secured borrowings	6,304.09	8,246.12	1,613.37	2,795.91
Unsecured borrowings	15,000.00	50,000.00	25,000.00	-
current maturities of long term borrowings disclosed under the head "other current liabilities" (note 19)	-	-	(26,613.37)	(2,795.91)
	21,304.09	58,246.12	-	-

Details of repayment terms, interest and maturity

(i) Rupee denominated bonds ("masala bond") issued to HeidelbergCement AG, with a total outstanding balance of INR 50,000 lakhs at the begining of the period. The interest is payable semi-annually at the rate of 8.70% per annum. The Company has repaid first installment of INR 25,000 Lakhs on due date of 16 January 2021. The due date for second and final installment for INR 25,000 lakhs is 16th January 2022.

(ii) The Company has taken long term loan of INR 15,000 Lakhs which is repayable to Heidelberg Cement India Limited after expiry of 2 years from the date of loan and carries an interest at 275 basic points (bps) over and above the prevailing yield rate on government securities of three years on the date of disbursement of loan. The rate of interest so determined will remain fixed for 2 years and will be payable at quarterly intervals.

(iii) The long term rupee loan were repayable in quarterly installments with the last installment payable by March 2023. The loans carry an interest rate of 10.55% p.a. These were secured by the first charge on all immovable and movable properties including current assets. The Company has prepaid this loan during the period.

(iv) To promote the industries in backward area (i.e. at Yerraguntla, Andhra Pradesh), Government of Andhra Pradesh, announced an interest free sales tax loan facility. To avail the facility, the Company has entered into an agreement with the Government of Andhra Pradesh for deferring payment of sales tax collected during the period February 15, 1999, to February 14, 2013 (fourteen (14) years). The deferred amount will be repaid by the year ended March 31, 2027. The amount repayable within a period of one year from the reporting date, i.e. INR 1,613.37 Lakhs (December 31, 2019: INR 920.76 Lakhs) is included in current maturities of long-term borrowings. It is secured by way of movable and immovable properties of the Company.

As per Ind AS 109, Sales Tax Deferment loan results into an interest-free loan from the government. Accordingly, the Company has retrospectively measured the sales tax deferral loan as on transition date by arriving at the present value, which is the discounted amount of the loan computed using the market rate of interest for a similar loan for the period for which the entity is not required to deposit the sales tax amount with the government.

15. Provisions

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Provision for employee benefits				
Gratuity (note 33)	309.01	71.50	-	-
Compensated absences	-	-	474.18	503.82
	309.01	**71.50**	**474.18**	**503.82**
Others				
Provision for litigation (refer note 32(d))	4,144.26	3,525.89	-	-
Provision for tax (net of advance tax)	1,381.67	-	-	-
Provision for site restoration expense (refer note 32(e))	1,091.38	1,091.38	-	-
	6,617.31	**4,617.27**	-	-
	6,926.32	**4,688.77**	**474.18**	**503.82**

16. Income tax & deferred tax liability

The major components of income tax expense for the period ended March 31, 2021 and December 31, 2019 are:

Statement of Profit or loss :	**March 31, 2021**	**December 31, 2019**
Current income tax:		
Current income tax charge	5,150.06	2,297.19
Adjustments in respect of current income tax of previous year	-	(38.18)
Relating to origination and reversal of temporary differences	(682.56)	1,043.74
Income tax expense reported in the statement of profit or loss	**4,467.50**	**3,302.75**
Other comprehensive income:		
Deferred tax related to items recognised in OCI during the period:		
Net (gains)/losses on remeasurements of defined benefit plans	(18.23)	(69.40)
Income tax charged to OCI	**(18.23)**	**(69.40)**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for March 31, 2021 and December 31, 2019:	**March 31, 2021**	**December 31, 2019**
Accounting profit before income tax	21,896.53	10,581.32
Total tax charge computed on the basis of the applicable rates	7,651.52	3,697.55
Adjustments in respect of current income tax of previous years	68.25	(38.18)
Deductible expenses for tax purposes	(662.64)	(1,032.43)
Non recognition of DTA due to tax holiday period	-	230.76
Non-deductible expenses for tax purposes	142.09	16.72
Corporate social responsibility expenditure	136.28	95.97
Impact of change in tax rate [refer note below (i)]	(2,868.00)	332.36
At the effective income tax rate of 20.40% (December 31, 2019: 31.21%)	**4,467.50**	**3,302.75**
Income tax expense reported in the statement of profit and loss	**4,467.50**	**3,302.75**

Company is entitled to avail exemption under section 80IA of the Income Tax Act, 1961 from income tax on profits of business.

(i) 'The Government of India on 20 September, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is continuing to provide for income tax at the old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed the net deferred tax liability INR 2,868.00 lakhs during the period ended 31 March 2021.

Deferred tax liabilities (net)

	March 31, 2021	**December 31, 2019**
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	19,350.44	27,552.90
Gross deferred tax liability	**19,350.44**	**27,552.90**
Deferred tax asset		
Unused tax credits (MAT credit entitlement) - (refer note (i) below)	804.88	7,992.16
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	561.86	572.53
Provision for doubtful debts and advances	160.60	201.74
Provision for employee related liabilities	334.83	597.41
Gross deferred tax asset	**1,862.17**	**9,363.84**
Net deferred tax liability	**17,488.27**	**18,189.06**

(i) MAT credits are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow all or part of MAT credit to be utilised during this specified period, i.e. the period for which MAT credit is allowed to be carried forward.

The Company reviews MAT credit entitlement at each reporting date and in the current year the Company based on future profit and tax projections believes that sufficient taxable profits will be generated to utilize the full MAT credit.

17. Other non-current liabilities

	March 31, 2021	**December 31, 2019**
Income received in advance	586.24	627.52
	586.24	**627.52**

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

18. Trade payables

	March 31, 2021	December 31, 2019
Due to micro and small enterprises*	137.52	30.24
-Total outstanding dues of micro enterprises and small enterprises (refe note 41)	27,535.12	29,048.17
	27,672.64	**29,078.41**
Trade Payables		
- To related parties (refer note 31)	1,028.18	4,337.83
- To others	26,506.94	24,740.58
	27,535.12	**29,078.41**

19. Other financial liabilities

	March 31, 2021	December 31, 2019
Current maturities of long-term borrowings (refer note 14)	26,613.37	2,795.91
Interest accrued but not due on borrowings (refer note 31)	416.88	1,892.87
Interest accrued but not due on deposits	0.56	371.94
Dealer deposits	10,018.61	9,617.23
Capital creditors	2,085.70	17.32
Employee related liabilities	802.00	1,616.95
Lease liabilities	987.35	-
Derivative liability	12.62	-
	40,937.09	**16,312.22**

20. Other liabilities

	March 31, 2021	December 31, 2019
Contract liability		
Advance from customer	2,527.34	2,450.68
Income received in advance	33.03	33.03
Statutory liabilities	3,897.88	5,548.33
	6,458.25	**8,032.04**

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

21. Revenue from contract with customers

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Sale of products		
Cement	217,755.64	181,139.06
Clinker	9,482.52	9,238.53
Others	4.79	57.09
	227,242.95	**190,434.68**
Other operating revenue		
Scrap sales	452.09	494.32
Revenue from disposal of hazardous waste	344.67	262.75
Government grant- SGST incentive (refer note 34)	2,603.31	705.81
Sale of electricity	-	26.78
	230,643.02	**191,924.34**

21.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contract with customers:	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
India	230,643.02	191,153.92
Outside India	-	770.42
Total Revenue from contract with customers	**230,643.02**	**191,924.34**

21.2 Contract Balances

Trade receivables (refer Note 10)	7,729.96	9,328.35
Contract liabilities (refer Note 20)	2,527.34	2,450.68

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days

21.3 The performance obligation is satisfied upon supply of goods as and when delivered and accordingly, there is no outstanding performance obligation as on 31 March 2021.

22. Other income

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Interest income		
On bank deposits	1,031.72	518.01
On inter-corporate loan@	1,154.40	294.28
Others	364.77	146.13
Provision no longer required written back	801.26	633.19
Rental income	57.41	45.93
Miscellaneous income#	210.24	1,078.85
	3,619.80	**2,716.39**

(@ Interest income on inter-corporate loan include interest income of INR 641.19 lakhs (31 December 2019: Interest expenses of INR 301.96 Lakhs) as per Ind AS 109)
Miscellaneous income include claim from insurance company amounting INR Nil (31 December 2019: INR 991.69 lakhs).

23. Cost of raw material and packing material consumed

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Inventory of materials at the beginning of the period/year	1,192.54	3,096.84
Add: Purchases during the period/year	38,608.06	31,037.87
Less: Inventory of materials at the end of the period/year	1,804.56	1,192.54
	37,996.04	**32,942.17**

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

24. Change in inventories of finished goods and work-in-progress

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Opening stock		
Finished goods	1,447.45	2,149.50
Work-in-progress	3,091.75	4,240.64
	4,539.20	**6,390.14**
Less: closing stock		
Finished goods	1,217.90	1,447.45
Work-in-progress	1,470.48	3,091.75
	2,688.38	**4,539.20**
	1,850.82	**1,850.94**

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

25. Employee benefits expense

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Salaries, wages and bonus	9,459.26	7,740.63
Gratuity expense (refer note 33)	192.82	99.17
Contribution to provident fund and other funds	548.98	433.33
Staff welfare expenses	184.78	119.50
	10,385.84	**8,392.63**

26. Finance costs

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Interest expense		
On term loans and cash credit from banks	73.94	377.59
On long term borrowings from related party (refer note 31)	4,981.64	4,350.00
On lease liabilities	276.59	-
On others#	1,390.86	1,261.20
Bank charges	66.65	73.79
	6,789.68	**6,062.58**

(# Interest on others for the period ended March 31, 2021 include INR 1,033.13 lakhs (December 31 2019: INR 839.08 Lakhs) represents interest expenses on sales tax deferral loan as per Ind AS 109)

27. Depreciation and amortisation

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Depreciation of property, plant and equipment (refer note 3)	13,867.22	11,695.12
Depreciation on Right-of-use-asset (refer note 45)	1,435.54	-
Amortisation of intangible assets (refer note 4)	23.32	39.62
	15,326.08	**11,734.74**

28. Other expenses

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Power and fuel	62,367.16	56,578.83
Freight outward	49,285.54	41,502.11
Consumption of stores, loose tools and spare parts	8,048.03	5,729.70
Rent	14.66	1,069.46
Rates and taxes	505.41	853.90
Legal and professional	543.66	423.40
Payment to auditor [Refer note (i) below]	35.09	38.13
Repairs and maintenance:		
- plant and machinery	4,607.10	3,823.73
- buildings	150.06	126.96
- others	166.46	232.42
License fee (refer note 31)	2,765.42	2,222.40
Provision for bad and doubtful debts, net	44.16	257.61
Sundry balances written off (gross)	31.32	235.21
Selling and distribution expenses	3,292.04	3,105.21
Sales commission	1,310.95	1,329.19
Advertisement and sales promotion	689.78	1,509.14
Corporate social responsibility (refer note 35)	389.99	274.64
Loss on sale of property, plant and equipment	199.36	64.68
Insurance	856.44	571.08
Traveling and conveyance	671.36	681.82
IT and business support charges	1,557.09	606.13
Communication	125.14	127.54
Foreign exchange loss, net	354.35	22.91
Miscellaneous expenses	2,007.26	1,690.15
	140,017.83	**123,076.35**

(i) Payment to auditor	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
As statutory auditor (excluding goods and services tax)	35.00	36.26
Reimbursement of expenses (excluding goods and services tax)	0.09	1.87
	35.09	**38.13**

29. Earnings per share (EPS)
The following reflects the profit and share data used in the basic and diluted EPS computations

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Profit after tax available to equity shareholders	17,429.03	7,278.57
Net profit for calculation of basic/Diluted EPS	**17,429.03**	**7,278.57**
Weighted average number of equity shares in calculating Basic/Diluted EPS (in lakhs	2,749.61	2,749.61
Basic and diluted EPS (in INR)	**6.34**	**2.65**

30. 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 estimating 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 has 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) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 33.

(iii) 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 37 of the financials.

(iv) Mines reclamation expenses:

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

(v) 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.

(vi) 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.

(vii) Provision for inventories

Management reviews the aged inventory on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management believes that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

(viii) Leases - estimating the incremental borrowing rate

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

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.

(Presented in INR Lakhs except share data and EPS)

31. Related party disclosures

a. Names of related parties and related party relationship
Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate holding Company	HeidelbergCement AG
Holding Company	Ciments Français S.A
Subsidiary Companies	Gulbarga Cement Limited

Related parties with whom transactions have taken place during the period/year:

Entities under common control	Singha Cement (Pvt.) Limited (up to April 29, 2019) HeidelbergCement India Limited ("HCIL") Cochin Cements Limited (up to October 31, 2019) HC Trading Malta HC Trading India Limited Ciments Calcia SA HC Asia Pte Ltd

Additional related parties as per the Companies Act, 2013:

Chief Financial Officer	Mr. Vimal Kumar Choudhary
Company Secretary	Mr. L. R. Neelakanta upto March 31, 2021 Mr. Shrinivas Harapanahalli w.e.f April 01, 2021
Key Management Personnel	Mr. Jamshed Naval Cooper, Managing Director Mr. Kevin Gluskie, Non-Executive Director Mr. Juan-Francisco Defalque, Non-Executive Director Ms. Soek Peng Sim, Non-Executive Director Mr. Sushil Kumar Tiwari, Non-Executive Director

b. Related party transactions
The following table provides the total amount of transactions that have been entered in to with related parties for the relevant periods

i. Transactions during the year:

Name of related party	Nature of transaction	For the 15 months ended March 31, 2021	December 31, 2019
Gulbarga Cement Limited	Interest income on loan (including Ind AS adjustment) (refer note 22)	1,154.40	294.28
Singha Cement (Pvt.) Limited	Sale of Cement	-	259.06
HC Trading Malta	Purchase of Consumables (Petcoke)	4,325.14	6,261.22
	Sale of Clinker	-	511.36
HeidelbergCement AG	Masala bonds repaid	25,000.00	-
	Interest expenses on Masala Bonds (refer note 26)	4,981.64	4,350.00
	IT and other Business support charges	1,557.09	606.13
	Licence fee (refer note 28)	2,765.42	2,222.40
	Service income	40.16	32.06
HeidelbergCement India Limited	Sale of Clinker	3,918.49	3,190.57
	Purchase of materials	169.38	-
	Loan taken from HCIL	15,000.00	-
	Interest expenses on Loan	77.55	-
	Retirement obligation for transferred employees	52.68	-
	Business support charges	823.78	511.36
Cochin Cements Limited	Sale of Clinker	-	406.12
	Tarpaulin charges	-	0.14
Ciments Calcia SA	Liability written back	17.79	-
HC Asia pte Ltd	Expenses incurred by related party on behalf of the Company-Reimbursement of expenses	23.33	-
HC Trading India (P) Limited	Purchase of tangible assets	13.62	-

(Presented in INR Lakhs except share data and EPS)

ii. Balance outstanding at the year end

Nature of transaction	Name of related party	March 31, 2021	December 31, 2019
Trade receivables	HeidelbergCement India Limited	396.73	331.00
	HC Trading Malta	8.86	205.74
Trade payables	Ciments Calcia SA	-	17.79
	HC Trading Malta	-	1,296.28
	Italcementi S.p.A	5.29	4.94
	Ciments Français S.A	-	405.52
	HeidelbergCement India Limited	171.66	111.51
	HeidelbergCement AG	841.60	2,493.61
	HC Trading India (P) Limited	0.87	-
	CTG S.p.A.	8.76	8.18
Interest accrued but not due	HeidelbergCement AG	416.88	1,892.87
Loan payable	HeidelbergCement AG	25,000.00	50,000.00
Loan payable	HeidelbergCement India Limited	15,000.00	-
Inter-corporate loan (Refer Note 6)	Gulbarga Cement Limited	11,042.66	9,930.47

iii. Transactions with key management personnel*

	March 31, 2021	December 31, 2019
Employee benefits	314.13	157.31
Total compensation paid to key management personnel	**314.13**	**157.31**

All the transactions are inclusive of tax and duty, wherever applicable

*As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

** The Company has following transactions and balances with the Transferor Company (refer Note 2- Corporate Information for the definition of Transferor Company). Consequent to the approval of the Scheme of amalgamation, the following inter-company transactions and the corresponding balances have been eliminated against each other.

Transactions during the year	March 31, 2021	December 31, 2019
Purchase of power by the Company	-	15,225.45
Expenses incurred by the Company on behalf of the Transferor Company	-	56.54
Expenses incurred by the Transferor Company on behalf of the Company	-	1,302.04
Balance outstanding at the year end		
Advance to Transferor Company	-	1,604.92

The investment of the Company in the Equity share capital and the Preference share capital of the Transferor Company and the respective Equity share capital and the Borrowing in the books of the Transferor Company have also been eliminated against each other.

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32. Commitments and Contingencies

a) Capital Commitments
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) INR 13,627.80 lakhs (December 31, 2019: INR 18,872.16 lakhs).

b) Other commitments (Leases)
i. Operating lease: Company as lessee (till December 2019)
The Company is obligated under non-cancellable leases for office premises. Total rental expenses under such leases for the year December 31, 2019 amounted to INR 107.59 lakhs). Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2021 (Refer Note 45)	December 31, 2019
Not later than one year	-	101.78
Later than one year but not later than five years	-	429.25
Later than five years	-	2,054.10

The Company has also taken cancellable operating leases for office premises, godowns, residential apartments and guest houses, which are renewable at the option of both the lessor and lessee. Total rental expense under cancellable leases for the year December 31, 2019 amounted to INR 795.21 lakhs.

ii. Operating lease: Company as lessor
The Company has leased out railway sidings under non-cancellable lease. Total rental income under such leases during the year amounted to INR 12.89 lakhs (December 31, 2019: INR 12.89 lakhs). Future minimum lease payments expected to receive under non-cancellable operating leases are as follows:

	March 31, 2021	December 31, 2019
Not later than one year	12.89	12.89
Later than one year but not later than five years	51.57	51.57
Later than five years	180.48	193.37

c) Contingent Liability

	March 31, 2021	December 31, 2019
Sales Tax/Trade Tax/Entry Tax	8,934.82	8,934.82
Excise Duty/Service Tax/CENVAT Credit	6,585.90	6,497.77
Customs duty	942.07	942.07
Income tax matters	16,296.23	14,394.57
Electricity charges	2,152.08	2,921.34
Claims against the company not acknowledged as debt	4,799.88	4,504.09
	39,710.98	**38,194.66**

During the period, the Company has received a demand from The Southern Power Distribution Company of Telangana Limited (TSSPDCL) aggregating INR 6,338 lakhs (including interest of INR 4,832 Lakhs) towards wheeling and transmission charges for FY 2002-03 to FY 2008-09. The Company has challenged the said demand before the Hon'ble High Court of Telangana on the grounds, inter alia, that the charges are to be borne by the power generators based on the contractual obligations with the electricity authorities. The Hon'ble High Court vide order dated August 17, 2020 granted interim relief by suspending the above said demand. The Company has also obtained an opinion from external legal firm who has opined that Company would be able to defend the demand on the above grounds.

The Company had executed agreements with power generators for the supply of power, which stipulates the cost per unit of power includes all charges etc., except with one supplier wherein the wheeling and transmission charges are to be borne by the company. Therefore, a provision was created in the books of accounts for a sum of INR 766.64 lakhs towards the wheeling and transmission charges for the power drawn from that power generator.

d) Provision for litigations

	Balance as at Jan 1, 2020	Additions during the period charged to respective expenses head	Amounts reversed/utilised during the period	Balance as at Mar 31, 2021
Electricity duty and Charges	133.23	766.64	-	899.87
	(133.23)	-	-	*(133.23)*
Sales tax matters	1,894.69	-	148.27	1,746.42
	(1,907.64)	-	*(12.95)*	*(1,894.69)*
Custom duty	1,377.89	-	-	1,377.89
	(1,377.89)	-	-	*(1,377.89)*
Road Tax	94.86	-	-	94.86
	(94.86)	-	-	*(94.86)*
Service tax matters	25.22	-	-	25.22
	-	*(25.22)*	-	*(25.22)*
Total	**3,525.89**	**766.64**	**148.27**	**4,144.26**
	(3,513.62)	**(25.22)**	**(12.95)**	**(3,525.89)**

Note: Figures in brackets are for the previous year

Above provisions have been made against demands raised by various authorities. All these cases are under litigation and are pending with various authorities; expected timing of resulting outflow of economic benefits cannot be specified. Amount deposited under protest against these provisions are shown under other assets (note 7)

(Presented in INR Lakhs except share data and EPS)

e) Movement of provision for site restoration expenses during the period as required by Ind AS 37

	March 31, 2021	December 31, 2019
Opening provision (refer note 15)	1,091.38	1,091.38
Add: Provision made during the period	-	-
Less: Provision utilised during the period	-	-
Closing provision	1,091.38	1,091.38

Site restoration expense is incurred on an ongoing basis and until the closure of mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenses.

33. Gratuity
The Company has two post-employment funded plans, namely Gratuity and Superannuation.

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Act). Under the Act, an 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. Gratuity being administered by a Trust is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet for the Gratuity:

Statement of profit and loss
(i) Net employee benefit expense (recognized in employee cost)

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Current service cost	176.06	120.68
Interest cost on benefit obligation	153.67	(21.51)
Expected return on plan assets	(136.91)	-
Defined benefit cost included in Statement of Profit & Loss	**192.82**	**99.17**
Remeasurement recognised in other comprehensive income		
- changes in demographic assumptions	(15.55)	-
- changes in financial assumptions	22.53	177.03
- change in experience adjustments	29.35	35.02
- return on plan asset (excluding interest income)	15.85	(13.44)
Amount recognised in OCI	**52.18**	**198.61**

Balance Sheet

(ii) Reconciliation of the net defined benefit (asset)/ liability
The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation **Particulars**	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Balance at the beginning of the year	1,956.41	1,666.29
Current service cost	176.06	120.68
Interest cost on benefit obligation	153.67	130.66
Other significant events		
- Increase/(decrease) due to effect of any business combinations/divestitures/transfers	45.32	13.09
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(15.55)	-
- changes in financial assumptions	22.53	177.03
- experience adjustments	29.35	35.04
Benefit paid	(233.13)	(186.38)
Balance at the end of the year	**2,134.66**	**1,956.41**

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

Reconciliation of the present value of plan assets

Particulars	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Balance at the beginning of the year	1,884.91	1,880.53
Interest income	136.91	152.16
Contribution by employer	52.81	25.16
Return on plan assets recognised in other comprehensive income	(15.85)	13.44
Benefits paid	(233.13)	(186.38)
Balance at the end of the year	**1,825.65**	**1,884.91**

Details of provision for gratuity

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Present value of defined benefit obligation	2,134.66	1,956.41
Present value of plan assets	1,825.65	1,884.91
Net defined benefit liability/(assets)	**309.01**	**71.50**

(iii) Defined benefit obligation
- Actuarial assumptions
The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Discount rate	6.40%	6.60%
Salary increase rate	7.50%	7.50%
Mortality table	Indian Assured Lives Mortality (IALM) (2006-2008) (modified) Ult.	Indian Assured Lives Mortality (IALM) (2006-2008) (modified) Ult.
Withdrawl	5.00%	5.00%
Retirement age	Up to DGM- 58 years GM and above 60 years	60 years

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

Assumptions regarding future mortality are based on published statistics and mortality tables.

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

	Sensitivity level		Impact on DBO	
Gratuity Plan	**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**	**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**
Assumptions				
Discount rate	-0.50%	-1.00%	58.48	137.16
	0.50%	1.00%	(55.47)	(122.63)
Salary increase rate	-0.50%	-1.00%	(50.43)	(114.23)
	0.50%	1.00%	52.62	125.07

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

(iv) Plan assets
The principal plan assets consists of a scheme of insurance taken by the Trust, which is a qualifying insurance poliy. As at March 31, 2021 and December 31, 2019, 100% of the plan assets were vested in investment with insurance company.

The following payments are expected contributions to the defined benefit plan in future years:

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Within the next 12 months (next annual reporting period)	355.05	123.36
Between 2 and 5 years	1,154.44	1,006.22
Beyond 5 years	1,318.46	1,585.00

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (December 31, 2019: 7 years).

B. Superannuation Fund
Retirement benefits in the form of Superannuation Fund (being administered by Trust) are funded defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable. The contributions for the year ended March 31, 2021 is INR 87.67 lakhs and for the year ended December 31, 2019 is INR 70.17 lakhs.

34. Sales tax incentive

The Company is entitled to benefits under Package Scheme of Incentives - 2007 as notified by Government of Maharashtra for the Manufacturing set up for cement production facility at Solapur, Maharashtra w.e.f. September 1, 2015. Under the said policy, the Company is entitled for refund of Value Added Tax (which is now subsumed on GST) , exemption from electricity duty and waiver of stamp duty for a period of seven (7) years. Accordingly, for the period ended March 31, 2021, the Company has recognised INR 2603.31 lakhs (December 31, 2019: INR 705.81 lakhs) as income and disclosed under "Other operating revenue".

35. Corporate social responsibility (CSR):

Details of CSR spent during the financial year:

Particulars		**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**
(a) Gross amount required to be spent by the Company during the year		261.48	255.84
(b) Amount spent during the period ended March 31, 2021	**In cash**	**Yet to be paid**	**Total**
(i) Construction/ acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	389.99	-	389.99
Total	**389.99**	**-**	**389.99**
(c) Amount spent during the year ended December 31, 2019	**In cash**	**Yet to be paid**	**Total**
(i) Construction/ acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	274.64	-	274.64
Total	**274.64**	**-**	**274.64**

36. Dividend paid and proposed:

	For the 15 months ended March 31, 2021	**For the year ended December 31, 2019**
Dividend declared and paid during the year:		
Final dividend for the year ended on 31 December 2019: Nil (31 December 2018: Rs 2.00 per share)	-	5,499.23
Corporate Dividend Tax on Final Dividend	-	1,130.38
Interim Dividend for the year ended on 31 December 2019: Rs 2.5 per share	6,874.04	-
	6,874.04	**6,629.61**
Proposed Dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2021: INR 2 per share (31 December 2019: Nil)	5,499.23	-
	5,499.23	**-**

Dividend Distribution Tax is abolished with effect from April 01, 2020.

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2021.

37. 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	
	March 31, 2021	**December 31, 2019**	**March 31, 2021**	**December 31, 2019**
Financial assets				
Investment	21.70	21.70	21.70	21.70
Loans and advances	14,166.05	13,097.11	14,166.05	13,097.11
Other financial assets	40,617.41	46,256.02	40,617.41	46,256.02
Financial liabilities				
Borrowings	21,304.09	58,246.12	21,304.09	58,246.12
Other financial liability	39,949.74	16,312.22	39,949.74	16,312.22
Lease liabilities	2,152.49	-	2,152.49	-

The management assessed that cash and cash equivalents, trade receivable, trade 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.

38. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021 and December 31, 2019:

Assets measured at fair value:			**Fair value measurement using**		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
FVTPL financial investments					
Unquoted instruments	March 31, 2021	21.70	-	-	21.70
	December 31, 2019	21.70	-	-	21.70

The fair value of unquoted instruments is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

39. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of trade payables, 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, receivables and cash and cash equivalents which are part of the Company's operations.

The Company is exposed to market risk, liquidity risk, and credit risk. The policies and procedures considered by Company's senior management to oversee the management of these risks has 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 three types of market risk: foreign currency risk, interest rate risk and and other price risk, such as commodity 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). As on March 31, 2021 and December 31, 2019, the Company has following foreign currency exposures:

Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

		March 31, 2021		December 31, 2019	
	Currency	**in foreign currency (in lakhs)**	**Amount in INR (in lakhs)**	**in foreign currency (in lakhs)**	**Amount in INR (in lakhs)**
Forward exchanged contracts (to hedge trade payables)	USD	44.71	3,296.26	-	-
		44.71	**3,296.26**	**-**	**-**

Zuari Cement Limited
Notes to standalone financial statements for the period ended March 31, 2021
b. Particulars of unhedged foreign currency exposure as at the reporting date

	Currency	March 31, 2021 in foreign currency (in lakhs)	March 31, 2021 Amount in INR (in lakhs)	December 31, 2019 in foreign currency (in lakhs)	December 31, 2019 Amount in INR (in lakhs)
Trade payables	EUR	0.05	4.39	3.66	292.82
	USD	0.29	21.50	0.25	17.82
			25.89		**310.64**
Advance to supplier	EUR	0.22	19.24	0.04	2.95
	CHF	-	-	0.20	14.41
			19.24		**17.36**
Due to related parties	EUR	0.51	43.56	37.21	2,979.61
	USD	0.12	8.86	18.15	1,296.28
			52.42		**4,275.89**

*USD – US Dollar, EUR – Euro, CHF - Swiss Franc

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

5% increase in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2021	December 31, 2019
EUR	(1.42)	(164.41)
USD	(1.50)	(65.33)
CHF	-	0.73

Note: If the rate is decreased by 500 bps, profit will increase by an equal amount for March 31, 2021 and December 31, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to maintain most of its borrowings at fixed rate. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

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 liabilities at the end of the reporting period based on contractual undiscounted payments.

As at March 31, 2021	**<1 year**	**1-5 years**	**>5 years**	**Total**
Financial Liabilities				
Borrowings*	26,613.37	22,475.10	1,867.20	50,955.67
Trade payables**	27,672.64	-	-	27,672.64
Other financial liabilities	13,336.37	-	-	13,336.37
Lease liabilities	987.35	1,165.14	-	2,152.49

As at December 31, 2019	**<1 year**	**1-5 years**	**>5 years**	**Total**
Financial Liabilities				
Borrowings*	2,795.91	56,242.60	6,074.86	65,113.37
Trade payables**	29,078.41	-	-	29,078.41
Other financial liabilities	13,516.31	-	-	13,516.31

* Borrowings are shown without Ind AS adjustment.

** Trade payables are repayable on demand

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 operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

Zuari Cement Limited
Notes to standalone financial statements for the period ended March 31, 2021

Trade receivables
Customer credit risk is managed in line with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed through internal evaluation which takes into account the financial parameters, past experience with the counterparty and current economic/market trends. Individual credit limits are thus defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by advances, security deposits, bank guarantees etc. Trade receivables are consisting of a large number of customers. The Company does not have higher concentration of credit risks to a single customer.

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.

40. 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.

	March 31, 2021	December 31, 2019
Borrowings	21,304.09	58,246.12
Current maturities of long term borrowings	26,613.37	2,795.91
Less: Cash and cash equivalents	(27,503.32)	(32,109.19)
Net debt	**20,414.14**	**28,932.84**
Equity attributable to equity share holder	155,976.05	145,455.01
Capital and debt	176,390.19	174,387.85
Gearing ratio	11.57%	16.59%

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 period.

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

S.N	Particulars	March 31, 2021	December 31, 2019
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	-Principal amount due to micro and small enterprises (Not overdue)	137.52	30.24
	-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.	-	-

42. Segment reporting
The Company is predominantly engaged in the business of manufacturing and sale of cement, which constitutes a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market in India, which the management views as a single segment. The management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations in India and all the non-current assets of the Company are located in India.

43. Transfer pricing
The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is in the process of updating the transfer pricing documentation for the financial year 2020 - 2021 and is of the view that its transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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

Zuari Cement Limited

Notes to standalone financial statements for the period ended March 31, 2021

(Presented in INR Lakhs except share data and EPS)

45 Leases

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

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right of Use of assets

Particulars	**Land & Buildings**	**Furniture & Fixture**	**Vehicles**	**Total**
Initial recognition as at 1 January 2020	**6,310.37**	**70.71**	**703.29**	**7,084.37**
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	**6,310.37**	**70.71**	**703.29**	**7,084.37**
Depreciation/ Amortization				
At 1 January 2020	-	-	-	-
Depreciation Expenses	1,005.78	44.20	385.56	**1,435.54**
Disposals	-	-	-	-
At 31 March 2021	**1,005.78**	**44.20**	**385.56**	**1,435.54**
Net book value				
At 31 March 2021	**5,304.59**	**26.51**	**317.73**	**5,648.83**

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

Lease Liability

Particulars	**March 31, 2021**
Initial recognition as at 1 January 2020	**3,117.94**
Additions	-
Accretion of interest	276.59
Payment of interest	(276.59)
Payment of principal	(965.45)
At 31 March 2021	**2,152.49**
Current	987.35
Non-Current	1,165.14

The maturity analysis of lease liabilities are disclosed in Note 39B.

The effective interest rate for lease liabilities is in the range of 6.23% to 8.88%, with maturity between 2021-43.

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

Particulars	**March 31, 2021**
Depreciation expense of right-of-use assets	1,435.54
Interest expense on lease liabilities	276.59
Expense relating to short-term leases (included in other expenses)	14.66
Total amount recognised in statement of profit or loss	**1,726.79**

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

46. Capital work in progress includes an amount INR 6,004.21 Lakhs (previous year Nil) towards setting up of Waste Heat Recovery (WHR) Power Plant at its clinkerisation unit at Yeraguntla plant, Andhra Pradesh, adjacent to the Kilns to generate power from waste heat. The same is being setup as a separate unit for generation of approximately 21 MW of power. The Company intends to utilize the energy generated by WHR for captive consumption. The Company has placed orders for new equipments and the work for civil construction & equipment erection is in progress. The plant is expected to be commissioned during financial year 2022-23.

During the period, the Company has capitalized the following expenses of revenue nature to the cost of fixed assets/Capital work in progress which are incurred during construction period on substantial expansion of existing units/new projects/intangible assets of the Company. Consequently, expenses disclosed under the respective notes are net of amount capitalised by the company

Particulars	**Opening 01.01.2020**	**Additions during the period**	**Capitalised during the period**	**Closing Balance as at 31.03.2021**
Salary, Wages, Bonus and Allowances	-	58.10	-	58.10
Stores and Spares Parts	-	18.00	-	18.00
Rent	-	12.60	-	12.60
Insurance	-	46.30	-	46.30
Legal & Professional expenses (including Retainers fees	-	114.90	-	114.90
Interest on loan	-	77.60	-	77.60
Miscellaneous Expenses	-	88.50	-	88.50
Other expenses	-	6.10	-	6.10
Total	**-**	**422.10**	**-**	**422.10**

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

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Cement Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Zuari Cement Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the period then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

Basis for Opinion

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

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Group Companies incorporated in India and taken on record by the respective Board of Directors of such Group Company as on March 31, 2021, none of the directors of the Group's companies, are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

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

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 32 (c) and (d) to the consolidated Ind AS financial statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the period ended March 31, 2021;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the period ended March 31, 2021.

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

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 21104315AAAABO2516
Place of Signature: Bengaluru
Date: July 22, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS financial statements of Zuari Cement Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Zuari Cement Limited (hereinafter referred to as the "Holding Company") as of and for the period ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 21104315AAAABO2516
Place of Signature: Bengaluru
Date: July 22, 2021

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

Particulars	Notes	March 31, 2021	December 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	166,941.55	179,440.28
Capital work-in-progress	3	51,200.14	19,199.07
Right-of-use-asset	45	5,655.59	-
Goodwill	4	4,216.28	4,216.28
Intangible assets	4	335.83	428.52
Financial assets			
Investments	5	21.70	21.70
Loans	6	3,001.88	3,054.97
Other financial assets	7	5,262.75	3,861.96
Other non-current assets	8	12,054.71	36,888.30
		248,690.43	**247,111.08**
Current assets			
Inventories	9	15,236.26	14,066.72
Financial assets			
Trade receivables	10	7,729.96	9,328.35
Cash and cash equivalents	11	27,512.18	32,557.95
Other bank balances		-	769.04
Loans	6	406.31	396.47
Other financial assets	7	121.38	189.91
Other current assets	8	4,663.08	3,607.69
		55,669.17	**60,916.13**
Total assets		**304,359.60**	**308,027.21**
Equity and liabilities			
Equity			
Equity share capital	12	27,496.14	27,496.14
Other equity	13		
Equity attributable to owners of the Company		128,698.74	118,527.47
Non-controlling interests		24,816.46	26,097.36
		181,011.34	**172,120.97**
Non-current liabilities			
Financial liabilities			
Borrowings	14	21,304.09	58,246.12
Provisions	15	6,965.39	4,881.91
Lease Liability	45	1,165.14	-
Deferred tax liabilities (net)	16	17,488.27	18,189.06
Other non- current liabilities	17	586.24	627.52
		47,509.13	**81,944.61**
Current liabilities			
Financial liabilities			
Trade payables	18		
-Total outstanding dues of micro enterprises and small enterprises		137.52	30.24
-Total outstanding dues of creditors other than micro enterprises and small enterprises		27,819.04	29,077.64
Other financial liabilities	19	40,944.81	16,312.22
Provisions	15	475.13	504.65
Other liabilities	20	6,462.63	8,036.88
		75,839.13	**53,961.63**
Total liabilities		**123,348.26**	**135,906.24**
Total equity and liabilities		**304,359.60**	**308,027.21**
Summary of significant accounting policies	2		

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

Particulars	Notes	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Income			
Revenue from contract with customers	21	230,643.02	191,924.34
Other income	22	2,477.67	2,453.11
Total Income (I)		**233,120.69**	**194,377.45**
Expenses			
Cost of raw material and packing material consumed	23	37,996.04	32,942.17
Change in inventories of traded goods, finished goods and work-in-progress	24	1,803.88	1,850.94
Employee benefits expense	25	10,433.75	8,422.65
Finance costs	26	6,791.03	6,062.60
Depreciation and amortisation	27	15,411.37	11,796.47
Other expenses	28	140,418.76	123,163.69
Total Expense (II)		**212,854.83**	**184,238.52**
Profit before tax (I) - (II)		**20,265.86**	**10,138.93**
Tax expense			
Current tax	16	5,150.06	2,297.19
Deferred tax charge/(credit)	16	(682.56)	1,043.74
Adjustment of tax relating to earlier years		-	151.24
Total tax expense		**4,467.50**	**3,492.17**
Profit after tax for the period		**15,798.36**	**6,646.76**
Profit/(Loss) attributable to non controlling interest (NCI		**(1,280.90)**	**(496.28)**
Profit attributable to owners of the parent (III)		**17,079.26**	**7,143.04**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement losses of net defined benefit plans		(52.18)	(198.61)
Income tax effect		18.23	69.40
Other comprehensive losses for the period/year, net of tax (IV)		**(33.95)**	**(129.21)**
Total comprehensive income for the period/year, net of tax (III) + (IV)		**17,045.31**	**7,013.83**
Earnings per share [nominal value of share INR 10 (December 31, 2019: INR 10)]	29		
Basic		6.21	2.60
Diluted		6.21	2.60
Summary of significant accounting policies	2		

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	**Number**	**Amount**
At January 1, 2019	274,961,400	27,496.14
Increase/(decrease) during the year	-	-
At December 31, 2019	274,961,400	27,496.14
Increase/(decrease) during the period	-	-
At March 31, 2021	**274,961,400**	**27,496.14**

b. Other equity:
For the year ended March 31, 2021

Particulars	**Attributable to the equity holders**			**Attributable to NCI**	**Total**
	Securities premium account	**Retained earnings**	**Items of OCI**		
At January 1, 2020	**37,201.93**	**81,375.64**	**(50.10)**	**26,097.36**	**144,624.83**
Profit for the period	-	17,079.26	-	(1,280.90)	15,798.36
Dividend on equity and tax thereon (Note 13)	-	(6,874.04)	-	-	(6,874.04)
Other comprehensive loss (Note 13)	-	-	(33.95)	-	(33.95)
At March 31, 2021	**37,201.93**	**91,580.86**	**(84.05)**	**24,816.46**	**153,515.20**

For the year ended December 31, 2019

Particulars	**Attributable to the equity holders**			**Attributable to NCI (Note 13)**	**Total**
	Securities premium account	**Retained earnings**	**Items of OCI**		
At January 1, 2019	**37,201.93**	**80,862.21**	79.11	26,593.64	**144,736.89**
Profit for the year	-	7,143.04	-	(496.28)	6,646.76
Dividend on equity and tax thereon (Note 13)	-	(6,629.61)	-	-	(6,629.61)
Other comprehensive loss (Note 13)	-	-	(129.21)	-	(129.21)
At December 31, 2019	**37,201.93**	**81,375.64**	**(50.10)**	**26,097.36**	**144,624.83**

Summary of significant accounting policies **2**

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

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

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Cash flow from operating activities		
Profit before tax	20,265.86	10,138.93
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	15,411.37	11,796.47
Interest income	(1,408.76)	(695.14)
Interest expense	6,724.33	5,988.79
Loss on sale of property, plant and equipment net	199.36	64.68
Upfront processing fees amortization for term loan	-	22.03
Provision for bad and doubtful debts, net	44.16	257.61
Sundry balances written off	31.32	235.21
Unrealised foreign exchange differences (gain)/loss	0.03	32.01
Provision no longer required written back	(801.26)	(633.19)
Operating profit before working capital changes	**40,466.41**	**27,207.40**
Movements in working capital:		
Increase / (decrease) in trade payables	(350.09)	(16,818.67)
Increase / (decrease) in long-term provisions	804.96	(111.11)
Increase / (decrease) in short-term provisions	(29.52)	75.97
Increase / (decrease) in other long-term liabilities	(41.28)	(33.03)
Increase / (decrease) in other financial liabilities	(400.95)	2,133.87
Increase / (decrease) in other short term liabilities	(1,574.25)	2,679.99
Decrease / (increase) in trade receivables	1,554.23	791.37
Decrease / (increase) in inventories	(1,169.54)	10,464.29
Decrease / (increase) in long-term loans	53.09	(102.53)
Decrease / (increase) in short-term loan	(9.84)	89.93
Decrease / (increase) in other financial assets	(1,401.35)	1,654.12
Decrease / (increase) in other non-current assets	(1,020.74)	143.39
Decrease / (increase) in other current assets	(1,086.71)	2,050.34
Cash generated from operations	**35,794.42**	**30,225.33**
Income taxes paid (net of refunds)	(4,660.85)	(2,574.19)
Net cash flow from operating activities (A)	**31,133.57**	**27,651.14**
Cash flows from investing activities		
Purchase of Property, plant and equipment including capital work-in-progress and capital advances	(8,880.21)	(2,271.23)
Proceeds from sale of Property, plant and equipment	0.06	8.24
Redemption/ maturity of bank deposits (having original maturity of more than twelve months)	769.60	(115.07)
Interest received	1,477.29	980.93
Net cash used in investing activities (B)	**(6,633.26)**	**(1,397.13)**
Cash flows from financing activities		
Proceeds from long-term borrowings	15,000.00	-
Repayment of long-term borrowings	(29,157.70)	(3,792.11)
Payment of principal portion of lease liabilities (refer note 45)	(975.77)	-
Dividend and Tax Paid thereon	(6,874.04)	(6,629.61)
Interest paid	(7,538.57)	(5,105.87)
Net cash used in financing activities (C)	**(29,546.08)**	**(15,527.59)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(5,045.77)	10,726.42
Cash and cash equivalents at the beginning of the period	32,557.95	21,831.53
Cash and cash equivalents at the end of the period	**27,512.18**	**32,557.95**
Components of cash and cash equivalents		
Cash on hand	0.14	1.58
Balance with banks:		
- On current accounts	990.61	4,148.37
- Deposits with original maturity of less than three months	26,521.43	28,408.00
Total cash and cash equivalents (note 11)	**27,512.18**	**32,557.95**

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

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019

Explanatory notes to statement of cash flows
1. Changes in liabilities arising from financing activities:

	Liability arising from financing activities	
	Lease Liabilities (refer note 45)	**Non-Current Borrowing (including current maturities)**
As at 1 January 2020	**3,135.98**	**61,042.03**
Additions	-	15,000.00
Accretion of interest	277.88	1,033.13
Payment of interest	(277.88)	-
Payment of principal	(975.77)	(29,157.70)
At 31 March 2021	**2,160.21**	**47,917.46**
As at 1 January 2019	-	63,973.03
Additions	-	-
Accretion of interest	-	861.11
Payments	-	(3,792.11)
At 31 December 2019	-	**61,042.03**

Summary of significant accounting policies **2**
The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

Zuari Cement Limited
Notes to consolidated financial statements for the period ended March 31, 2021
All amounts are in Rupees Lakhs, unless otherwise stated

1. Corporate Information

Zuari Cement Limited (hereinafter referred to as “ZCL” or “the Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) are engaged in the manufacturing of Portland cement, generation and sale of electricity. The Company was a joint venture between Zuari Global Limited (‘ZGL’) and Ciments Français S.A. (‘CF’, part of the Italcementi Group) up to May 31, 2006. Pursuant to CF’s acquisition of 50% stake held by ZGL, the Company became a wholly owned subsidiary of CF (‘the Holding Company’), effective May 31, 2006. The Ultimate Holding Company upto June 30, 2016 was Italcementi S.p.A (‘the Ultimate Holding Company’).

HeidelbergCement AG has completed the acquisition of Italcementi S.p.A from Italmobiliare. Accordingly, HeidelbergCement AG has become the ultimate holding Company w.e.f. July 1, 2016.

On July 26, 2018, the Board of Directors of the Company had approved the Scheme of Amalgamation (‘Scheme’) between Sitapuram Power Limited (‘SPL’ or ‘Transferor Company’) and the Company, wherein, the Transferor Company is a wholly owned subsidiary of the Company. The Scheme was approved by National Company Law Tribunal, Hyderabad, and National Company Law Tribunal, Amravati, (together ‘Tribunals’), vide their Orders dated March 19, 2020 and May 04, 2020, respectively. Pursuant to the approval of Scheme by the Tribunals, the entire business and undertaking comprising of all assets and liabilities of Transferor Company is transferred to the Company, on a going concern basis.

As the Company and the Transferor Company are companies under common control, the comparative financial information of the Company, is restated, as if the business combination had occurred from the beginning of the preceding period. Further, the assets and liabilities including reserves of the Transferor Company were recorded by the Company at their existing carrying values as on January 1, 2018.

1.1. Investment in subsidiaries

Following table indicates the list of subsidiaries, country of incorporation and proportion of shareholding:

Name of the entities	Country of incorporation	Percentage of ownership interest	
Subsidiaries		**March 31, 2021**	**December 31, 2019**
Gulbarga Cement Limited (GCL)*	India	21.45%	21.45%

*The Company controls the composition of the Board of Directors of this subsidiary. The Company vide a letter dated March 23, 2015 received from Ciments Français S.A. and as per the Article of Association has right to appoint all Directors on the Board of the Company. Hence on account of control over composition of the Board, the Company is the holding company of Gulbarga Cement Limited under Section 2(87) of the Companies Act 2013 and Indian Accounting Standard (Ind AS) 110 - "Consolidated financial statements".

The Consolidated financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on July 22, 2021.

2. Significant accounting policies

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

2.1 Basis of preparation

These Consolidated financial statements have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (“the Act’’), read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

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

The Consolidated 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 Consolidated financial statements are presented in Rupees Lakhs, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on December 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
(a) Derecognises the assets (including goodwill) and liabilities of the subsidiary
(b) Derecognises the carrying amount of any non-controlling interests
(c) Derecognises the cumulative translation differences recorded in equity
(d) Recognises the fair value of the consideration received
(e) Recognises the fair value of any investment retained
(f) Recognises any surplus or deficit in profit or loss
(g) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a. Change in Accounting policy

New and amended standards
Ind AS 116 Leases

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

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

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

This has resulted in recognizing a right of use assets at an amount equal to the lease liability on transition date. In the Statement of profit and loss for the year, operating lease expenses has been changed from Rent (included in other expenses) to depreciation cost for right of use assets and finance cost for interest accrued on lease liability (refer note 45)

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

b. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

(a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
(b) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
(c) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
(d) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination of entities under common control

Business combinations involving entities that are controlled by the ompany or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

The assets and liabilities of the combining entities are reflected at their carrying amounts.
No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.
The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to goodwill in accordance with Ind AS Transition Facilitation Group (ITFG) clarification Bulletin 9.

As provided in the Scheme, the assets and liabilities including reserves of Transferor Companies as on the Appointed Date were recorded by the Company at their existing carrying values and the amalgamation was accounted for in accordance with Indian Accounting Standard (Ind AS) 103, 'Business Combinations of entities under Common Control - Appendix C' under Pooling of Interest method for the year 2019 as notified under section 133 of the Companies Act, 2013 and as per ITFG-9.

c. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group 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 Group has identified twelve months as its operating cycle.

d. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent 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).

e. Fair Value Measurement

The Group 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 Group.

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 Group 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 Consolidated 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 Consolidated financial statements on a recurring basis, the Group 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 Group 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.

f. Revenue Recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of the Company's core products Cement is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice.

Sale of electricity

Sale of energy is recognized on accrual basis in accordance with the relevant agreements. Revenue in excess of billing, if any, is disclosed as unbilled revenue.

Contract Balances

Trade receivables
A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a company's right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract liabilities
Contract liabilities, which is a company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no.20. Contract liabilities are recognized as revenue when the company performs under the contract.

Rendering of services Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

g. 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 Group operates and generates taxable income.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

h. Property, plant and equipment ('PPE')

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 Group 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 Group 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 asset as follows:

Asset category	Useful lives estimated by the management (years)
Buildings	10-60
Plant and machinery	2-50
Railway sidings	15
Furniture and fittings	1.5-10
Motor vehicles	8-10
Office equipment	3 – 25
Computer hardware	3 – 6

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 believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non mining land is not depreciated.

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 income statement 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.

i. 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 amortization 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.

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

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

Asset category	Useful lives estimated by the management (years)
Computer Software	5

Mining license is amortized over the period of lease.

j. Borrowing Cost

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

k. Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants in the nature of Sale tax incentive are recognised in the Statement of Profit and Loss in the period in which they become receivable.

l. Inventories

Raw materials, packing materials, coal and fuel, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, coal and fuel, stores and spares is determined on a weighted average basis and includes cost incurred in bringing the material to its present location and condition. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

m. Leases

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

Company as a Lessee (up to December 2019)

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

Company as a lessee (1 January 2020 onwards)

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

i) Right-of-use assets

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

Land and Building	4 months to 24 years
Furniture and Fixtures	1 year to 4 years
Motor vehicles and other equipment	2 years

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

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

ii) Lease Liabilities

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

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

The Company’s lease liabilities are included in Interest-bearing loans and borrowings (refer note 45).

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.

n. Impairment of non-financial assets

The Group 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 Group 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, including impairment on inventories, 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 Group 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 as at 31 December and when circumstances indicate that the carrying value may be impaired.

o. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of the past event and 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.

Provision for mine reclamation expenses

The Group provides for the estimated expenses to reclaim the quarries used for mining. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Site restoration expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. 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.

Superannuation Fund (being administered by Trusts) and Employees' State Insurance Corporation (ESIC) are defined contribution schemes and the contributions are charged to the statement of profit and loss for the period when the contributions to the respective funds are due.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group 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 Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group 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.

q. 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 Group commits to purchase or sell the asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. 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 Group 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 Group 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 Group 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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 Group 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 Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
The Company follows 'simplified approach' for recognition of impairment loss allowance on:

➢ Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

➢ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
➢ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount"

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group 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 Group 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 group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer Note 13.

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.

r. Cash and cash equivalents

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

For the purpose of 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 Group'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.

s. Segment reporting

The Group is primarily engaged in the manufacturing of cement and hence entire operation represents a single primary segment. The Group operates within India only and hence geographical segment is not applicable to the Group.

t. 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the Consolidated financial statements.

u. Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

v. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. 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.

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

3. Property, plant and equipment

	Freehold non-mining land**	Freehold mining land#	Buildings	Plant and machinery	Railway sidings##	Furniture and fittings	Motor vehicles	Office equipment	Computer hardware	Total	Capital work in progress***
Cost or valuation											
At January 1, 2019	6,699.25	6,773.25	57,844.63	129,313.51	23,654.59	655.73	439.42	400.87	532.53	**226,313.78**	**20,897.34**
Additions	634.24	-	491.24	2,542.65	-	15.32	-	99.06	-	**3,782.51**	2,084.21
Disposals	-	-	-	(59.39)	-	(6.18)	(77.59)	(57.04)	(40.42)	**(240.62)**	(3,782.51)
At December 31, 2019	**7,333.49**	**6,773.25**	**58,335.87**	**131,796.77**	**23,654.59**	**664.87**	**361.83**	**442.89**	**492.11**	229,855.67	**19,199.04**
Additions/Adjustments	74.46	-	101.55	1,180.99	-	0.75	51.86	162.95	-	**1,572.56**	33,573.66
Disposals	-	-	-	(323.56)	(0.01)	(12.54)	(1.08)	(4.33)	(12.86)	**(354.38)**	(1,572.56)
At March 31, 2021	**7,407.95**	**6,773.25**	**58,437.42**	**132,654.20**	**23,654.58**	**653.08**	**412.61**	**601.51**	**479.25**	**231,073.85**	**51,200.14**
Depreciation											
At January 1, 2019	-	233.50	7,010.95	25,831.58	4,672.35	376.34	237.25	191.75	330.47	**38,884.19**	**-**
Charge for the year	-	2.77	2,500.17	7,215.79	1,720.11	71.16	52.23	65.65	71.01	**11,698.89**	**-**
Disposals	-	-	-	(34.43)	-	(4.10)	(49.09)	(46.76)	(33.33)	**(167.71)**	**-**
At December 31, 2019	**-**	**236.27**	**9,511.12**	**33,012.94**	**6,392.46**	**443.40**	**240.39**	**210.64**	**368.15**	**50,415.37**	**-**
Charge for the period	-	32.94	2,932.54	8,492.19	2,150.14	64.98	44.66	93.46	60.96	**13,871.87**	**-**
Disposals	-	-	-	(128.99)	(0.01)	(10.23)	(0.85)	(3.89)	(11.00)	**(154.97)**	**-**
At March 31, 2021	**-**	**269.21**	**12,443.66**	**41,376.14**	**8,542.59**	**498.15**	**284.20**	**300.21**	**418.11**	**64,132.27**	**-**
Net Block											
At December 31, 2019	**7,333.49**	**6,536.98**	**48,824.75**	**98,783.83**	**17,262.13**	**221.47**	**121.44**	**232.25**	**123.96**	**179,440.30**	**19,199.04**
At March 31, 2021	**7,407.95**	**6,504.04**	**45,993.76**	**91,278.06**	**15,111.99**	**154.93**	**128.41**	**301.30**	**61.14**	**166,941.58**	**51,200.14**

**Freehold non-mining land includes INR 516.21 lakhs (December 31, 2019: INR 516.21 lakhs) in respect of land at Yerraguntala of which conveyance documents have been submitted to the Registering Authority for registration. Pursuant to the scheme of arrangement between Zuari Global Limited (formerly "Zuari Industries Limited") and the Company, sanctioned by the Honourable High Court of Bombay on January 12, 2001, the cement undertaking of Zuari Global Limited stood vested in the Company with effect from April 1, 2000. The Company is taking necessary steps for securing the title deeds in respect of land at Yerraguntala in its name.

Cost of mineral reserve embedded in the cost of freehold mining land has been depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of mineral reserve.

The Company has leased out railway sidings under non-cancellable lease. Refer note 32(b)(ii).

*** Capital work-in-progress includes amount paid for the purchase of land at Chennai of INR 671.43 Lakhs (December 31, 2019: INR 671.43 Lakhs). The Company has entered into a land swapping arrangement with the Government of Tamil Nadu, wherein, the Company would obtain the ownership of the existing leasehold land at Chennai, by surrendering the aforesaid land purchased. The Company has availed the exemption of short term leases for classifiacation this lease under Ind AS 116. The Company has obtained the title deeds for the aforesaid land purchased and is completing the process for swapping the land with the Government authorities.

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

4. Intangible assets

	Goodwill*	Computer software	Mining license@	Total	Capital work in progress
Cost or valuation					
At January 1, 2019	**4,216.28**	**634.89**	**608.68**	**5,459.85**	-
Additions/Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At December 31, 2019	**4,216.28**	**634.89**	**608.68**	**5,459.85**	-
Additions/Adjustments	-	-	-	-	-
Disposals	-	(1.22)	-	(1.22)	-
At March 31, 2021	**4,216.28**	**633.67**	**608.68**	**5,458.63**	-
				-	
Amortisation/ Impairment				-	
At January 1, 2019	-	**543.56**	**173.91**	**717.47**	-
Charge for the year	-	39.62	57.97	97.59	-
Disposals	-	-	-	-	-
At December 31, 2019	-	**583.18**	**231.88**	**815.06**	-
Charge for the period	-	23.32	69.37	92.69	-
Disposals	-	(1.22)	-	(1.22)	-
At March 31, 2021	-	**605.28**	**301.25**	**906.53**	-
				-	
Net Block				-	
At December 31, 2019	**4,216.28**	**51.71**	**376.80**	**4,644.79**	-
At March 31, 2021	**4,216.28**	**28.39**	**307.43**	**4,552.10**	-

@ Gulbarga Cement Limited had purchased mining license from Chambal Fertilisers and Chemicals Limited and the same is valid till October 4, 2027. Hence, the company is depreciating the same over the period of license.

* Include Goodwill of INR 2,300 Lakhs pertaining to the standalone financials of the Company. Consequent to the merger of Sitapuram Power Limited (SPL) with the Company in the previous year, the assets, liabilities and reserves pertaining to SPL, as appearing in the consolidated financial statements of the Company, immediately before the merger, are recognized at their carrying values. Accordingly, Goodwill appearing in the consolidated financial statement of the Company is recognized at it's carrying value.

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

5. Non-current investments

	March 31, 2021	December 31, 2019
Investments in Equity Instruments (fully paid)		
Unquoted equity instruments		
A. 22,460 (December 31, 2019: 22,460) equity shares of INR. 10/- each fully paid up of Vena Energy Power Resources Private Limited. [refer note (i)]	2.32	2.32
B. 44,962 (December 31, 2019: 44,962) equity shares of INR. 10/- each fully paid up of Echanda Urja Private Limited. [refer note (ii)]	4.50	4.50
	6.82	**6.82**
Unquoted preference shares		
A. 14,419 (December 31, 2019: 14,419) Cumulative Compulsorily Convertible Non-Participative Preference shares of INR. 100/- each fully paid up in Vena Energy Power Resources Private Limited [refer note (i)]	14.88	14.88
	14.88	**14.88**
	21.70	**21.70**

(i). Investments in Vena Energy Power Resources Private Limited (formerly known as Energon Power Resources Private Limited)

During the year ended December 31, 2014, the Company, had executed a Share Subscription and Shareholders Agreement (SSHA) dated June 2, 2014 with Energon Power Resources Private Limited ("EPRPL") and Energon Renewables Private Limited. Pursuant to the terms of SSHA, the Company has invested a sum of INR 2.32 lakhs to acquire 2.89% equity stake and INR 14.88 Lakhs to acquire 2.89% cumulative compulsorily convertible non-participative preference shares in ERPL in the year 2014. This will provide an entitlement of 6 MW dedicated wind energy capacity in EPRPL for the Company.

(ii). Investment in Echanda Urja Private Limited

During the year ended December 31, 2016, the Company, had executed a Shareholders Agreement (SHA) dated April 26, 2016 with Echanda Urja Private Limited ("EUPL") and NuPower Renewables Private Limited for the procurement of wind energy upto 10 MKWh. During the year ended December 31, 2017, Company made a further investment of INR 1.10 lakhs in EUPL for the supply of wind energy upto 16.2 MKWh.

6. Loans

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Security deposit				
Unsecured, considered good				
Electricity deposits	2,654.97	2,257.09	-	-
Supplier deposits	346.91	797.88	-	-
Rental deposits	-	-	406.31	396.47
	3,001.88	**3,054.97**	**406.31**	**396.47**

7. Other financial assets

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Interest accrued on fixed deposits	-	-	34.71	102.58
Interest accrued on other deposits	-	-	86.67	87.33
VAT/GST Incentive receivables	5,262.75	3,861.40	-	-
Non-current bank balances (refer note 10)	-	0.56	-	-
	5,262.75	**3,861.96**	**121.38**	**189.91**

8. Other assets

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Capital advances				
Unsecured, considered good	2,224.47	24,849.50	-	-
	2,224.47	**24,849.50**	**-**	**-**
Other- unsecured, considered good				
Advance income tax, net of provision for tax	-	1,145.97	-	-
Balance with government authorities	980.06	998.82	1,399.32	1,729.63
Amount paid under protest	8,193.43	5,427.63	-	-
Employee advances	-	-	25.93	39.82
Advance to suppliers	-	-	2,306.78	1,022.91
Prepaid expenses@	268.10	4,077.73	928.90	814.58
Other receivables	717.98	717.98	2.15	0.75
Less: Provision for doubtful receivable	(329.33)	(329.33)	-	-
	9,830.24	**12,038.80**	**4,663.08**	**3,607.69**
	12,054.71	**36,888.30**	**4,663.08**	**3,607.69**

@ includes non-refundable premium paid to Cochin Port Trust for allotment of 2.40 hectares of land for a period of thirty years effective from September 24, 2013 amounting to INR 3,801.47 lakhs (December 31, 2019: INR 3,801.47 lakhs) under non-current and INR 164.96 lakhs (December 31, 2019: INR 164.96 lakhs) under current prepaid expenses transferred to right-to-use-assets on the date of application of Ind AS 116.

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

9. Inventories (valued at lower of cost and net realizable value)

	March 31, 2021	December 31, 2019
Raw materials (includes in transit INR 18.16 lakhs) (December 31, 2019: INR 18.06 lakhs)	1,804.56	1,192.54
Work-in-progress	1,517.42	3,091.75
Finished goods	1,217.90	1,447.45
Consumable stores and spares (includes in transit INR 206.12 lakhs) (December 31, 2019: INR 1,616.95 lakhs)	10,696.38	8,334.98
	15,236.26	**14,066.72**

10. Trade receivables

	March 31, 2021	December 31, 2019
Trade receivables	7,324.37	8,791.61
Receivables from other related parties*	405.59	536.74
	7,729.96	**9,328.35**
Break-up for trade receivable:		
Secured, considered good	3,302.52	2,446.22
Unsecured, considered good	4,427.44	6,882.13
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	607.02	577.32
	8,336.98	**9,905.67**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(607.02)	(577.32)
	7,729.96	**9,328.35**

*Include dues from companies where directors are interested (refer note 31).

11. Cash and cash equivalents

	Non-current		Current	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Cash and cash equivalents:				
Cash on hand	-	-	0.14	1.58
Balance with banks:				
- On current accounts	-	-	990.61	4,148.37
- Deposits with original maturity of less than three months	-	-	26,521.43	28,408.00
	-	**-**	**27,512.18**	**32,557.95**
Other bank balances				
Deposits with remaining maturity for more than twelve months	-	0.56	-	-
Deposits with remaining maturity for less than twelve months, but more than three months	-	-	-	769.04
	-	**0.56**	**-**	**769.04**
Amount disclosed under non-current financial assets (note 7)	-	(0.56)	-	-
	-	**-**	**27,512.18**	**33,326.99**

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 requirement of the Company, and earn interest at the respective short-term deposit rates.

<u>**For the purpose of the statement of cash flows, cash and cash equivalents comprise the following**</u>:

	Current	
	March 31, 2021	December 31, 2019
Cash and cash equivalents:		
Cash on hand	0.14	1.58
Balance with banks:		
- On current accounts	990.61	4,148.37
- Deposits with original maturity of less than three months	26,521.43	28,408.00
	27,512.18	**32,557.95**

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

12. Share capital	**Equity Shares**		**Preference Shares**	
	Number	**Amount**	**Number**	**Amount**
Authorized share capital				
At January 1, 2019	348,000,000	34,800.00	140,000,000	14,000.00
Increase/(decrease) during the year	-	-	-	-
At December 31, 2019	348,000,000	34,800.00	140,000,000	14,000.00
Increase/(decrease) during the period	-	-	-	-
At March 31, 2021	348,000,000	34,800.00	140,000,000	14,000.00

Terms/ rights attached to equity shares

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

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

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully	**Number**	**Amount**
At January 1, 2019	274,961,400	27,496.14
Increase/(decrease) during the year	-	-
At December 31, 2019	274,961,400	27,496.14
Increase/(decrease) during the period	-	-
At March 31, 2021	**274,961,400**	**27,496.14**

(a) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates is given below

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

	March 31, 2021	**December 31, 2019**
Ciments Français S.A, the Holding Company	266,461,350	266,461,350
Compagine Pour I'Investment Financier En Inde	8,500,000	8,500,000
Investcim S.A.S	10	10
Sax S.A.S	10	10
Cafipar S.A.S	10	10
Tercim S.A.S	10	10
Menaf S.A.S	10	10

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

Equity shares of INR 10/- each fully paid

	March 31, 2021		**December 31, 2019**	
	Number	**Amount**	**Number**	**Amount**
Name of the shareholder				
Ciments Français S.A, the Holding Company	266,461,350.00	96.91%	266,461,350	96.91%

In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

The Company has not reserved any shares for issue under options and contracts/commitments for sale of shares/disinvestment.

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

13. Other equity

	March 31, 2021	December 31, 2019
A) Retained earnings		
At the commencement of the period/year	81,375.64	80,862.21
Add: Profit for the period/year	17,079.26	7,143.04
Less: Appropriations		
Dividend on equity shares (refer note 36)	(6,874.04)	(5,499.23)
Tax on equity dividend (refer note 36)	-	(1,130.38)
Closing balance (A)	**91,580.86**	**81,375.64**
B) Remeasurement gain/ (losses) of net defined benefit plans, net of tax		
At the commencement of the period/year	(50.10)	79.11
Additions during the period	(33.95)	(129.21)
Closing balance (B)	**(84.05)**	**(50.10)**
Securities premium account	37,201.93	37,201.93
Closing balance (C)	**37,201.93**	**37,201.93**
Equity attributable to owners of the Company (A+B+C)	**128,698.74**	**118,527.47**
Non Controlling Interest (D)	**24,816.46**	**26,097.36**
Total (A+B+C+D)	**153,515.20**	**144,624.83**

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. No movement during the year/period.

14. Borrowings

	Non-current		Current	
	March 31, 2021	**December 31, 2019**	**March 31, 2021**	**December 31, 2019**
From related parties (unsecured)				
-Rupee denominated bonds ("masala bond") (refer note (i))	-	50,000.00	25,000.00	-
Inter corporate loan (refer note (ii))	15,000.00	-	-	-
	15,000.00	**50,000.00**	**25,000.00**	-
Term loans				
From Bank				
- Secured bank loan (refer note (iii))	-	-	-	1,875.15
(A)	**-**	**-**	**-**	**1,875.15**
Other loans and advances (secured)				
Deferred payment liability				
- Sales tax deferral loan (refer note (iv))	6,304.09	8,246.12	1,613.37	920.76
	6,304.09	**8,246.12**	**1,613.37**	**920.76**
The above amount includes				
Secured borrowings	6,304.09	8,246.12	1,613.37	2,795.91
Unsecured borrowings	15,000.00	50,000.00	25,000.00	-
current maturities of long term borrowings disclosed under the head "other current liabilities" (note 19)	-	-	(26,613.37)	(2,795.91)
	21,304.09	58,246.12	-	-

Details of repayment terms, interest and maturity

(i) Rupee denominated bonds ("masala bond") issued to HeidelbergCement AG, with a total outstanding balance of INR 50,000 lakhs at the begining of the period. The interest is payable semi-annually at the rate of 8.70% per annum. The Company has repaid first installment of INR 25,000 Lakhs on due date of 16 January 2021. The due date for second and final installment for INR 25,000 lakhs is 16th January 2022.

(ii) The Company has taken long term loan of INR 15,000 Lakhs which is repayable to Heidelberg Cement India Limited after expiry of 2 years from the date of loan and carries an interest at 275 basic points (bps) over and above the prevailing yield rate on government securities of three years on the date of disbursement of loan. The rate of interest so determined will remain fixed for 2 years and will be payable at quarterly intervals

(iii) The long term rupee loan were repayable in quarterly installments with the last installment payable by March 2023. The loans carry an interest rate of 10.55% p.a. These were secured by the first charge on all immovable and movable properties including current assets. The Company has prepaid this loan during the period.

(iv) To promote the industries in backward area (i.e. at Yerraguntla, Andhra Pradesh), Government of Andhra Pradesh, announced an interest free sales tax loan facility. To avail the facility, the Company has entered into an agreement with the Government of Andhra Pradesh for deferring payment of sales tax collected during the period February 15, 1999, to February 14, 2013 (fourteen (14) years). The deferred amount will be repaid by the year ended March 31, 2027. The amount repayable within a period of one year from the reporting date, i.e. INR 1,613.37 Lakhs (December 31, 2019: INR 920.76 Lakhs) is included in current maturities of long-term borrowings. It is secured by way of movable and immovable properties of the Company.

As per Ind AS 109, Sales Tax Deferment loan results into an interest-free loan from the government. Accordingly, the Company has retrospectively measured the sales tax deferral loan as on transition date by arriving at the present value, which is the discounted amount of the loan computed using the market rate of interest for a similar loan for the period for which the entity is not required to deposit the sales tax amount with the government.

15. Provisions

	Non-current		Current	
	March 31, 2021	**December 31, 2019**	**March 31, 2021**	**December 31, 2019**
Provision for employee benefits				
Gratuity (note 33)	313.99	75.22	-	-
Compensated absences	-	-	475.13	504.65
	313.99	**75.22**	**475.13**	**504.65**
Others				
Provision for litigation (refer note 32(d))	4,144.26	3,525.89	-	-
Provision for tax (net of advance Tax)	1,415.76	189.42	-	-
Provision for site restoration expense (refer note 32(e))	1,091.38	1,091.38	-	-
	6,651.40	**4,806.69**	**-**	**-**
	6,965.39	**4,881.91**	**475.13**	**504.65**

16. Income tax & deferred tax liability

The major components of income tax expense for the period ended March 31, 2021 and December 31, 2019 are:

Statement of Profit or loss :	March 31, 2021	December 31, 2019
Current income tax:		
Current income tax charge	5,150.06	2,297.19
Adjustments in respect of current income tax of previous year	-	151.24
Relating to origination and reversal of temporary differences	(682.56)	1,043.74
Income tax expense reported in the statement of profit or loss	**4,467.50**	**3,492.17**
Other comprehensive income:		
Deferred tax related to items recognised in OCI during the year:		
Net (gains)/losses on remeasurements of defined benefit plans	(18.23)	(69.40)
Income tax charged to OCI	**(18.23)**	**(69.40)**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for March 31, 2021 and December 31, 2019:	March 31, 2021	December 31, 2019
Accounting profit before income tax	20,265.86	10,138.93
Total tax charge computed on the basis of the applicable rates	7,651.52	3,697.55
Adjustments in respect of current income tax of previous years	68.25	151.24
Deductible expenses for tax purposes	(662.64)	(1,032.43)
Non recognition of DTA due to tax holiday period	-	230.76
Non-deductible expenses for tax purposes:	142.09	16.72
Corporate social responsibility expenditure	136.28	95.97
Impact of change in tax rate (refer note (i) below)	(2,868.00)	332.36
At the effective income tax rate of 22.04% (December 31, 2019: 34.44%)	**4,467.50**	**3,492.17**
Income tax expense reported in the statement of profit and loss	**4,467.50**	**3,492.17**

Company is entitled to avail exemption under section 80IA of the Income Tax Act, 1961 from income tax on profits of business.

(i) 'The Government of India on 20 September, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is continuing to provide for income tax at the old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed the net deferred tax liability INR 2,868.00 lakhs during the period ended 31 March 2021.

Deferred tax liabilities (net)

	March 31, 2021	December 31, 2019
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	19,350.44	27,552.90
Gross deferred tax liability	**19,350.44**	**27,552.90**
Deferred tax asset		
Unused tax credits (MAT credit entitlement) - (refer note (i) below)	804.88	7,992.16
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	561.86	572.53
Provision for doubtful debts and advances	160.60	201.74
Provision for employee related liabilities	334.83	597.41
Gross deferred tax asset	**1,862.17**	**9,363.84**
Net deferred tax liability	**17,488.27**	**18,189.06**

(i) MAT credits are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow all or part of MAT credit to be utilised during this specified period, i.e. the period for which MAT credit is allowed to be carried forward.

The Company reviews MAT credit entitlement at each reporting date and in the current year the Company based on future profit and tax projections believes that sufficient taxable profits will be generated to utilize the full MAT credit.

17. Other non-current liabilities

	March 31, 2021	December 31, 2019
Income received in advance	586.24	627.52
	586.24	**627.52**

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

18. Trade payables

	March 31, 2021	December 31, 2019
Due to micro and small enterprises*	137.52	30.24
-Total outstanding dues of micro enterprises and small enterprises (refe note 41)	27,819.04	29,077.64
	27,956.56	**29,107.88**
Trade Payables		
- To related parties (refer note 31)	1,028.18	4,337.83
- To others	26,790.86	24,770.05
	27,819.04	**29,107.88**

19. Other financial liabilities

	March 31, 2021	December 31, 2019
Current maturities of long-term borrowings (refer note 14)	26,613.37	2,795.91
Interest accrued but not due on borrowings (refer note 31)	416.88	1,892.87
Interest accrued but not due on deposits	0.56	371.94
Dealer deposits	10,018.61	9,617.23
Capital creditors	2,085.70	17.32
Employee related liabilities	802.00	1,616.95
Lease liabilities	995.07	-
Derivative liability	12.62	-
	40,944.81	**16,312.22**

20. Other liabilities

	March 31, 2021	December 31, 2019
Contract Liability		
Advance from customer	2,527.34	2,450.68
Income received in advance	33.03	33.03
Statutory liabilities	3,902.26	5,553.17
	6,462.63	**8,036.88**

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

21. Revenue from contract with customers

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Sale of products		
Cement	217,755.64	181,139.06
Clinker	9,482.52	9,238.53
Others	4.79	57.09
	227,242.95	**190,434.68**
Other operating revenue		
Scrap sales	452.09	494.32
Revenue from disposal of hazardous waste	344.67	262.75
Government grant- SGST incentive (refer note 34)	2,603.31	705.81
Sale of electricity		26.78
	230,643.02	**191,924.34**

21.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contract with customers:	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
India	230,643.02	191,153.92
Outside India	-	770.42
	230,643.02	**191,924.34**

21.2 Contract Balances

Trade receivables (refer Note 10)	7,729.96	9,328.35
Contract liabilities (refer Note 20)	2,527.34	2,450.68

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

21.3 The performance obligation is satisfied upon supply of goods as and when delivered and accordingly, there is no outstanding performance obligation as on 31 March 2021.

22. Other income

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Interest income		
On bank deposits	1,043.99	548.48
Others	364.77	146.66
Provision no longer required written back	801.26	633.19
Rental income	57.41	45.93
Miscellaneous income#	210.24	1,078.85
	2,477.67	**2,453.11**

Miscellaneous income include claim from insurance company amounting Nil (31 December 2019: INR 991.69 lakhs).

23. Cost of raw material and packing material consumed

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Inventory of materials at the beginning of the period/year	1,192.54	2,166.09
Add: Purchases during the period/year	38,608.06	31,968.62
Less: Inventory of materials at the end of the period/year	1,804.56	1,192.54
	37,996.04	**32,942.17**

24. Change in inventories of finished goods and work-in-progress

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Opening stock		
Finished goods	1,447.45	2,149.50
Work-in-progress	3,091.75	4,240.64
	4,539.20	**6,390.14**
Less: closing stock		
Finished goods	1,217.90	1,447.45
Work-in-progress	1,517.42	3,091.75
	2,735.32	**4,539.20**
	1,803.88	**1,850.94**

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

25. Employee benefits expense

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Salaries, wages and bonus	9,503.70	7,768.53
Gratuity expense (refer note 33)	194.06	100.04
Contribution to provident fund and other funds	551.20	434.58
Staff welfare expenses	184.79	119.50
	10,433.75	**8,422.65**

26. Finance costs

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Interest expense		
On term loans and cash credit from banks	73.94	377.59
On long term borrowings from related party (refer note 31)	4,981.64	4,350.00
On lease liabilities	277.88	-
On others#	1,390.87	1,261.20
Bank charges	66.70	73.81
	6,791.03	**6,062.60**

(# Interest on others for the period ended March 31, 2021 include INR 1,033.13 lakhs (December 31 2019: INR 839.08 Lakhs) represents interest expenses on sales tax deferral loan as per Ind AS 109)

27. Depreciation and amortisation

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Depreciation of property, plant and equipment (refer note 3)	13,871.86	11,698.88
Depreciation on Right-of-use-asset (refer note 45)	1,446.82	-
Amortisation of intangible assets (refer note 4)	92.69	97.59
	15,411.37	**11,796.47**

28. Other expenses

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Power and fuel	62,367.16	56,578.83
Freight outward	49,285.54	41,502.11
Consumption of stores, loose tools and spare parts	8,048.03	5,729.70
Rent	25.85	1,087.87
Rates and taxes	704.66	859.72
Legal and professional	597.34	447.57
Payment to auditor (refer note (i) below)	38.09	41.13
Repairs and maintenance:		
- plant and machinery	4,607.10	3,823.73
- buildings	150.06	126.96
- others	272.25	252.20
License Fee (refer note 31)	2,765.42	2,222.40
Provision for bad and doubtful debts, net	44.16	257.61
Sundry balances written off (gross)	31.32	235.21
Selling and distribution expenses	3,292.04	3,105.21
Sales commission	1,310.95	1,329.19
Advertisement and sales promotion	689.78	1,509.14
Corporate social responsibility (refer note 35)	389.99	274.64
Loss on sale of property, plant and equipment	199.36	64.68
Insurance	856.44	571.08
Traveling and conveyance	679.60	688.20
IT and business support charges	1,557.09	606.13
Communication	125.14	127.54
Foreign exchange loss, net	354.35	22.91
Miscellaneous expenses	2,027.04	1,699.93
	140,418.76	**123,163.69**

(i) Payment to auditor	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
As statutory auditor (excluding goods and services tax)	38.00	39.26
Reimbursement of expenses (excluding goods and services tax)	0.09	1.87
	38.09	**41.13**

29. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Profit after tax available to equity shareholders	17,079.26	7,143.04
Net profit for calculation of basic/Diluted EPS	**17,079.26**	**7,143.04**
Weighted average number of equity shares in calculating Basic/Diluted EPS (in lakhs)	2,749.61	2,749.61
Basic and diluted EPS (in INR)	**6.21**	**2.60**

30. 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 estimating 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 has 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) Defined benefit plans
The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 31.

(iii) 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 35 of the financials.

(iv) Mines reclamation expenses:
In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

(v) 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.

(vi) 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.

(vii) Provision for inventories

Management reviews the aged inventory on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management believes that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

(viii) Leases - estimating the incremental borrowing rate

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

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.

(Presented in INR Lakhs except share data and EPS)

31. Related party disclosures

a. Names of related parties and related party relationship
Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate holding Company	HeidelbergCement AG
Holding Company	Ciments Français S.A
Subsidiary Companies	Gulbarga Cement Limited

Related parties with whom transactions have taken place during the period/year:

Entities under common control	Singha Cement (Pvt.) Limited (up to April 29, 2019) HeidelbergCement India Limited ("HCIL") Cochin Cements Limited (up to October 31, 2019) HC Trading Malta HC Trading India (P) Limited Ciments Calcia SA HC Asia Pte Ltd

Additional related parties as per the Companies Act, 2013:

Chief Financial Officer	Mr. Vimal Kumar Choudhary
Company Secretary	Mr. L. R. Neelakanta upto March 31, 2021 Mr. Shrinivas Harapanahalli w.e.f April 01, 2021
Key Management Personnel	Mr. Jamshed Naval Cooper, Managing Director Mr. Kevin Gluskie, Non-executive director Mr. Juan-Francisco Defalque, Non-executive director Ms. Soek Peng Sim, Non-executive director Mr. Sushil Kumar Tiwari, Non-executive director

b. Related party transactions
The following table provides the total amount of transactions that have been entered in to with related parties for the relevant periods

i. Transactions during the year:

Name of related party	Nature of transaction	For the 15 months ended March 31, 2021	December 31, 2019
Singha Cement (Pvt.) Limited	Sale of Cement	-	259.06
HC Trading Malta	Purchase of Consumables (Petcoke)	4,325.14	6,261.22
	Sale of Clinker	-	511.36
HeidelbergCement AG	Masala bonds repaid	25,000.00	-
	Interest expenses on masala bonds (refer note 26)	4,981.64	4,350.00
	IT and other Business support charges	1,557.08	606.13
	Licence fee (refer note 28)	2,765.42	2,222.40
	Service income	40.16	32.06
HeidelbergCement India Limited	Sale of Clinker	3,918.49	3,190.57
	Purchase of materials	169.38	-
	Loan taken from HCIL	15,000.00	-
	Interest expenses on Loan	77.55	-
	Retirement obligation for transferred employees	52.68	-
	Business support charges	823.78	511.36
Cochin Cements Limited	Sale of Clinker	-	406.12
	Tarpaulin charges	-	0.14
Ciments Calcia SA	Liability written back	17.79	-
HC Asia pte Ltd	Expenses incurred by related party on behalf of the Company- Reimbursement of expenses	23.33	-
HC Trading India (P) Limited	Purchase of tangible assets	13.62	-

(Presented in INR Lakhs except share data and EPS)

ii. Balance outstanding at the year end

Nature of transaction	Name of related party	March 31, 2021	December 31, 2019
Trade receivables	HeidelbergCement India Limited	396.74	331.00
	HC Trading Malta	8.86	205.74
Trade payables	Ciments Calcia SA	-	17.79
	HC Trading Malta	-	1,296.28
	Italcementi S.p.A	5.29	4.94
	Ciments Français S.A	-	405.52
	HeidelbergCement India Limited	171.66	111.51
	HeidelbergCement AG	841.60	2,493.61
	HC Trading India (P) Limited	0.87	-
	CTG S.p.A.	8.76	8.18
Interest accrued but not due	HeidelbergCement AG	416.88	1,892.87
Loan payable	HeidelbergCement AG	25,000.00	50,000.00
Loan payable	HeidelbergCement India Limited	15,000.00	-

iii. Transactions with key management personnel*

	March 31, 2021	December 31, 2019
Employee benefits	314.13	157.31
Total compensation paid to key management personnel	**314.13**	**157.31**

All the transactions are inclusive of tax and duty, wherever applicable
*As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.
** The Company has following transactions and balances with the Transferor Company (refer Note 2- Corporate Information for the definition of Transferor Company). Consequent to the approval of the Scheme of amalgamation, the following inter-company transactions and the corresponding balances have been eliminated against each other.

Transactions during the year	March 31, 2021	December 31, 2019
Purchase of power by the Company	-	15,225.45
Expenses incurred by the Company on behalf of the Transferor Company	-	56.54
Expenses incurred by the Transferor Company on behalf of the Company	-	1,302.04
Balance outstanding at the year end		
Advance to Transferor Company	-	1,604.92

The investment of the Company in the Equity share capital and the Preference share capital of the Transferor Company and the respective Equity share capital and the Borrowing in the books of the Transferor Company have also been eliminated against each other.

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32. Commitments and Contingencies

a) Capital Commitments
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) INR 13,933.20 lakhs (December 31, 2019: INR 20,394.27 lakhs).

b) Other commitments (Leases)
i. Operating lease: Company as lessee (till December 2019)
The Company is obligated under non-cancellable leases for office premises. Total rental expenses under such leases for the year December 31, 2019 amounted to INR 107.59 lakhs). Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2021 (Refer Note 45)	December 31, 2019
Not later than one year	-	101.78
Later than one year but not later than five years	-	429.25
Later than five years	-	2,054.10

The Company has also taken cancellable operating leases for office premises, godowns, residential apartments and guest houses, which are renewable at the option of both the lessor and lessee. Total rental expense under cancellable leases for the year December 31, 2019 amounted to INR 813.62 lakhs.

ii. Operating lease: Company as lessor
The Company has leased out railway sidings under non-cancellable lease. Total rental income under such leases during the year amounted to INR 12.89 lakhs (December 31, 2019: INR 12.89 lakhs). Future minimum lease payments expected to receive under non-cancellable operating leases are as follows:

	March 31, 2021	December 31, 2019
Not later than one year	12.89	12.89
Later than one year but not later than five years	51.57	51.57
Later than five years	180.48	193.37

c) Contingent Liability

	March 31, 2021	December 31, 2019
Sales Tax/Trade Tax/Entry Tax	8,934.82	8,934.82
Excise Duty/Service Tax/CENVAT Credit	6,585.90	6,497.77
Customs duty	942.07	942.07
Income tax matters	16,451.91	14,587.85
Electricity charges	2,152.08	2,921.34
Claims against the company not acknowledged as debt	4,799.88	4,504.09
	39,866.66	**38,387.94**

During the period, the Company has received a demand from The Southern Power Distribution Company of Telangana Limited (TSSPDCL) aggregating INR 6,338 lakhs (including interest of INR 4,832 Lakhs) towards wheeling and transmission charges for FY 2002-03 to FY 2008-09. The Company has challenged the said demand before the Hon'ble High Court of Telangana on the grounds, inter alia, that the charges are to be borne by the power generators based on the contractual obligations with the electricity authorities. The Hon'ble High Court vide order dated August 17, 2020 granted interim relief by suspending the above said demand. The Company has also obtained an opinion from external legal firm who has opined that Company would be able to defend the demand on the above grounds.

The Company had executed agreements with power generators for the supply of power, which stipulates the cost per unit of power includes all charges etc., except with one supplier wherein the wheeling and transmission charges are to be borne by the company. Therefore, a provision was created in the books of accounts for a sum of INR 766.64 lakhs towards the wheeling and transmission charges for the power drawn from that power generator.

d) Provision for litigations

	Balance as at Jan 1, 2020	Additions during the year charged to respective expenses head	Amounts reversed/utilised during the year	Balance as at Mar 31, 2021
Electricity duty and Charges	133.23	766.64	-	899.87
	(133.23)	-	-	*(133.23)*
Sales tax matters	1,894.69	-	148.27	1,746.42
	(1,907.64)	-	*(12.95)*	*(1,894.69)*
Custom duty	1,377.89	-	-	1,377.89
	(1,377.89)	-	-	*(1,377.89)*
Road Tax	94.86	-	-	94.86
	(94.86)	-	-	*(94.86)*
Service tax matters	25.22	-	-	25.22
	-	*(25.22)*	-	*(25.22)*
Total	**3,525.89**	**766.64**	**148.27**	**4,144.26**
	(3,513.62)	**(25.22)**	**(12.95)**	**(3,525.89)**

Note: Figures in brackets are for the previous year

Above provisions have been made against demands raised by various authorities. All these cases are under litigation and are pending with various authorities; expected timing of resulting outflow of economic benefits cannot be specified. Amount deposited under protest against these provisions are shown under other assets (note 7)

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

e) Movement of provision for site restoration expenses during the period as required by Ind AS 37

	March 31, 2021	December 31, 2019
Opening provision (refer note 15)	1,091.38	1,091.38
Add: Provision made during the period	-	-
Less: Provision utilised during the period	-	-
Closing provision	**1,091.38**	**1,091.38**

Site restoration expense is incurred on an ongoing basis and until the closure of mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenses.

33. Gratuity
The Company has two post-employment funded plans, namely Gratuity and Superannuation

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Act). Under the Act, an 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. Gratuity being administered by a Trust is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation.The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet for the Gratuity:

Statement of profit and loss
(i) Net employee benefit expense (recognized in employee cost)

	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Current service cost	177.30	121.55
Interest cost on benefit obligation	153.67	(21.51)
Expected return on plan assets	(136.91)	-
Defined benefit cost included in Statement of Profit & Loss	**194.06**	**100.04**
Remeasurement recognised in other comprehensive income		
- changes in demographic assumptions	(15.55)	-
- changes in financial assumptions	22.53	177.03
- change in experience adjustments	29.35	35.02
- return on plan asset (excluding interest income)	15.85	(13.44)
Amount recognised in OCI	**52.18**	**198.61**

Balance Sheet

(ii) Reconciliation of the net defined benefit (asset)/ liability
The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

Particulars	For the 15 months ended March 31, 2021	For the year ended December 31, 2019
Balance at the beginning of the year	1,960.13	1,669.15
Current service cost	177.30	121.55
Interest cost on benefit obligation	153.67	130.66
Other significant events		
- Increase/(decrease) due to effect of any business combinations/divestitures/transfers	45.34	13.09
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(15.55)	-
- changes in financial assumptions	22.53	177.03
- experience adjustments	29.35	35.03
Benefit paid	(233.13)	(186.38)
Balance at the end of the year	**2,139.64**	**1,960.13**

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

Reconciliation of the present value of plan assets

Particulars	**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**
Balance at the beginning of the year	1,884.91	1,880.53
Interest Income	136.91	152.16
Contribution by employer	52.81	25.16
Return on plan assets recognised in other comprehensive income	(15.85)	13.44
Benefits paid	(233.13)	(186.38)
Balance at the end of the year	**1,825.65**	**1,884.91**

Details of provision for gratuity

	For the 15 months ended March 31, 2021	**For the year ended December 31, 2019**
Present value of defined benefit obligation	2,139.64	1,960.13
Present value of plan assets	1,825.65	1,884.91
Net defined benefit liability/(assets)	**313.99**	**75.22**

(iii) Defined benefit obligation
- Actuarial assumptions
The principal assumptions used in determining gratuity for the Company's plans are shown below

	For the 15 months ended March 31, 2021	**For the year ended December 31, 2019**
Discount rate	6.40%	6.60%
Salary increase rate	7.50%	7.50%
Mortality table	Indian Assured Lives Mortality (IALM) (2006-2008) (modified) Ult.	Indian Assured Lives Mortality (IALM) (2006-2008) (modified) Ult.
Withdrawl	5.00%	5.00%
Retirement age	Up to DGM- 58 years GM and above 60 years	60 years

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

Assumptions regarding future mortality are based on published statistics and mortality tables

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

	Sensitivity level		**Impact on DBO**	
Gratuity Plan	**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**	**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**
Assumptions				
Discount rate	-0.50%	-1.00%	53.50	137.16
	0.50%	1.00%	(60.45)	(122.63)
Salary increase rate	-0.50%	-1.00%	(55.41)	(114.23)
	0.50%	1.00%	47.64	125.07

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

(iv) Plan assets
The principal plan assets consists of a scheme of insurance taken by the Trust, which is a qualifying insurance poliy. As at March 31, 2021 and December 31, 2019, 100% of the plan assets were vested in investment with insurance company

The following payments are expected contributions to the defined benefit plan in future years:

	For the 15 months ended March 31, 2021	**For the year ended December 31, 2019**
Within the next 12 months (next annual reporting period	355.05	123.36
Between 2 and 5 years	1,154.44	1,006.22
Beyond 5 years	1,318.46	1,585.00

The average duration of the defined benefit plan obligation at the end of the reporting period is 6years (December 31, 2019: 7 years).

B. Superannuation Fund
Retirement benefits in the form of Superannuation Fund (being administered by Trust) are funded defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable. The contributions for the year ended March 31, 2021 is INR 87.67 lakhs and for the year ended December 31, 2019 is INR 70.17 lakhs.

34. Sales tax incentive

The Company is entitled to benefits under Package Scheme of Incentives - 2007 as notified by Government of Maharashtra for the Manufacturing set up for cement production facility at Solapur, Maharashtra w.e.f. September 1, 2015. Under the said policy, the Company is entitled for refund of Value Added Tax (which is now subsumed on GST) , exemption from electricity duty and waiver of stamp duty for a period of seven (7) years. Accordingly, for the period ended March 31, 2021, the Company has recognised INR 2603.31 lakhs (December 31, 2019: INR 705.81 lakhs) as income and disclosed under "Other operating revenue".

35. Corporate social responsibility (CSR):

Details of CSR spent during the financial year:

Particulars	**For the 15 months ended March 31, 2021**	**For the year ended December 31, 2019**
(a) Gross amount required to be spent by the Company during the year	261.48	255.84

(b) Amount spent during the period ended March 31, 2021	**In cash**	**Yet to be paid**	**Total**
(i) Construction/ acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	389.99	-	389.99
Total	**389.99**	**-**	**389.99**

(c) Amount spent during the year ended December 31, 2019	**In cash**	**Yet to be paid**	**Total**
(i) Construction/ acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	274.64	-	274.64
Total	**274.64**	**-**	**274.64**

36. Dividend paid and proposed:

	For the 15 months ended March 31, 2021	**For the year ended December 31, 2019**
Dividend declared and paid during the year:		
Final dividend for the year ended on 31 December 2019: Nil (31 December 2018: Rs 2.00 per share)	-	5,499.23
Corporate Dividend Tax on Final Dividend	-	1,130.38
Interim Dividend for the year ended on 31 December 2019: Rs 2.5 per share	6,874.04	-
	6,874.04	**6,629.61**
Proposed Dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2021: INR 2 per share (31 December 2019: Nil)	5,499.23	-
	5,499.23	**-**

Dividend Distribution Tax is abolished with effect from April 01, 2020.

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2021.

37. 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	
	March 31, 2021	December 31, 2019	March 31, 2021	December 31, 2019
Financial assets				
Investment	21.70	21.70	21.70	21.70
Loans and advances	3,408.19	3,451.44	3,408.19	3,451.44
Other financial assets	40,626.27	46,707.21	40,626.27	46,707.21
Financial liabilities				
Borrowings	21,304.09	58,246.12	21,304.09	58,246.12
Other financial liability	39,949.74	16,312.22	39,949.74	16,312.22
Lease liabilities	2,160.21	-	2,160.21	-

The management assessed that cash and cash equivalents, trade receivable, trade 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.

38. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021 and December 31, 2019:

Assets measured at fair value:			**Fair value measurement using**		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
FVTPL financial investments					
Unquoted instruments	March 31, 2021	21.70	-	-	21.70
	December 31, 2019	21.70	-	-	21.70

The fair value of unquoted instruments is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

39. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of trade payables, 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, receivables and cash and cash equivalents which are part of the Company's operations.

The Company is exposed to market risk, liquidity risk, and credit risk. The policies and procedures considered by Company's senior management to oversee the management of these risks has 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 three types of market risk: foreign currency risk, interest rate risk and and other price risk, such as commodity 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). As on March 31, 2021 and December 31, 2019, the Company has following foreign currency exposures:

Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

		March 31, 2021		December 31, 2019	
	Currency	**in foreign currency (in lakhs)**	**Amount in INR (in lakhs)**	**in foreign currency (in lakhs)**	**Amount in INR (in lakhs)**
Forward exchanged contracts (to hedge trade payables)	USD	44.71	3,296.26	-	-
		44.71	**3,296.26**	**-**	**-**

Zuari Cement Limited
Notes to consolidated financial statements for the period ended March 31, 2021
b. Particulars of unhedged foreign currency exposure as at the reporting date

	Currency	March 31, 2021 in foreign currency (in lakhs)	March 31, 2021 Amount in INR (in lakhs)	December 31, 2019 in foreign currency (in lakhs)	December 31, 2019 Amount in INR (in lakhs)
Trade payables	EUR	0.05	4.39	3.66	292.82
	USD	0.29	21.50	0.25	17.82
			25.89		**310.64**
Advance to supplier	EUR	0.22	19.24	0.04	2.95
	USD	-	-	-	-
	CHF	-	-	0.20	14.41
			19.24		**17.36**
Due to related parties	EUR	0.51	43.56	37.21	2,979.61
	USD	0.12	8.86	18.15	1,296.28
			52.42		**4,275.89**

*USD – US Dollar, EUR – Euro, CHF - Swiss Franc

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

5% increase in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2021	December 31, 2019
EUR	(1.42)	(164.41)
USD	(1.50)	(65.33)
CHF	-	0.73

Note: If the rate is decreased by 500 bps, profit will increase by an equal amount for March 31, 2021 and December 31, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to maintain most of its borrowings at fixed rate. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

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 liabilities at the end of the reporting period based on contractual undiscounted payments.

As at March 31, 2021	<1 year	1-5 years	>5 years	Total
Financial Liabilities				
Borrowings*	26,613.37	22,475.10	1,867.20	50,955.67
Trade payables**	27,956.56	-	-	27,956.56
Other financial liabilities	14,331.44	-	-	14,331.44

As at December 31, 2019	<1 year	1-5 years	>5 years	Total
Financial Liabilities				
Borrowings*	2,795.91	56,242.60	6,074.86	65,113.37
Trade payables**	29,107.88	-	-	29,107.88
Other financial liabilities	13,516.31	-	-	13,516.31

* Borrowings are shown without Ind AS adjustment.

** Trade payables are repayable on demand

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 operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

Zuari Cement Limited
Notes to consolidated financial statements for the period ended March 31, 2021

Trade receivables

Customer credit risk is managed in line with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed through internal evaluation which takes into account the financial parameters, past experience with the counterparty and current economic/market trends. Individual credit limits are thus defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by advances, security deposits, bank guarantees etc. Trade receivables are consisting of a large number of customers. The Company does not have higher concentration of credit risks to a single customer.

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.

40. 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.

	March 31, 2021	December 31, 2019
Borrowings	21,304.09	58,246.12
Current maturities of long term borrowings	26,613.37	2,795.91
Less: Cash and cash equivalents	(27,512.18)	(32,557.95)
Net debt	**20,405.28**	**28,484.08**
Equity attributable to equity share holder	181,011.34	172,120.97
Capital and debt	201,416.62	200,605.05
Gearing ratio	10.13%	14.20%

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 period.

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

S.N	Particulars	March 31, 2021	December 31, 2019
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	-Principal amount due to micro and small enterprises (Not overdue)	137.52	30.24
	-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.	-	-

42. Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Consolidated	100%	181,011.34	100%	17,079.26	100%	(33.95)	100%	17,045.31
Parent								
Zuari Cement Limited	86.8%	157,037.59	95.3%	16,274.51	100.0%	(33.95)	95.3%	16,240.56
Subsidiaries Indian								
Gulbarga Cement	-0.5%	(842.71)	-2.9%	(476.27)	0.0%	-	-2.8%	(476.27)
Non-controlling Interest in all	13.7%	24,816.46	7.5%	1,280.90	0.0%	-	7.5%	1,280.90
	-		-					

42a. Segment reporting

The Company is predominantly engaged in the business of manufacturing and sale of cement, which constitutes a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market in India, which the management views as a single segment. The management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations in India and all the non-current assets of the Company are located in India.

43. Transfer pricing

The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is in the process of updating the transfer pricing documentation for the financial year 2020-2021 and is of the view that its transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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

Zuari Cement Limited

Notes to consolidated financial statements for the period ended March 31, 2021

(Presented in INR Lakhs except share data and EPS)

45 Leases

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

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right of Use of assets

Particulars	Land & Buildings	Furniture & Fixture	Vehicles	Total
Initial recognition as at 1 January 2020	**6,317.14**	**70.71**	**714.57**	**7,102.42**
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	**6,317.14**	**70.71**	**714.57**	**7,102.42**
Depreciation/ Amortization				
At 1 January 2020	-	-	-	-
Depreciation Expenses	1,010.02	44.20	392.61	1,446.83
Disposals		-	-	-
At 31 March 2021	**1,010.02**	**44.20**	**392.61**	**1,446.83**
Net book value				
At 31 March 2021	**5,307.12**	**26.51**	**321.96**	**5,655.59**

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

Lease Liability

Particulars	March 31, 2021
Initial recognition as at 1 January 2020	**3,135.98**
Additions	-
Accretion of interest	277.88
Payment of interest	(277.88)
Payment of principal	(975.77)
At 31 March 2021	**2,160.21**
Current	995.07
Non-Current	1,165.14

The maturity analysis of lease liabilities are disclosed in Note 39B.

The effective interest rate for lease liabilities is in the range of 6.23% to 8.88%, with maturity between 2021-43.

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

Particulars	March 31, 2021
Depreciation expense of right-of-use assets	1,446.83
Interest expense on lease liabilities	277.88
Expense relating to short-term leases (included in other expenses)	25.85
Total amount recognised in statement of profit or loss	**1,750.56**

46. Capital work in progress includes an amount INR 6,004.21 Lakhs (previous year: Nil) towards setting up of Waste Heat Recovery (WHR) Power Plant at its clinkerisation unit at yeraguntla plant, adjacent to the Kilns to generate power from waste heat. The same is being setup as a separate unit for generation of approximately 21 MW of power. The Company intends to utilize the energy generated by WHR for captive consumption. The Company has placed orders for new equipments and the work for civil construction & equipment erection is in progress. The plant is expected to be commissioned during financial year 2022-23.

During the period, the Company has capitalized the following expenses of revenue nature to the cost of fixed assets/Capital work in progress which are incurred during construction period on substantial expansion of existing units/new projects/intangible assets of the Company. Consequently, expenses disclosed under the respective notes are net of amount capitalised by the company.

Particulars	**Opening 01.01.2020**	**Additions during the period**	**Capitalised during the period**	**Closing Balance as at 31.03.2021**
Salary, Wages, Bonus and Allowances	-	58.10	-	58.10
Stores and Spares Parts	-	18.00	-	18.00
Rent	-	12.60	-	12.60
Insurance	-	46.30	-	46.30
Legal & Professional expenses (including Retainers fees	-	114.90	-	114.90
Interest on loan	-	77.60	-	77.60
Miscellaneous Expenses	-	88.50	-	88.50
Other expenses	-	6.10	-	6.10
Total	**-**	**422.10**	**-**	**422.10**

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

As per our report of even date

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

per Sunil Gaggar
Partner
Membership number: 104315

Place: Gurugram
Date: July 22, 2021

For and on behalf of the Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN: 01527371

Sushil Kumar Tiwari
Director
DIN: 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021

ZUARI CEMENT LIMITED AND ITS SUBSIDIARIES

FORM AOC-1

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

INR Lakhs

S.No.	Particulars	Company	Company
1	Name of the Subsidiary Company	Gulbarga Cement Limited	Gulbarga Cement Limited
2	Reporting period for the subsidiary concerned	31st March, 2021	31st December, 2019
3	Reporting currency	INR	INR
4	Share Capital	10,488.05	10,488.05
5	Reserves & surplus	23,172.90	24,803.57
6	Total Assets	45,043.15	45,450.34
7	Total Liabilities	11,382.20	10,158.72
8	Investments	-	-
9	Turnover*	-	-
10	Profit/(Loss) before taxation	(1,630.67)	(442.39)
11	Provision for taxation	0.00	189.42
12	Profit after taxation	(1,630.67)	(631.81)
13	Other Comprehensive Income	-	-
14	Total Comprehensive Income	(1,630.67)	(631.81)
15	Proposed Dividend	-	-
16	% of shareholding	21.45%	21.45%

*Gulbarga Cement Limited is yet to commence operations.

For and on behalf of Board of Directors of
Zuari Cement Limited
CIN: U26942AP2000PLC050415

Jamshed Naval Cooper
Managing Director
DIN - 01527371

Sushil Kumar Tiwari
Director
DIN - 03265246

Shrinivas Harapanahalli
Company Secretary

Vimal Kumar Choudhary
Chief Financial Officer

Place: Gurugram
Date: July 22, 2021