Independent Auditor's Report

To the Members of Nuvoco Vistas Corporation Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Nuvoco Vistas Corporation Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, and the Statement of profit and loss (including Other comprehensive income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the 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 ("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 (financial position) of the Company as at March 31, 2019, and profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 opinion.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's response
1.	**Recognition, Valuation and Presentation of provisions and contingent liabilities** The Company operates in multiple states, exposing it to a variety of different laws, regulations and interpretations thereof. In such an environment, there is an inherent litigation risk. At March 31, 2019, the Company has accounted for provision for legal cases amounting to ₹ 178.00 Crores [Refer Note 47 to the financial statements]. Further, the Company has disclosed significant open legal cases with respect to Competition Appellate Tribunal (COMPAT) stay Order [Refer Note 47 to the financial statements], Sales tax incentives recoverable for Mejia Plant [Refer Note 7 to the financial statements] and other material contingent liabilities [Refer Note 47 to the financial statements]. Given the complexity and magnitude of potential exposures to the Company, the assessment of the existence of legal or constructive obligation and analysis of the probability of the related outflow of resources and involves significant judgement by the management. Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.	Our audit procedures, in respect of this matter are described below: 1. Assessed Management's processes of identifying new / possible obligations and changes in existing obligations for compliance with Company's policy and Ind AS 37 requirements. 2. Analysed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed relevant judgments passed by the court authorities affecting such change. 3. Discussed the status of significant known actual and potential litigations with the Head of Legal and Compliance and management who possess knowledge of such matters. 4. Involved our internal tax experts to challenge management decisions and rationale with respect to provisions not made in the books of account or disclosed as contingent liability or cases which are remote and do not warrant any disclosure. 5. Evaluated the legal opinion obtained by the management from external lawyers for significant litigations including with respect to: the COMPAT case and the reimbursable rights available with the Company for recovery. the recoverability of fiscal incentives from the State Government for the Mejia plant. 6. Reviewed minutes of board meetings and held regular meetings with management and legal head in this regard.

Sr. No.	Key Audit Matter	Auditor's response
2.	**Revenue Recognition: Discounts and Rebates** Refer to the disclosures related to Revenue Recognition in Note 27 to the Financial Statements. The Company sells cement in various states through its dealers. The Company gives various types of discounts and rebates to these dealers through various scheme based on the market conditions and competition. The Company records revenue net of such discounts and rebates as required under Ind AS 115- Revenue from contracts with customers. Considering the nature of the business and industry in which the Company operates, discounts and rebates are material amounts and involve significant estimation by management; hence, we have considered this as a key audit matter.	Our key audit procedures, in respect of this matter are described below: 1. Verified whether accounting policy adopted by the Company is in accordance with Ind AS 115 - Revenue from contracts with customers and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. 2. Performed procedures to assess whether the design, implementation and operating effectiveness of the controls related to the approval, recording, calculation and payments of rebates and discounts and the estimates for the year end provisions are in accordance with the discount schemes approved by the Head of Department. 3. Recalculated the discounts for certain schemes on test check basis. 4. Verified on test check basis the subsequent payments made against the year-end provision and also verified the actual pay-outs made against the previous year provision to test the reasonableness of the management estimation process. 5. Verified any write backs/ utilisation of discounts and rebates during the year and analysed the rationale for the same. 6. Tested the ageing for the discount payables under the schemes outstanding at the year end.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to the Directors' Report, Management discussion and analysis, Corporate Governance 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 the other information is materially inconsistent with the standalone 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 and Those Charged with Governance 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement 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, the Board of Directors 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 the Board of Directors 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Ind AS Financial Statements.

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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

    (g) 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, 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 Notes 7 and 47 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.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: May 7, 2019

Annexure A to the Independent Auditor's Report on even date on the Standalone Ind AS Financial Statements of Nuvoco Vistas Corporation Limited

Auditor's Responsibilities for the Audit of the 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 internal financial controls with reference to standalone 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

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

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: 7 May 2019

Annexure B to Independent Auditors' Report on even date on the Standalone Ind AS Financial Statements of Nuvoco Vistas Corporation Limited

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Nuvoco Vistas Corporation Limited on the financial statements for the year ended March 31, 2019]

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

b) The management has a planned programme for verifying Property, Plant and Equipment once in every three years, which in our opinion is reasonable having regards to the size and nature of its assets. Pursuant to the programme, Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed building are held in the name of the Company except for few freehold lands as under:-

In case of Land:

No. of cases	Leasehold/ Freehold	Gross Block as at March 31, 2019 (Amount in ₹ Crores)	Net Block as at March 31, 2019 (Amount in ₹ Crores)	Remarks
1	Leasehold Land	7.10	7.02	
4	Freehold Land	213.46	195.06	Out of this we have not been made available original title deeds aggregating to ₹ 14.13 Crores

ii. The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on verification between the physical stocks and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act. Further, in our opinion and according to the information and explanations given to us, there are no loans and advances given, investments made and guarantees given by the Company in accordance with section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act related to manufacture of cement, ready mix concrete and aggregates and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

b. According to the information and explanation given to us, no undisputed amounts in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to the Company were in arrears, as at March 31, 2019 for a period of more than six months from the date they become payable.

c. According to the information and explanation given to us and examination of records of the Company, there are no dues of income-tax, sales tax, value added tax, service tax, goods and service tax, customs duty and excise duty which have not been deposited on account of any dispute, except for:

Name of the statute	Nature of dues	Amount (₹ In crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Central Excise Act 1944	Differential excise duty on MRP value	84.53	2009-10 2010-11 2015-16	Various Appellate Authorities	
	Disallowance of Cenvat credit on goods/services	22.44	2003-04 to 2017-18	Various Appellate Authorities	Amount is net of protest payment made of ₹ 0.48 Cr.
	Excise Duty/Additional excise duty on NFR sales	78.69	2007-08 to 2017-18	Various Appellate Authorities	
	Other excise dues	12.43	2007-08 to 2017-18	Various Appellate Authorities	Amount is net of protest payment made of ₹ 0.98 Cr.
The Central Sales Tax Act, 1956	Central Sales Tax	4.69	2000-01, 2003-04, 2007-08 and 2010-11 to 2014-15	Various Appellate Authorities	Amount is net of protest payment made of ₹ 6.09 Cr.
Various State Sales Tax Act	Sales Tax	21.05	1999-2000 to 2016-17	Various Appellate Authorities	Amount is net of protest payment made of ₹ 20.98 Cr.
Various State VAT Tax Act	Value Added Tax	81.41	2008-09 to 2016-17	Various Appellate Authorities	Amount is net of protest payment made of ₹ 6.63 Cr.
The Customs Act, 1961	Custom Duty	14.44	1996-97	Assistant Commissioner Customs, Mumbai	
Finance Act, 1994	Service Tax liability on income earned from own your wagon Scheme	0.96	2005-06 to 2016-17	Various Appellate Authorities	
	Service Tax -Outdoor Catering/ Cargo handling,etc.	0.11	2002-03 to 2005-06 and 2009-10 to 2010-11	Various Appellate Authorities	Amount is net of protest payment made of ₹ 0.01 Cr.
	Service Tax liability on VSAT charges	1.87	2010-11 to 2015-16	Addl. Commisioner, Kolkata	Amount is net of protest payment made of ₹ 0.02 Cr.
	Short Payment of Service Tax on import of taxable services	0.32	2009-10 to 2013-14 and 2014-15	Service Tax authority (HO)	Amount is net of protest payment made of ₹ 0.64 Cr.
	Service Tax-Reimbursement of rent from parent company on sharing of common office space	0.30	2013-14	Service Tax authority (HO)	
SGST Act 2017	Transitional credit of VAT into SGST	0.05	2017-18	Deputy Commissioner, State Tax	
Income Tax Act, 1961	Income Tax	60.47	2012-13	Income Tax Appellate	Amount is net of payment made of ₹ 33.32 Cr. For the stated amount, a stay has been obtained from the jurisdictional AO.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion and according to the information and explanations given to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the remuneration paid by the Company to its directors is within limit as mandated under Section 197 and the rules thereunder.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: 7 May 2019

Annexure C to the Independent Auditor's Report on even date on the Standalone Ind AS Financial Statements of Nuvoco Vistas Corporation Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Nuvoco Vistas Corporation Limited on the Standalone Ind AS financial statements for the year ended March 31, 2019]

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 Nuvoco Vistas Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year 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 with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to 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 internal financial controls with reference to 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 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 standalone 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 Company's internal financial controls with reference to standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

A Company's internal financial control 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 standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control 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 standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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, an internal financial controls system 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, 2019, based on the internal control with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: 7 May 2019

Standalone Balance Sheet

as at 31 March, 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	4,773.60	4,909.15
(b) Capital work-in-progress (net of provision)		602.53	140.64
(c) Investment property	3	1.27	1.35
(d) Goodwill	4	2,443.86	2,443.86
(e) Other intangible assets	4	1,262.71	1,335.15
(f) Intangible assets under development (net of provision)		-	3.16
(g) Financial assets			
(i) Investments	5	-	0.05
(ii) Loans	6	0.20	0.21
(iii) Other non-current financial assets	7	584.99	517.14
(h) Income tax assets (net)		113.03	159.79
(i) Other non current assets	8	61.51	107.26
		9,843.70	**9,617.76**
CURRENT ASSETS			
(a) Inventories	9	378.12	430.20
(b) Financial assets			
(i) Investments	10	455.60	844.37
(ii) Trade receivables	11	498.39	415.15
(iii) Cash and cash equivalents	12	98.11	37.93
(iv) Bank balances other than Cash and cash equivalents	13	5.18	5.18
(v) Loans	14	1.34	0.80
(vi) Other current financial assets	15	148.46	134.12
(c) Income tax assets (net)		12.50	7.99
(d) Other current assets	16	130.52	130.26
		1,728.22	**2,006.00**
TOTAL ASSETS		**11,571.92**	**11,623.76**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	200.00	150.00
(b) Other equity		4,062.41	3,967.27
		4,262.41	**4,117.27**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	2,725.52	3,205.69
(ii) Other non-current financial liabilities	19	52.76	50.97
(b) Provisions (non-current)	20	58.63	55.77
(c) Deferred tax liabilities (net)	21	1,168.02	1,181.55
		4,004.93	**4,493.98**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	1,263.28	1,167.50
(ii) Trade payables	23		
- Due to micro and small enterprises		5.33	5.95
- Due to creditors other than micro and small enterprises		761.50	675.40
(iii) Other current financial liabilities	24	555.51	481.30
(b) Provisions (current)	25	308.60	296.47
(c) Other current liabilities	26	410.36	385.89
		3,304.58	**3,012.51**
TOTAL EQUITY AND LIABILITIES		**11,571.92**	**11,623.76**
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	1B		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place : Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited

CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place : Mumbai
Date : 7 May 2019

Standalone Statement of Profit and Loss

for the year ended 31 March, 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	Note No.	2018-19	2017-18
INCOME			
Revenue from operations	27	6,560.26	6,297.23
Other income	28	51.50	54.19
Total Income		**6,611.76**	**6,351.42**
EXPENSES			
Cost of materials consumed	29	1,331.03	1,227.64
Purchase of stock in trade	30	167.77	77.08
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	55.03	(35.06)
Power and fuel		1,110.43	1,037.93
Freight and forwarding charges		1,781.16	1,645.57
Excise duty on sale of goods		-	203.11
Employee benefits expense	32	342.78	319.66
Finance costs	33	390.90	425.41
Depreciation and amortization expense	34	399.44	391.63
Other expenses	35	869.63	832.75
Total expenses		**6,448.17**	**6,125.72**
Profit before tax		**163.59**	**225.70**
Tax expenses:	37		
1. Current tax (MAT)		64.21	77.08
2. MAT credit entitlement		(9.40)	(11.29)
3. Deferred tax (excluding MAT credit entitlement)		3.22	46.17
4. Tax expense relating to earlier years		(19.98)	(44.38)
Total tax expense		**38.05**	**67.58**
Profit for the year		**125.54**	**158.12**
OTHER COMPREHENSIVE INCOME (OCI)			
I Items that will not be reclassified to profit or loss			
i. Remeasurements gains/(losses) of post-employment benefit obligation		(2.39)	1.51
ii. Income tax related to above		0.84	(0.52)
		(1.55)	**0.99**
II Items that will be reclassified to profit or loss			
i. Deferred gains/(losses) on cash flow hedge		-	0.09
ii. Income tax related to above		-	(0.03)
		-	**0.06**
Other comprehensive income for the year		(1.55)	1.05
Total comprehensive income for the year		**123.99**	**159.17**
Earnings per equity share (Face value of ₹ 10 each)	36		
1. Basic (₹)		6.28	1.37
2. Diluted (₹)		6.28	1.37

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place : Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited

CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place : Mumbai
Date : 7 May 2019

Standalone Statement of Cash Flows

for the year ended 31 March, 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	2018-19	2017-18
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	163.59	225.70
Adjustments for:		
Depreciation and Amortisation Expense	399.44	391.63
Net gain on foreign currency transaction and translation	(1.41)	(0.48)
Provision for bad/doubtful debts and advances	12.29	10.97
Provision for indirect taxes and litigations	11.56	10.28
Provision/liabilities no longer required, written back	(47.72)	(47.74)
Property, Plant & Equipment written off	0.47	0.82
Gain on sale of current investments	(26.27)	(26.88)
Fair value gain on financial instruments at fair value through profit or loss	(3.20)	(13.90)
Interest income on bank deposits	(0.39)	(1.16)
Interest income on others	(17.20)	(7.86)
Finance costs	390.90	425.41
Operating profit before working capital adjustments	**882.06**	**966.79**
Adjustments for working capital :		
(Increase)/Decrease in Inventories	52.08	(69.16)
(Increase)/Decrease in trade and other receivables	(92.20)	19.68
Increase in loans and advances and other non current assets	(83.35)	(52.85)
Increase in trade / other payables, provisions and other liability	166.15	177.61
	924.74	1,042.07
Income tax paid (net)	(15.62)	(90.90)
NET CASH FLOW FROM OPERATING ACTIVITIES	**909.12**	**951.17**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase and construction of property, plant and equipment	(547.45)	(217.12)
Purchase of current investments	(2,904.00)	(3,686.47)
Proceeds from sale of current investments	3,322.24	3,295.07
Loans/advances given during the year	(0.54)	0.97
Interest received	13.25	5.43
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(116.50)**	**(602.12)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Stamp duty on issue of shares	-	(20.79)
Repayment of long term borrowings	(1,150.00)	-
Proceeds from long term borrowings	750.00	-
Short term borrowing (Net)	(4.39)	4.39
Interest paid	(328.05)	(366.47)
NET CASH USED IN FINANCING ACTIVITIES	**(732.44)**	**(382.87)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**60.18**	**(33.82)**
Cash and cash equivalents at the beginning of the year	43.11	76.93
Cash and cash equivalents at the end of the year	**103.29**	**43.11**

Standalone Statement of Cash Flows

for the year ended 31 March, 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	2018-19	2017-18
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet		
Bank balances (including bank deposits)	96.82	37.47
Cheques/drafts on hand	6.44	5.59
Cash on hand	0.03	0.05
Cash and cash equivalents at the end of the year	**103.29**	**43.11**

Notes :

i) Cash and Cash equivalents at the end of the year includes cash collateral of ₹ 5.18 crores maintained by the Company for collateral of disputed indirect tax case.

ii) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

iii) Disclosure as required by IND AS 7 - ''Cash Flow Statements'' - Changes in liabilities arising from financing activities:

Particulars	2018-19	2017-18
Opening balance	4,373.19	4,314.39
Non Cash movement		
- Conversion of CCD (Refer note 17(c)(ii)	(32.48)	-
- Accrual of interest	371.05	398.94
Cash movement		
- Further Borrowings	750.00	4.39
- Principle repayment	(1,154.39)	-
- Interest payment	(318.57)	(344.53)
Closing balance	**3,988.80**	**4,373.19**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place : Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited

CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place : Mumbai
Date : 7 May 2019

Standalone Statement of Changes in Equity

for the year ended 31 March, 2019

Equity Share Capital

Particulars	31 March 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	150,000,000	150.00	150,000,000	150.00
Conversion of CCD into equity shares (Refer note 17(c)(ii))	50,000,000	50.00	-	-
Balance at the end of the reporting year	200,000,000	200.00	150,000,000	150.00

Other equity

Particulars	Reserves and Surplus**									Items of OCI	Equity component of compound financial instrument	Total
	Capital reserve	Capital reserve on amalgamation	Securities premium	Capital redemption reserve	Debenture redemption reserve	Amalga-mation Reserves	General reserve	Statutory Reserve Under Section 45IC of RBI Act	Retained earnings	Cash Flow hedge reserve		
Balance at 1 April , 2017	**37.33**	**(1,053.75)**	**1,326.56**	**23.33**	**183.00**	**2.53**	**90.00**	**0.01**	**2,255.84**	**(0.06)**	**934.16**	**3,798.95**
Profit for the year	-	-	-	-	-	-	-	-	158.12	-	-	158.12
Share issue expense*			(13.53)									(13.53)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	0.99	0.06	-	1.05
Total comprehensive income	**-**	**-**	**(13.53)**	**-**	**-**	**-**	**-**	**-**	**159.11**	**0.06**	**-**	**145.64**
Transfer to Debenture redemption reserve from retained earning	-	-	-	-	337.95	-	-	-	(337.95)	-	-	-
Deferred tax on CCD debt component	-	-	-	-	-	-	-	-	-	-	22.68	22.68
Balance at 31 March 2018	**37.33**	**(1,053.75)**	**1,313.03**	**23.33**	**520.95**	**2.53**	**90.00**	**0.01**	**2,077.00**	**0.00**	**956.84**	**3,967.27**
Profit for the year	-	-	-	-	-	-	-	-	125.54	-	-	125.54
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	(1.55)	-	-	(1.55)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**123.99**	**-**	**-**	**123.99**
Transfer to Debenture redemption reserve from retained earning	-	-	-	-	260.05	-	-	-	(260.05)	-	-	-
Transfer to retained earning from Debenture redemption reserve	-	-	-	-	(287.50)	-	-	-	287.50	-	-	-
Reversal of CCD debt component (Refer note 17(c)(ii))	-	-	-	-	-	-	-	-	32.46	-	-	32.46
Reversal of deferred tax on CCD debt component (Refer note 38)	-	-	-	-	-	-	-	-	11.37	-	(22.68)	(11.31)
Conversation of CCD into equity (Refer note 17(c)(ii))	-	-	884.16	-	-	-	-	-	-	-	(934.16)	(50.00)
Balance at 31 March 2019	**37.33**	**(1,053.75)**	**2,197.19**	**23.33**	**493.50**	**2.53**	**90.00**	**0.01**	**2,272.27**	**0.00**	**-**	**4,062.41**

Notes:

* Share issue expense is related to stamp duty charge on new equity shares on amalgamation in financial year 2016-17

** Refer note 17 for description of the nature and purpose of each reserve within other equity

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place : Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited

CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place : Mumbai
Date : 7 May 2019

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

1A. Company Information

Nuvoco Vistas Corporation Limited ("the Company") is a limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1956. The registered office is located at Equinox Business Park, Tower-3, 4th Floor, LBS Marg, Off BKC, Kurla (West), Mumbai – 400070. The Company is principally engaged in the business of manufacturing and sale of Cement and Ready Mix along with trading and manufacturing of Aggregates. The Company caters mainly to the domestic market.

The financial statement of the Company for the year ended 31 March, 2019 was authorized for issue in accordance with a resolution of Directors on 7th May, 2019.

1B. Summary of significant accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

These are separate financial statements of the Company as per Ind AS 27. The financial statements have been prepared on the historical cost except for the defined benefit plans' assets which are measured at fair value.

b) Revenue recognition

Sale of goods

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. It is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts, incentives and volume rebates. Revenue for the period 1 April 2017 to 30 June 2017 includes excise duty and excludes value added tax/ sales tax. Revenue for the period 1 July 2017 to 31 March 2019 excludes goods and service tax. Ind AS 115 - "Revenue from Contracts with Customers" which is mandatory w.e.f. 1st April 2018 has replaced existing revenue recognition requirements. The Company has applied the modified retrospective approach on transition. There were no significant impact on the retained earnings as at 1 April 2018.

Interest income

For all interest bearing financial assets interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items net of depreciation and impairment losses (if any). Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

Capital work in progress ('CWIP') is stated at cost, net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as CWIP and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

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

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

are recognised in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation (other than on mining land) is calculated on a straight-line basis to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. The useful lives have been determined based on technical evaluation which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The useful lives so determined are as follows:

Asset Type	Useful life (in years)
Buildings and roads	5 to 50
Plant and machinery	1 to 30
Railway sidings and locomotives	30
Office equipment	5 to 10
Vehicles	5
Furniture and fixtures	5 to 10
Leasehold land	Over the lease period
Mining land	Amortised on the unit of production method based on extraction of limestone from mines

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.

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

Residual values, useful life of assets and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

The Company, based on management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

e) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Amortisation methods, estimated useful lives and residual value

Intangible assets are amortised on a straight line basis over their estimated useful lives based on underlying contracts where applicable, except for mining rights

The useful lives of intangible assets are assessed as either finite or indefinite. The useful lives so determined are as follows:

Asset Type	Useful life (in years)
Mining Rights	Amortised on the unit of production method based on extraction of limestone from mines but restricted upto the lease period (in case of Leasehold and Freehold Land)
Supplier agreement	(Finite) Upto the validity of the Contract
Trademark	(Finite) 10
Software	(Finite) 5

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level, and whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

f) 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.

Recoverable amount is determined:

1. In case of individual asset, at higher of the fair value less cost to sell and value in use; and

2. In case of cash-generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. In any case the growth rate does not exceed the long term average growth rate for the products/ industries in which the entity operates.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

g) Leases

The determination of whether as 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 fulfillment of the arrangement is dependent on the use of the specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Company as a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

h) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

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

Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

i) Financial instruments

A. 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 and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

1. Financial assets at amortised cost
2. Financial assets at fair value

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit and loss) (FVTPL), or recognized in other comprehensive income (i.e. fair value through other comprehensive income) (FVTOCI)

Financial asset at amortised cost

A financial asset is measured at amortised cost if following two conditions are met:

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

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

Financial assets at fair value

Debt instruments

A debt instrument is classified as at FVTOCI if following two conditions are met:

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

Debt instrument included within the fair value through other comprehensive income are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

All other investment in debt instruments not measured at amortised cost or at FVTOCI as described above are measured at fair value through profit and loss.

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 fair value through profit or loss. For all other equity instruments, the company may

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

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 fair value through other comprehensive income, 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 Profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the fair value through profit or loss category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

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

1. The rights to receive cash flows from the asset have expired, or

2. 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.

Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

1. Financial assets measured at amortised cost;

2. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2. Full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

1. Financial liabilities at fair value through profit or loss
2. Loans and borrowings
3. Financial guarantee contracts

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.

Loans and borrowings

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.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 and loss.

B. Off-setting 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.

C. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

j) Investment in subsidiaries and joint ventures

The Company accounts for investment in subsidiaries and Joint venture at Cost in its separate financial statements.

k) Compulsorily Convertible Debentures:

Compulsorily Convertible Debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 *Financial Instruments: Presentation* criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years

Transaction costs are apportioned between the liability and equity components of the convertible debentures shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

l) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an expense item are recognised as income on a systematic

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

basis over the periods that the related costs, for which it is intended to compensate, are expensed. When grants relates to an assets it is recognized as income in equal amounts over the expected useful life of the related asset and disclosed under financial assets in accordance with Ind AS -109-Financial Instruments.

m) 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, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss.

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 balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes at the reporting date.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. the carry forward of unused tax credits.

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

n) Inventories

Inventories are valued at the lower of cost and Net Realisable Value (NRV).

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the actual level of production which approximates normal operating capacity, but excluding borrowing costs.

Stores, spares and other supplies: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Items of stores and spares that does not meet the definition of ‘property, plant and equipment’ is recognised as a part of inventories.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

o) Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Company also has additional death benefit scheme for specific set of employees. This death benefit scheme is unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, 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 other comprehensive income in the period in which they occur. Re-measurements 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 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

Other Long-term employee benefits

Other long term employee benefits are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expenses are recognised at the present value of the amount payable determined using actuarial valuation technique. Actuarial gains and loss in respect of other long term benefits are charged to the statement of profit and loss.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the company 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.

r) Operating Segment:

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

s) Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

u) Significant estimates and judgements

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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.

The estimates and assumptions that may 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:

1. Useful life of property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2. Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than the carrying amount, a material impairment loss may arise.

3. **Defined benefit obligation**

   The cost of defined benefit gratuity plans, Leave encashment and death benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future salary increments. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty

4. **Measurement of site restoration provisions**

   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.

5. **Legal & Tax matters and contingent liabilities**

   Various litigations and claims related to Company are assessed primarily by the management and also in certain cases by with the support of the relevant external advice. Disclosures related to such provision for legal cases, as well as contingent liabilities, requires judgment and estimations.

6. **Revenue recognition**

   Company provides various discounts to the customers. The methodology and assumptions used to estimate the same are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

7. **Provision for doubtful trade receivables**

   Trade receivables are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off / provide for basis management estimate, historical trend and existing market condition as well as forward looking estimates at the end of each reporting period

v) Current and non-current classification

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

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period,

   Or

4. 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:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period,

   Or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

w) Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is company’s functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency, using the foreign exchange rate at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

At each balance sheet date, foreign currency monetary assets and liabilities are translated at

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

the functional currency using the foreign exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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 other comprehensive income or the statement of profit and loss are also recognised in other comprehensive income or the statement of profit and loss, respectively).

x) 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:

1. In the principal market for the asset or liability,

   Or

2. 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.

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:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

y) Exceptional items

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

z) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated. Any amount appearing as ₹ 0.00 represents amount less than ₹ 50,000.

a) Standards issued but not yet effective and have not been adopted early by the Company

Ind AS 116 'Leases' (Effective for annual periods beginning on or after 1 April 2019):

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessee. This will result in the company recognising right of use assets & lease liability in the books. The Company is in the process of analyzing the impact of IndAS 116 on its financials. The amendment will come into force from April 01, 2019.

Notes to Standalone financial statements

(All amounts in ₹ crore, unless otherwise stated)

2. Property, plant and equipment

Description	Land - Freehold (a)	Land - Leasehold	Quarry Develop-ment	Building and Roads	Plant and Machinery	Railway Sidings & Loco-motives	Furniture & Fixtures	Office Equipment	Vehicles	Total
Cost as at 1 April 2017	**599.87**	**103.46**	**3.82**	**1,306.24**	**5,159.30**	**652.11**	**8.06**	**32.09**	**3.40**	**7,868.35**
Additions	22.69	0.86	-	37.39	72.58	2.92	0.37	0.49	0.25	137.55
Disposals	-	-	-	(9.25)	(3.37)	-	(0.01)	(0.20)	-	(12.83)
Adjustments	2.25	(2.25)	-	-	-	-	-	-	-	-
Cost as at 31 March 2018 (A)	**624.81**	**102.07**	**3.82**	**1,334.38**	**5,228.51**	**655.03**	**8.42**	**32.38**	**3.65**	**7,993.07**
Additions	14.52	-	0.57	10.90	157.13	2.73	0.58	1.01	-	187.44
Disposals	-	-	-	(0.01)	(2.43)	-	-	(0.06)	-	(2.50)
Adjustments	32.08	(32.08)	-	-	-	-	-	-	-	-
Cost as at 31 March 2019 (C)	**671.41**	**69.99**	**4.39**	**1,345.27**	**5,383.21**	**657.76**	**9.00**	**33.33**	**3.65**	**8,178.01**
Accumulated depreciation as at 1 April 2017	**10.49**	**8.88**	**2.83**	**458.14**	**2,068.94**	**201.70**	**4.36**	**23.55**	**2.14**	**2,781.03**
Depreciation for the year	9.40	2.19	0.16	41.25	234.60	23.01	0.80	2.98	0.49	314.88
Disposals/adjustments	-	-	-	(9.25)	(2.55)	-	(0.00)	(0.19)	-	(11.99)
Accumulated depreciation as at 31 March 2018 (B)	**19.89**	**11.07**	**2.99**	**490.14**	**2,300.99**	**224.71**	**5.16**	**26.34**	**2.63**	**3,083.92**
Depreciation for the year	8.00	2.08	0.20	47.97	237.25	23.07	0.81	2.69	0.45	322.52
Disposals/adjustments	-	-	-	(0.01)	(1.96)	-	-	(0.06)	-	(2.03)
Accumulated depreciation as at 31 March 2019 (D)	**27.89**	**13.15**	**3.19**	**538.10**	**2,536.28**	**247.78**	**5.97**	**28.97**	**3.08**	**3,404.41**
Net carrying amount as at 31 March 2018 (A)- (B)	**604.92**	**91.00**	**0.83**	**844.24**	**2,927.52**	**430.32**	**3.26**	**6.04**	**1.02**	**4,909.15**
Net carrying amount as at 31 March 2019 (C)- (D)	**643.52**	**56.84**	**1.20**	**807.17**	**2,846.93**	**409.98**	**3.03**	**4.36**	**0.57**	**4,773.60**

Notes:

a. Freehold land includes ₹ 2.11 Crores (31 March 2018 : ₹ 2.11 Crores) being used by third party

b. Refer note 18 for property, plant and equipment provided as collateral against borrowings

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

3. Investment property

Description	Amount
Cost as at 1 April 2017	**1.59**
Additions	-
Disposals/transfer	-
Cost as at 31 March 2018 (A)	**1.59**
Additions	-
Disposals/transfer	-
Cost as at 31 March 2019 (C)	**1.59**
Accumulated depreciation as at 1 April 2017	**0.16**
Depreciation for the year	0.08
Disposals/transfer	-
Accumulated depreciation as at 31 March 2018 (B)	**0.24**
Depreciation for the year	0.08
Disposals/transfer	-
Accumulated depreciation as at 31 March 2019 (D)	**0.32**
Net carrying amount as at 31 March 2018 (A)- (B)	**1.35**
Net carrying amount as at 31 March 2019 (C)- (D)	**1.27**

4. Goodwill and Other intangible assets

Description	Other Intangible Assets						Goodwill
	Software	Mining rights	Trade Mark	Non Compete Agree-ment	Suppliers Agree-ment	Total	
Cost as at 1 April 2017	**56.07**	**896.55**	**506.66**	**71.90**	**17.78**	**1,548.96**	**3,295.50**
Additions	0.39	28.05	-	-	-	28.44	-
Cost as at 31 March 2018 (A)	**56.46**	**924.60**	**506.66**	**71.90**	**17.78**	**1,577.40**	**3,295.50**
Additions	4.40	-	-	-	-	4.40	-
Cost as at 31 March 2019 (C)	**60.86**	**924.60**	**506.66**	**71.90**	**17.78**	**1,581.80**	**3,295.50**
Accumulated amortisation as at 1 April 2017	38.85	17.78	34.83	71.90	2.22	165.58	851.64
Amortisation for the year	4.00	18.62	49.62	-	4.43	76.67	-
Accumulated amortisation as at 31 March 2018 (B)	**42.85**	**36.40**	**84.45**	**71.90**	**6.65**	**242.25**	**851.64**
Amortisation for the year	4.46	18.33	49.62	-	4.43	76.84	-
Accumulated amortisation as at 31 March 2019 (D)	**47.31**	**54.73**	**134.07**	**71.90**	**11.08**	**319.09**	**851.64**
Net carrying amount as at 31 March 2018 (A)- (B)	**13.61**	**888.20**	**422.21**	**-**	**11.13**	**1,335.15**	**2,443.86**
Net carrying amount as at 31 March 2019 (C)- (D)	**13.55**	**869.87**	**372.59**	**-**	**6.70**	**1,262.71**	**2,443.86**

Note : Refer note 18 for other intangible assets provided as collateral against borrowings

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

Impairment testing of goodwill with indefinite life

Goodwill pertains to the two CGUs below, which are also operating and reportable segments, for impairment testing:

- Cement CGU
- Concrete CGU

Carrying amount of goodwill pertains to each of the CGUs:

Paticulars	Cement		Concrete	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Goodwill	2,017.85	2,017.85	426.01	426.01

The Company performed its annual impairment test for years ended 31 March 2019 and 31 March 2018 respectively and no Goodwill impairment was deemed necessary.

i. Cement CGU

The recoverable amount of the Cement CGU has been determined based on a value in use calculation using cash flow projections covering a five-year period. The projected cash flows have been updated to reflect the demand for Cement. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is ~ 13% and cash flows beyond the five-year period are extrapolated using ~ 2% growth rate that is the same as the long-term average growth rate for the industry. It was concluded that the recoverable amount exceeded the carrying value of cash generating unit hence there is no impairment.

ii. Concrete CGU

The recoverable amount of the Concrete CGU has been determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period. The projected cash flows have been updated to reflect the demand for Concrete. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is ~ 13% and cash flows beyond the five-year period are extrapolated using ~ 2% growth rate that is the same as the long-term average growth rate for the industry. It was concluded that the recoverable amount exceeded the carrying value of cash generating unit hence there is no impairment.

Key assumptions used for value in use calculations

The calculation of value in use for both units is most sensitive to the following assumptions:

(1) Sales Growth rate

(2) Raw Material price inflation

(3) Market growth rate

Sales Growth Rate - Management expects a stable sales growth rate over the forecast period, the management further expects the Company position in relative to its competitors to strengthen following sales aggressive targets taken by the Company.

Raw Material Price inflation - Past material price movements are used as indicators of future price movements.

Market growth rate - Management expects the Company position in Cement & Concrete business to be stable over the forecast period, the management further expects the Company position in relative to its competitors to strengthen based on future growth forecast of the Company.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

Sales Growth Rate - Management recognises the effect of new entrant and additional capacity expansion of existing competitors as not to have material adverse impact on the forecasts.

Raw Material Price inflation - The management has considered the possibility of greater than forecast increases in raw material price inflation. This may occur if anticipated regulatory changes result in an increase in demand that cannot be met by suppliers. If prices of raw materials increase greater than the forecast price inflation, then the Concrete CGU will have to pass on such increase to the customer. For Cement CGU raw material prices do not vary significantly.

Market growth rate - Based on industrial data and infrastructure growth action taken by the government, the Company is of the view that the growth rate will be higher than the forecast estimated by the Company.

While it is unlikely for all the above assumptions to move adversely together, it would require a significant increase/ decrease to result in an impairment charge.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

5. Non current investments

Particulars	As at 31 March 2019	As at 31 March 2018
Unquoted, valued at cost unless stated otherwise		
a. Investment in subsidiary company (Refer note 40)		
Nil (31 March 2018 - 50,000) equity shares of ₹ 10/- each fully paid-up in Rima Eastern Cement Limited (formerly known as Lafarge Eastern India Limited)	-	0.05
b. Investment in joint venture		
861,300 (31 March 2018 - 861,300) equity shares of ₹ 10/- each fully paid up in Wardha Vaalley Coal Field Private Limited	0.86	0.86
Less: Provision for impairment	(0.86)	(0.86)
	-	**0.05**

Note :

The Ministry of coal had allotted a coal block in the state of Maharashtra to a consortium in which the Company is a member. The Company plans to carry out mining activities through Wardha Vaalley Coal Field Private Limited, a joint venture Company incorporated in India as a special purpose vehicle. The Company's ownership in the jointly controlled entity is 19.14%. The other owners in the joint venture being IST Steel & Power Limited (53.59%) and Ambuja Cements Limited (27.27%).

In prior years, the allotment of the coal block has been cancelled and the Joint Venture (JV) company has been show caused for allegedly not achieving the progress milestones in the development of the mine. Deallocation of the coal block has been challenged before the Hon'ble Delhi High Court and the matter is sub-judice. The guarantees given by the JV has also been sought to be invoked but the same has been stayed by the Hon'ble Delhi High Court subject to the guarantee being kept alive. Subsequently such guarantee furnished by the company has been cancelled.

c. Investment in others

Particulars	As at 31 March 2019	As at 31 March 2018
i. Equity investment (at FVTOCI)		
1,925,924 (31 March 2018 - 1,925,924) Class A equity shares of ₹ 10/- each fully paid-up in VS Lignite Power Private Ltd.	1.93	1.93
ii. Debt investment (at FVTPL)		
4,828,298 (31 March 2018 - 4,828,298) 0.01% cumulative class A redeemable preference shares of ₹ 10/- each fully paid-up in VS Lignite Power Private Ltd.	4.83	4.83
Less: Provision for impairment	(6.76)	(6.76)
	-	**-**

6. Loans

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Loans/advances to employees	0.20	0.21
Sub total (a)	**0.20**	**0.21**
Doubtful		
Loans to related party #	1.11	1.11
Less: Provision for doubtful loans	(1.11)	(1.11)
Sub total (b)	**-**	**-**
Total (a+b)	**0.20**	**0.21**

#Represents intercorporate loan given to Wardha Vaalley Coal Field Private Limited for working capital requirements.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

7. Other non-current financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Industrial promotional assistance (Refer note below)	427.14	380.75
Deposits with govt. authorities and others	157.85	136.39
Sub total (a)	**584.99**	**517.14**
Doubtful		
Deposits with govt. authorities and others	4.90	4.90
Less: Provision for doubtful deposits	(4.90)	(4.90)
Sub total (b)	-	-
Total (a+b)	**584.99**	**517.14**

The Company is entitled to Industrial Promotional Assistance related to the Mejia Cement Plant (MCP) of 75% of the VAT and CST paid by it, for a period of 12 years, from the Government of West Bengal under the West Bengal Incentive Scheme 2004 with effect from April 23, 2008. Accordingly, the Company has accrued such fiscal incentive in its books upto 31 March 2019 (outstanding claim balance as of balance sheet date is ₹ 427.14 crore). The authorities disputed the claim of the Company, pursuant to which, the Company filed a writ petition against the Industry, Commerce & Enterprise department, Government of West Bengal during the year 2017-18 in the Honourable High Court of Kolkata (High Court). The High Court passed an order on June 27, 2018 directing Principal Secretary of the State of West Bengal to re-consider the claim and contention lodged by the Company. The Additional Chief Secretary to the Government of West Bengal has rejected the Company's claim for incentive vide order dated March 18, 2019. The Company, based on advice of legal counsel, is in the process of filing a writ petition in the High Court and is confident of its ultimate recovery. (Refer note 27)

8. Other non current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Capital advances	59.73	106.55
Prepaid expenses	1.78	0.71
Sub total (a)	**61.51**	**107.26**
Doubtful		
Capital advances	1.26	1.26
Less: Provision for doubtful advances	(1.26)	(1.26)
Sub total (b)	-	-
Total (a+b)	**61.51**	**107.26**

9. Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
(Valued at cost or NRV whichever is lower)		
Raw materials	50.51	52.41
(includes in transit and stock with third party ₹ 0.55 crores (31 March 2018 : ₹ 11.43 crores))		
Work-in-progress	86.88	137.85
(includes in transit ₹ 7.13 crores (31 March 2018 : ₹ 11.30 crores))		
Finished goods	50.33	54.44
(includes in transit and stock with third party ₹ 9.61 crores (31 March 2018 : ₹12.58 crores))		
Stock-in-Trade	0.55	0.50
Stores and Spare Parts, Packing Material and Fuel*	189.85	185.00
(includes in transit and stock with third parties ₹ 17.04 crores (31 March 2017 : ₹18.18 crores))		
Total	**378.12**	**430.20**

* The Company has provided for write down to the value of stores and spare parts in the statement of profit and loss of ₹ 0.28 crores; previous year - ₹ 0.38 crores.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

10. Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Quoted, valued at fair value through statement of profit or loss		
SBI Liquid Fund (391,165.81 Units)	114.56	-
HDFC Liquid Fund (312,275.94 Units)	114.86	-
Kotak Liqud Fund (67,597.23 Units)	25.58	-
Reliance Liquid Fund (123,500.31 Units)	56.34	-
DHFL Pramerica Insta Cash Fund (629,632.04 Units)	15.30	-
DSP Blackrock Liquidity Fund (147,910.37 Units, 31 March 2018- 395,046.99 Units)	39.54	98.18
Axis Liquid Fund (112,327.52 Units)	23.29	-
ICICI Prudential Liquid Plan (2,209,294.42 Units, 31 March 2018 - 2,337,516.04 Units)	61.07	60.11
Invesco India Medium Term Bond Fund (19,667.81 Units, 31 March 2018 - 221,882.63 Units)	5.06	40.37
SBI Premier Liquid fund (31 March 2018 - 2,53,816.95 Units)	-	69.15
ICICI Prudential Savings Fund (31 March 2018 - 2,925,157.17 Units)	-	79.03
HDFC F R I F - STF - WP (31 March 2018 - 39,173,234.92 Units)	-	119.02
Tata Ultra Short Term Fund - (31 March 2018 - 74,406.29 Units)	-	19.77
Aditya Birla Sun Life Savings Fund (31 March 2018 - 583,636.52 Units)	-	20.07
SBI Treasury Advantage Fund (31 March 2018 - 324,827.80 Units)	-	64.26
UTI Floating Rate Fund (31 March 2018 - 262,96.72 Units)	-	7.65
Kotak Low Duration Fund (31 March 2018 - 670,590.92 Units)	-	146.92
Reliance Medium Term Fund (31 March 2018 - 32,212,679.97 Units)	-	119.84
Total	**455.60**	**844.37**
Aggregate book value of quoted investments	455.60	844.37
Aggregate market value of quoted investments	455.60	844.37

11. Trade receivables (Refer note 40)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured, considered good	211.45	189.45
Unsecured, considered good	279.36	215.71
Which have significant increase in credit risk	7.58	9.99
Credit impaired	74.60	65.64
	572.99	**480.79**
Provision for doubtful trade receivables	(74.60)	(65.64)
Total	**498.39**	**415.15**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Also no trade or other receivables are due from firms or private companies respectively in which any director is a partner or a director

12. Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with bank		
- On current accounts	41.64	22.29
- Deposits with original maturity of less than three months	50.00	10.00
Cheques/drafts on hand	6.44	5.59
Cash on hand	0.03	0.05
Total	**98.11**	**37.93**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

13. Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Earmarked (restricted) balances with banks for :		
Collateral for disputed indirect tax cases	5.18	5.18
Total	**5.18**	**5.18**

14. Loans

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Loans/advances to employees	1.34	0.80
Total	**1.34**	**0.80**

15. Other current financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good, unless otherwise stated		
Industrial promotional assistance	33.05	27.74
Interest accrued	0.75	0.58
Deposits with govt. authorities and others	114.66	105.80
Total	**148.46**	**134.12**

16. Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good, unless otherwise stated		
Balances with indirect tax authorities	32.41	26.10
Advances to Suppliers	78.29	87.22
Other receivables	4.26	3.54
Prepaid expenses	15.56	13.40
Total	**130.52**	**130.26**

17. Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorized		
7,801,110,000 (31 March 2018 - 7,801,110,000) equity shares of ₹ 10/- each	7,801.11	7,801.11
1,000,000,000 (31 March 2018 - 1,000,000,000) preference shares of ₹ 10/- each	1,000.00	1,000.00
	8,801.11	**8,801.11**
Issued, subscribed and fully paid-up		
200,000,000 (31 March 2018 - 150,000,000) equity shares of ₹ 10/- each	200.00	150.00
	200.00	**150.00**

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings.

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.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

(b) Shares held by shareholders holding more than 5% in the Company

Particulars	As at 31 March 2019	As at 31 March 2018
Nirma Limited and its nominees		
No of Shares	200,000,000	150,000,000
Shareholding %	100%	100%

As per records of the company, including its register of shareholder/members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

i) Equity shares issued pursuant to merger scheme in financial year 2016-17 - 150,000,000 shares of ₹ 10/- each

ii) On 19 February 2019, the Company has converted Compulsory Convertible Debentures (CCD) of ₹ 1,000 crores into 50,000,000 numbers of equity shares of ₹ 10/- each. Difference between the equity component of CCD and face value of the equity shares issued on conversion has been credited to securities premium account. Difference between the outstanding debt component related to CCD and actual interest payable as per coupon rate of CCD has been credited to retained earnings as the transaction is between the parent and subsidiary company. Interest payable up to the date of conversion has been converted into Inter Corporate Deposit as per agreed terms with the Holding Company bearing interest @ 8% p.a.

Nature and purpose of reserve

A. Capital Reserve, Capital Reserve on Amalgamation and Amalgamation Reserve

It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

B. Debenture Redemption Reserve

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the company to create Debenture Redemption Reserve (DRR) out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

C. Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast purchase. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedge are effective; the change in fair value of hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when hedged item affects profit or loss.

D. Securities premium

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses etc.

E. Capital Redemption Reserve

Capital redemption reserve was created by transferring from retained earnings. The balance will be utilised in accordance with the provision of the Companies Act, 2013.

F. General Reserve

General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

G. Statutory Reserve Under Section 45IC of RBI Act

Statutory Reserve under section 45IC of RBI Act was created by transfering profits as per the rules stated therein when the company was registered as a Non Banking Financial Company (NBFC).

H. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

18. Borrowings

Particulars		As at 31 March 2019	As at 31 March 2018
i)	**Non convertible debentures (Refer note a)**		
	8.66% Secured listed non convertible debenture redeemable at par on 14.09.2021 (8000 nos.)	784.22	778.77
	8.57% Secured listed non convertible debenture redeemable at par on 14.09.2020 (8000 nos.)	790.64	784.91
	8.47% Secured listed non convertible debenture redeemable at par on 14.09.2019 (12,500 nos.)	-	1,236.02
ii)	**Term loan from bank in local currency (Refer note b)**		
	Secured term loans	748.45	-
iii)	**Unsecured borrowings**		
	Inter corporate deposit from holding company (Refer note c)	402.21	333.72
	2% Unlisted, unsecured debentures compulsorily convertible into equity shares (Refer note 17(c)(ii))	-	72.27
		2,725.52	**3,205.69**

Note :

a. The Company has issued Non Convertible Debentures (NCD) of ₹ 4000.00 crores which are secured by first ranking exclusive charge in favour of the debenture trustee over all rights, title, interest and benefit of the Company in respect of and over the fixed assets including plant and machinery, equipments, land, immovable properties, mining leases (to the extent permitted under the applicable law), investments, its intellectual properties (other than the excluded intellectual properties) and a second pari passu charge over the current assets including cash, receivables, stocks, bank accounts of the Company. The interest is payable half yearly at the applicable rates as specified for each series.

b. The Company has taken term loan of ₹ 375.00 crores from Kotak Mahindra Bank Ltd and ₹ 375.00 crores from State Bank of India, carrying average interest rate of 8.60%, which is secured by first pari passu charge to be shared with other term lenders and debenture holders on all rights, title, interest and benefits of the borrower pertaining to all existing and future moveable fixed assets and immovable properties. Loan shall be repaid in 20 equal quarterly installments starting from the quarter following the expiry of moratorium period of 24 month from the date of first disbursement. The interest is payable on monthly basis at the applicable rates.

c. The inter corporate deposit of ₹ 343.87 crores (Previous Year ₹ 299.78 Crores) is long term in nature and carries interest rate of 8% p.a.

Particulars	As at 31 March 2019	As at 31 March 2018
Repayment Schedule of non convertible debentures:		
Not later than one year	1,250.00	1,150.00
Later than one year and not later than two years	800.00	1,250.00
Later than two years and not later than five years	800.00	1,600.00

19. Other non-current financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Other liabilities	52.76	50.97
Total	**52.76**	**50.97**

20. Provisions (non-current)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for death benefit (Refer note 39)	3.41	3.51
Provision for gratuity (Refer note 39)	1.71	1.27
Provision for site restoration (Refer note 50)	27.76	27.27
Provision for contractors' charges (Refer note 50)	25.75	23.72
Total	**58.63**	**55.77**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

21. Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liability (Refer note 38)	**1,492.53**	**1,502.02**
- Depreciation and amortisation	583.60	532.54
- Deferred tax liability on business combination	907.81	964.62
- Others	1.12	4.86
Deferred tax asset (Refer note 38)	**324.51**	**320.47**
- Disallowance under section 43B of the Income Tax Act	42.81	56.82
- Provision for doubtful debts and advances	31.27	28.14
- Others	17.71	30.84
- MAT credit entitlement	232.72	204.67
Total	**1,168.02**	**1,181.55**

22. Borrowings (Secured)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debt	1,263.28	1,163.11
Loans repayable on demand:		
From Banks - Cash Credits / Working Capital Borrowings (Secured by Hypothecation of Stocks and Book Debts of the Company)	-	4.39
	1,263.28	**1,167.50**

23. Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Due to micro and small enterprises (Refer note 49)	5.33	5.95
Due to creditors other than micro and small enterprises	761.50	675.40
Total	**766.83**	**681.35**

This information on Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

24. Other current financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Creditors for capital expenditure	82.32	40.53
Liability for employee related expenses	61.23	56.55
Security deposits from dealers, transporters and others	411.96	384.22
Total	**555.51**	**481.30**

25. Provisions (current)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for leave benefits	18.81	15.68
Provision for death benefit (Refer note 39)	0.52	0.46
Provision for indirect taxes/litigations (Refer note 50)	178.00	185.06
Provision for dealers' discounts (Refer note 50)	106.61	91.21
Provision for contractors' charges (Refer note 50)	2.42	2.12
Provision for site restoration (Refer note 50)	2.24	1.94
Total	**308.60**	**296.47**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

26. Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	56.17	51.86
Liability towards discount to dealers	208.28	204.56
Others (including statutory dues and provision for expenses)	145.91	129.47
Total	**410.36**	**385.89**

27. Revenue from operations

Particulars	2018-19	2017-18
Sale of products (including excise duty)*		
Finished goods	6,250.81	6,048.66
Traded goods	188.72	86.84
Other operating revenue		
Industrial promotional assistance - fiscal incentive**	60.66	75.37
Provision/liabilities no longer required, written back	47.72	47.74
Scrap sales	10.33	7.37
Recoveries of shortages & damaged cement	2.02	1.25
Income from services	-	30.00
Total revenue from operations	**6,560.26**	**6,297.23**

Note :

* Sale of products for the current year is not comparable with previous year, since sales for the period 1 July 2017 to 31 March 2018 are net of GST whereas excise duty formed part of expenses in the periods before transition to GST.

** The Company has recognized as other operating revenue, Industrial Promotional Assistance (IPA) of ₹ 46.39 Crores (Previous Year ₹ 49.58 Crores) related to Mejia Cement Plant, from the Government of West Bengal under the West Bengal Incentive Scheme 2004. (Refer note 7). Similarly, IPA of ₹ 14.27 Crores (Previous Year ₹25.79 Crores) has been recognised related to Chittorgarh Cement Plant, from the Government of Rajasthan under the Rajasthan Investment Promotion Scheme 2010.

28. Other income

Particulars	2018-19	2017-18
Gain on sale of current investments	26.27	26.88
Fair value gain on financial instruments at fair value through profit or loss	3.20	13.90
Interest income on bank deposits	0.39	1.16
Interest income on others	17.20	7.86
Net gain on foreign currency transaction and translation	1.41	0.48
Other non-operating income	3.03	3.91
	51.50	**54.19**

29. Cost of materials consumed

Particulars	2018-19	2017-18
Inventory at the beginning of the year	52.41	41.51
Add: Purchases	1,329.13	1,238.54
	1,381.54	1,280.05
Less: Inventory at the end of the year	(50.51)	(52.41)
	1,331.03	**1,227.64**

30. Purchase of stock in trade

Particulars	2018-19	2017-18
Cement	155.24	61.54
Others	12.53	15.54
	167.77	**77.08**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

31. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	2018-19	2017-18
Inventories at the end of the year		
Finished goods	50.33	54.44
Work-in-progress	86.88	137.85
Stock-in-Trade	0.55	0.50
	137.76	**192.79**
Inventories at the beginning of the year		
Finished goods	54.44	40.49
Work-in-progress	137.85	116.95
Stock-in-Trade	0.50	0.29
	192.79	**157.73**
Changes in inventories of finished goods	4.11	(13.95)
Changes in inventories of work-in-progress	50.97	(20.90)
Changes in inventories of Stock-in-trade	(0.05)	(0.21)
	55.03	**(35.06)**

32. Employee benefits expense

Particulars	2018-19	2017-18
Salaries, bonus and wages	290.45	266.38
Contribution to provident fund and other retirement benefits (Refer note 39)	30.71	32.57
Staff welfare expenses	21.62	20.71
	342.78	**319.66**

33. Finance costs

Particulars	2018-19	2017-18
Interest on :		
Non convertible debentures	312.05	367.15
Term loans	25.84	-
Inter corporate deposits	26.70	24.90
Compulsorily convertible debentures	6.45	6.89
Security deposits from dealers, transporters and others	24.93	22.39
Others	9.46	4.08
	405.43	**425.41**
Less:: Borrowing cost capitalised	(14.53)	-
	390.90	**425.41**

34. Depreciation and amortization expense

Particulars	2018-19	2017-18
Depreciation on tangible assets	322.52	314.88
Amortization of intangible assets	76.84	76.67
Depreciation on investment property	0.08	0.08
	399.44	**391.63**

35. Other expenses

Particulars	2018-19	2017-18
Consumption of stores & spares	145.24	124.56
Consumption of packing materials	201.65	183.23
Lease rent (Refer note 41)	38.08	38.53
Rates & taxes	11.14	24.57
Insurance	5.08	4.61
Repairs and maintenance to plant and machinery, building and others	75.52	77.00
CSR expenditure (Refer note 52)	2.95	5.93
Advertisement and sales promotions	82.11	85.27
Travelling and conveyance expenses	32.03	29.67

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

Particulars	2018-19	2017-18
Legal and professional charges	35.66	27.29
Payment to auditors (Refer note below)	0.86	0.82
Donations	0.12	0.13
Provision for bad/doubtful debts and advances	12.29	10.97
Property, plant & equipment written off	0.47	0.82
Equipment hire, labour and subcontract charges	185.24	177.66
Security service charges	14.59	13.52
Miscellaneous expenses	31.04	31.35
Less : Captive Consumption	(4.44)	(3.18)
	869.63	**832.75**
Payment to auditor (excluding taxes)		
Statutory Auditors :		
Audit fee (including half year limited review)	0.64	0.62
Tax audit fee	0.11	0.10
Other services	0.10	0.03
Reimbursement of expenses	0.01	0.07
Total	**0.86**	**0.82**

36. Earnings per equity share

Particulars	2018-19	2017-18
Profit attributable to equity shareholders	**125.54**	**158.12**
Weighted average number of equity shares for EPS (Nos.)	**200,000,000**	**150,000,000**
Unlisted, unsecured debentures compulsorily convertible into equity shares (Nos.) *	-	1,000,000,000
Weighted average number of equity shares for basic & dilutive EPS (Nos.)	**200,000,000**	**1,150,000,000**
Basic earnings per share (in ₹)	6.28	1.37
Diluted earning per share (in ₹)	6.28	1.37
Face value per equity Share (in ₹)	10.00	10.00

* As per the terms the 2% unlisted, unsecured, compulsorily convertible debentures (CCD) were mandatorily convertible into equity shares and there were no cash settlement option available either with the Company or with the holder. On 19th February 2019, CCDs have been converted into 5,00,00,000 number of equity shares of ₹ 10 each. (Refer note 17(c)(ii)).

37. Tax expense

(a) Amounts recognised in profit and loss

Particulars	2018-19	2017-18
Current income tax	64.21	77.08
Tax expense relating to earlier years	(19.98)	(44.38)
	44.23	**32.70**
Deferred tax liability (net)		
Origination and reversal of temporary differences	3.22	46.17
Minimum Alternate Tax credit	(9.40)	(11.29)
Deferred tax expense	**(6.18)**	**34.88**
Tax expense for the year	**38.05**	**67.58**

(b) Reconciliation of effective tax rate

Particulars	2018-19	2017-18
Tax Rate	**34.944%**	**34.608%**
Profit before tax	**163.59**	**225.70**
Tax using the applicable tax rate	57.17	78.11
Tax effect of:		
Expenses inadmissible under Income Tax Act, 1961	1.03	2.05
Adjustment related to earlier years (Refer notes below)	(19.98)	(25.87)
Change in deferred tax rate	-	13.33
Others	(0.17)	(0.04)
Tax expense as per statement of profit and loss	**38.05**	**67.58**
Effective tax rate	**23.26%**	**29.94%**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

38. Deferred Tax Liability (Net)

Particulars	2017-18					2018-19			As at 31 March 2019
	As at 1st April, 2017	Recognised in statement of profit and loss	Recognised in OCI	Recognised in other equity	As at 31 March 2018	Recognised in statement of profit and loss	Recognised in OCI	Recognised in other equity	
Deferred tax liability									
Depreciation and amortisation difference	625.31	(92.77)	-	-	532.54	51.06	-	-	583.60
Deferred tax liability acquired on amalgamation	1,009.81	(45.19)	-	-	964.62	(56.81)	-	-	907.81
Others	-	4.86	-	-	4.86	(3.74)	-	-	1.12
Total (a)	**1,635.12**	**(133.10)**	**-**	**-**	**1,502.02**	**(9.49)**	**-**	**-**	**1,492.53**
Deferred tax Asset									
Disallowance under section 43B of Income Tax Act, 1961	57.59	(0.77)	-	-	56.82	(14.01)	-	-	42.81
Provision for doubtful debts and advances	24.20	3.94	-	-	28.14	3.13	-	-	31.27
Unabsorbed depreciation	123.35	(123.35)	-	-	-	-	-	-	
Others	10.05	(7.70)	-	28.49	30.84	(1.82)	-	(11.31)	17.71
MAT credit entitlement	195.55	9.12	-	-	204.67	28.05	-	-	232.72
Total (b)	**410.74**	**(118.76)**	**-**	**28.49**	**320.47**	**15.35**	**-**	**(11.31)**	**324.51**
Net deferred tax liability (a-b)	**1,224.38**	**(14.34)**	**-**	**(28.49)**	**1,181.55**	**(24.84)**	**-**	**11.31**	**1,168.02**

39. Employee benefit

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 12.39 crores (Previous year ₹ 11.01 crores) for superannuation contribution in the statement of Profit and Loss. The Company recognised ₹ 9.09 crores (previous year ₹ 8.17 crores) for provident fund contributions in the statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

A. The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by HDFC Life, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statement as at balance sheet date:

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

Particulars	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Gratuity (Funded)		Death Benefit	
Defined benefit obligation	(65.37)	(60.28)	(3.93)	(3.97)
Fair value of plan assets	63.66	59.01	-	-
Net defined benefit (obligation)/assets	**(1.71)**	**(1.27)**	**(3.93)**	**(3.97)**
Non-current	(1.71)	(1.27)	(3.41)	(3.51)
Current	-	-	(0.52)	(0.46)

B. Movement in net defined benefit (asset) / liability

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

Particulars	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Gratuity (Funded)		Death Benefit	
Defined benefit obligation				
Opening balance	60.28	54.36	3.97	3.91
Included in statement of profit and loss				
Current service cost	4.03	3.42	0.09	0.09
Past service cost	-	5.23		-
Interest cost	4.36	3.69	0.28	0.26
	8.39	**12.34**	**0.37**	**0.35**
Included in OCI				
Actuarial loss / (gain) - experience adjustments	1.14	(0.12)	(0.02)	0.16
Actuarial loss / (gain) - financial assumptions	1.37	(1.65)	0.06	(0.09)
	2.51	**(1.77)**	**0.04**	**0.07**
Other				
Benefits paid	(5.81)	(4.65)	(0.45)	(0.36)
Closing balance (a)	**65.37**	**60.28**	**3.93**	**3.97**
Fair value of plan asset				
Opening balance	59.01	55.28	-	-
Interest income	4.49	3.91	-	-
	63.50	**59.19**	**-**	**-**
Included in OCI				
Actuarial gain /(loss)	0.16	(0.18)	-	-
	63.66	**59.01**	**-**	**-**
Other				
Contributions paid by the employer	5.81	4.65	-	-
Benefits paid	(5.81)	(4.65)	-	-
Closing balance (b)	**63.66**	**59.01**	**-**	**-**
Represented by				
Net defined benefit asset (b-a)	-	-	-	-
Net defined benefit liability (a-b)	1.71	1.27	3.93	3.97

C. Plan assets

Plan assets comprises the following :

Particulars	31 March 2019	31 March 2018
	Gratuity (Funded)	
Investment in scheme of insurance	100%	100%

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31 March 2019	31 March 2018
Discount rate	7.20%	7.60%
Expected rate of return on plan assets	8.00%	8.00%
Salary escalation	8.00%	8.00%
Mortality pre and post retirement	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
Employee turnover rate (for different age groups)	5%-10%	5%-10%

The estimate of future salary increase, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

E. Sensitivity analysis

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

Particulars	31 March 2019		31 March 2019		31 March 2018		31 March 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	Gratuity (Funded)		Death Benefit		Gratuity		Death Benefit	
Discount rate (1% movement)	(3.31)	3.67	(0.15)	0.16	(3.05)	3.38	(0.16)	0.17
Future salary growth (1% movement)	3.10	(2.95)	0.06	(0.06)	2.91	(2.76)	0.06	(0.06)
Employee turnover rate (1% movement)	0.08	(0.08)	(0.06)	0.07	(0.00)	0.00	(0.07)	0.07
Mortality pre-retirement	-	-	(0.17)	0.18	-	-	(0.18)	0.19

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.

F. Other information

Particulars	31 March 2019	31 March 2018
Expected employer contribution for the next annual reporting period	1.71	1.27
Weighted average duration of defined benefit obligation	6 years	6 years

40. Related party relationships, transactions and balances

Related parties and nature of relationship

(i) Holding Company

Nirma Limited

(ii) Subsidiary Company

Rima Eastern Cement Limited (formerly known as Lafarge Eastern India Limited), struck off w.e.f 4 December 2017

(iii) Joint Venture Company

Wardha Vaalley Coal Field Private Limited

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

(iv) Key Management Personnel (KMP)

Managing Director - Mr. Jayakumar Krishnaswamy (Appointed w.e.f. September 17, 2018)

Managing Director & Chief Executive Officer - Mr. Ujjwal Batria (Ceased to be MD & CEO w.e.f. June 19, 2018)

Director - Mr. Hiren Patel

Director - Mr. Kaushik Patel

Director - Mr. Suketu Shah

Independent Director - Mr. Berjis Minoo Desai

Independent Director - Mrs. Bhavna Doshi

Particulars	As at and for the year ended 31st March 2019			As at and for the year ended 31st March 2018		
	Holding Company	Joint Venture Company	Total	Holding Company	Joint Venture Company	Total
Details of Related Party Transactions carried out during the year						
Purchases	199.95	-	**199.95**	67.00	-	**67.00**
Sales	2.95	-	**2.95**	-	-	**-**
Finance Cost	33.15	-	**33.15**	31.79	-	**31.79**
Interest Income	-	0.19	**0.19**	-	0.18	**0.18**
Loans given	-	-	**-**	-	0.04	**0.04**
Details of Related Party balances						
Interest Payable and outstanding	58.34	-	**58.34**	40.62	-	**40.62**
Outstanding Inter Corporate Deposits	343.87	-	**343.87**	299.78	-	**299.78**
Outstanding amount payable	32.99	-	**32.99**	12.20	-	**12.20**
Outstanding amount receivable	3.78	1.48	**5.26**	-	1.29	**1.29**
Provision against the receivables	-	1.48	**1.48**	-	1.29	**1.29**

1. All transactions listed above are at arms length price and all the outstanding balances are unsecured.
2. Key Management Personnel Compensation breakup is as follow:

Particulars	2018-19	2017-18
Compensation to Key Management Personnel		
- Short term	9.09	6.24
- Post retirement	0.43	0.34
- Sitting Fees & Commission	0.31	0.26
Total	**9.83**	**6.84**

Particulars	2018-19	2017-18
- Professional services availed from relative of Key Management Personnel	0.18	0.18

41. Operating leases

Lease payments

(a) The Company has taken various residential and commercial premises under operating leases. Further, certain arrangements entered by the Company meet criteria specified in Appendix C of Ind AS 17 and are classified as embedded operating leases. The lease payment recognised in the statement of profit and loss is ₹ 38.08 Crores. (Previous year ₹ 38.53 Crores.)

(b) Future commitments of lease rentals on account of assets taken on non-cancellable operating lease are as follows:

Particulars	31 March 2019	31 March 2018
Less than one year	13.29	15.07
Between one and five years	9.93	5.61
More than five years	0.03	0.43
	23.25	**21.11**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

42. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Current investments	455.60	-		455.60	455.60	-	-	455.60
Trade receivables	-	-	498.39	498.39	-	-	-	-
Cash and cash equivalents	-	-	98.11	98.11	-	-	-	-
Bank balances other than Cash and cash equivalents	-	-	5.18	5.18	-	-	-	-
Loans	-	-	1.54	1.54	-	-	-	-
Others	-	-	733.45	733.45	-	-	-	-
	455.60	**-**	**1,336.67**	**1,792.27**	**455.60**	**-**	**-**	**455.60**
Financial liabilities								
Borrowings	-	-	3,988.80	3,988.80	-	3,988.80	-	3,988.80
Trade payables	-	-	766.83	766.83	-	-	-	-
Others	-	-	608.27	608.27	-	-	-	-
	-	**-**	**5,363.90**	**5,363.90**	**-**	**3,988.80**	**-**	**3,988.80**

31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Current investments	844.37	-	-	844.37	844.37	-	-	844.37
Trade receivables	-	-	415.15	415.15	-	-	-	-
Cash and cash equivalents	-	-	37.93	37.93	-	-	-	-
Bank balances other than Cash and cash equivalents	-	-	5.18	5.18	-	-	-	-
Loans	-	-	1.01	1.01	-	-	-	-
Others	-	-	651.26	651.26	-	-	-	-
	844.37	**-**	**1,110.53**	**1,954.90**	**844.37**	**-**	**-**	**844.37**
Financial liabilities								
Borrowings	-	-	4,373.19	4,373.19	-	4,373.19	-	4,373.19
Trade payables	-	-	681.35	681.35	-	-	-	-
Others	-	-	532.27	532.27	-	-	-	-
	-	**-**	**5,586.81**	**5,586.81**	**-**	**4,373.19**	**-**	**4,373.19**

B. Financial risk management

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

- Credit risk
- Liquidity risk, and
- Market risk

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

i. **Risk management framework**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

ii. **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

In order to comply with the disclosure requirements of Schedule III of the Companies Act, 2013, the Company has disclosed the cases where legal case has been filed against the customer and Company believes that the likelihood of the court proceedings will take longer time. Company has shown these cases net of provisions.

Trade receivables

The Company's exposure to credit risk is determined by the individual characteristics and specifications of each customer. The profile of the customer, including the market risk of the industry has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	31 March 2019	31 March 2018
Neither past due nor impaired	290.99	216.17
Past due but not impaired		
Past due 1–180 days	164.93	145.16
Past due 181–365 days	18.31	29.03
Past due 1 to 2 years	14.97	16.87
More than 2 years	9.19	7.92
Total	**498.39**	**415.15**

Expected credit loss assessment for customers as at 31 March 2018 and 31 March 2019

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due are still collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk. The allowance at 31 March, 2018 and 31 March, 2019 related to several customers that may default on their payments to the Company and may not pay their outstanding balances, mainly due to economic circumstances.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow :

Particulars	31 March 2019	31 March 2018
Balance as at beginning of the year	65.64	56.25
Impairment loss recognised net of reversal	8.96	9.39
Balance at the end of the year	**74.60**	**65.64**

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained both fund based and non-fund based working capital lines from various banks. The Company also constantly monitors, as and when required, funding options available in the debt and capital markets with a view to maintain financial liquidity. The Company also enjoys A1+ ratings from CRISIL on short term facilities from banks indicating very strong degree of safety regarding timely payment of financial obligations and carries lowest credit risk.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

As at 31 March 2019	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings*	4,204.51	1,505.88	1,024.20	1,410.87	263.56
Other non-current financial liabilities	52.76	-	52.76	-	-
Trade payables	766.83	766.83	-	-	-
Other current financial liabilities	555.51	555.51	-	-	-

* No repayment schedule has been specified for Inter Corporate Deposits, hence not included above

As at 31 March 2018	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings*	4,723.90	1,442.26	1,441.21	1,840.43	-
Other non-current financial liabilities	50.97	-	50.97	-	-
Trade payables	681.35	681.35	-	-	-
Other current financial liabilities	481.30	481.30	-	-	-

* No repayment schedule has been specified for Inter Corporate Deposits, hence not included above

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(All amounts in ₹ crore, unless otherwise stated)

43. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

a. Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit before tax account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering economic environment in which the Company operates, its operations are subject to risks arising from fluctuation in exchange rates in those countries. The risks primarily relate to fluctuations in the foreign exchange rates of USD & EURO, on account of payables to foreign suppliers, for import of petcoke, gypsum and spares.

The Company, as per its risk management policy, uses foreign exchange forward contracts to hedge foreign exchange exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	31 March 2019		31 March 2018	
	EUR	USD	EUR	USD
Accounts Receivable	-	-	-	-
Accounts Payable	2.52	1.21	2.53	1.05
Net balance sheet exposure	**2.52**	**1.21**	**2.53**	**1.05**
Forward exchange contracts	-	-	-	-
Net exposure	**2.52**	**1.21**	**2.53**	**1.05**

Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit before tax and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹ Crores	Strengthening	Weakening
31 March 2019		
EUR	(0.25)	0.25
USD	(0.12)	0.12

Effect in ₹ Crores	Strengthening	Weakening
31 March 2018		
EUR	(0.25)	0.25
USD	(0.11)	0.11

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

b. 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 exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, Refer to Note 18 and 22 of these financial statements.

Particulars	31 March 2019			31 March 2018		
	Total Borrowings	Floating rate borrowing	Fixed rate borrowing	Total Borrowings	Floating rate borrowing	Fixed rate borrowing
Borrowings	3,988.80	748.45	3,240.35	4,373.19	-	4,373.19
Total	**3,988.80**	**748.45**	**3,240.35**	**4,373.19**	**-**	**4,373.19**

Sensitivity analysis

Interest rate sensitivity for floating rate borrowings (impact of increase in 100 bps)

Particulars	31 March 2019	31 March 2018
Impact in profit before tax	(3.00)	-

Interest rate sensitivity for floating rate borrowings (impact of decrease in 100 bps)

Particulars	31 March 2019	31 March 2018
Impact in profit before tax	3.00	-

44. Netting off disclosure

The Company engages the services of CFA agents for selling the cement. As per the terms of the agreement, Company has a right to offset balances with CFA against debtors balances if debtor has not paid for a period of 90 days. Hence such amounts have been offset in the balance sheet. The amount of CFA assignment, as on reporting date, is not material.

45. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and to sustain future development of the business. The Company carefully monitors cash and bank balances, deployment of surplus funds and regularly assesses any debt requirements.

The Company's adjusted net debt to equity ratio is as follows.

	As at 31 March 2019	As at 31 March 2018
Total borrowings along with accrued interest	3,988.80	4,368.80
Less : Cash and bank balances & Current Investments	(558.89)	(887.48)
Adjusted net debt	**3,429.91**	**3,481.32**
Equity	200.00	150.00
Other equity	4,062.41	3,967.27
Total equity	**4,262.41**	**4,117.27**
Adjusted net debt to equity ratio	**0.80**	**0.85**

46. Segment Reporting

A. General Information

For management purposes, the Company is organised into business units based on its products and has two reportable segments, as follows:

- Segment-1 Cement Division
- Segment-2 Concrete Division

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

Others - All the segments other than segments identified above are collectively included in this segment.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transaction with third parties.

B. Information about reportable segments

Particulars	Reportable segments				Others		Total	
	Cement		Concrete					
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue								
External sales	5,335.66	5,144.57	1,214.95	1,132.48	9.65	20.18	6,560.26	6,297.23
Inter segment sales	18.04	25.69	-	-	9.34	5.87	27.38	31.56
Total	**5,353.70**	**5,170.26**	**1,214.95**	**1,132.48**	**18.99**	**26.05**	**6,587.64**	**6,328.79**
Less : Eliminations	(18.04)	(25.69)	-	-	(9.34)	(5.87)	(27.38)	(31.56)
Net Revenue	**5,335.66**	**5,144.57**	**1,214.95**	**1,132.48**	**9.65**	**20.18**	**6,560.26**	**6,297.23**
Segment Results	493.41	596.01	25.48	9.20	(12.88)	(3.89)	506.01	601.32
Financial expense							(390.90)	(425.41)
Financial income							48.48	49.79
Profit before tax							**163.59**	**225.70**
Tax expenses							38.05	67.58
Profit after tax							**125.54**	**158.12**
OTHER INFORMATION								
Segment assets	10,503.71	10,470.57	896.81	918.24	32.11	53.40	11,432.63	11,442.21
Un-allocated assets	-	-	-	-	-	-	139.29	181.55
Total Assets	**10,503.71**	**10,470.57**	**896.81**	**918.24**	**32.11**	**53.40**	**11,571.92**	**11,623.76**
Segment liabilities	1,757.57	1,608.73	386.08	329.03	9.08	18.38	2,152.73	1,956.14
Un-allocated liabilities	-	-	-	-	-	-	5,156.78	5,550.35
Total Liabilities	**1,757.57**	**1,608.73**	**386.08**	**329.03**	**9.08**	**18.38**	**7,309.51**	**7,506.49**
Capital Expenditure								
Tangible assets	637.42	131.74	11.48	16.80	0.45	-	649.35	148.54
Intangible assets	1.12	3.16	0.13	0.02	-	-	1.25	3.18
Depreciation / Amortization	367.74	362.90	23.30	25.17	8.40	3.56	399.44	391.63
Other non cash expense/ (income)	(38.55)	(32.01)	12.50	5.87	0.85	0.00	(25.20)	(26.14)

C. Geographic information

All assets of the Company are domiciled in India. Further the Company does not have any single customer contributing more than 10 % of revenue. The breakup of total revenue into domestic revenue and exports is as follows :

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Domestic	6,560.26	6,294.40
Export	-	2.83
Total	**6,560.26**	**6,297.23**

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

47. Contingent Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent Liabilities not provided for in respect of:		
i. Claims against the Company not acknowledged as debts: -		
a. Disputed demands in respect of Sales Tax/VAT/GST by various tax authorities	59.73	31.05
b. Disputed demand in respect of Entry Tax by various tax authorities	54.50	42.82
c. Disputed demand in respect of Excise Duty	192.95	173.72
d. Disputed demand in respect of Service Tax	3.34	1.32
e. Stamp Duty paid under protest for change of name from GKW to LRCL	1.80	1.80
f. Disputed demands in respect of Custom duties	14.44	14.44
g. In respect of Income Tax	278.42	220.65
h. Other claims	25.13	22.91
Against these, payments under protest/adjustments made by the Company	137.74	149.44
ii. The State of Chhattisgarh has filed a Revision Application challenging the adjudication order of the District Registrar and Collector of Stamps; Janjgir -Champa for alleged under-valuation of the properties, which the Company acquired from Raymond Ltd. Against this, Raymond Ltd. has filed a Special Leave Petition before the Hon'ble Supreme Court, which has stayed the proceedings before the Board of Revenue.	Amount not determinable	Amount not determinable
The Collector of Stamps, Raipur has commenced enquiry proceedings under Section 47 (A)(3) of the Indian Stamp Act, 1899 questioning the amount of stamp duty paid by The Tata Iron and Steel Company Limited (TISCO) on transfer of the immovable properties at Sonadih from TISCO to the Company. The Company has filed a Writ Petition in the Hon'ble High Court of Bilaspur, Chhattisgarh challenging the enquiry commenced by the Collector of Stamps. The matter is pending before the High Court.	Amount not determinable	Amount not determinable
The Company's liability, if at all arises, in both the above cases, is restricted to 50% by virtue of business transfer agreement between Lafarge and Raymond Ltd/TISCO.	Amount not determinable	Amount not determinable

iii. In June 2012, the Competition Commission of India (CCI) passed an Order levying a penalty of ₹ 490 crores on the Company in connection with a complaint filed by the Builders Association of India against leading cement companies (including the Company) for alleged violation of certain provisions of the Competition Act, 2002. The Company filed an appeal before the Competition Appellate Tribunal (COMPAT) for setting aside the said Order of CCI. The COMPAT granted stay on levying the penalty imposed on the Company by CCI against deposit of 10% of the penalty amount. In December 2015, the COMPAT finally set aside the said Order of CCI and remanded back to CCI for fresh adjudication of the issues and passing of fresh Order. However, in August 2016 the case was reheard by CCI and it passed an Order levying a penalty of ₹ 490 crores on the Company. The Company had filed an appeal against the Order before the COMPAT. The COMPAT has granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order. Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 5, 2018 had admitted the appeal of the Company and directed that the interim order passed by the tribunal in this case will continue in the meantime. Based on the reimbursable rights available with the Company backed by legal opinion, no provision is considered necessary.

48. Capital and other commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances)	273.64	385.36

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

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

Particulars	As at 31 March 2019	As at 31 March 2018
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (including capex vendors)		
Principal amount due to micro and small enterprises	6.11	5.95
Interest due on above	0.13	0.22
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
Principal	60.76	0.78
Interest on above	-	0.01
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 the MSMED Act, 2006.	0.86	0.22
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.99	0.23
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 the MSMED Act 2006, 2006.	-	-

50. Disclosures required by Indian Accounting Standard (Ind AS) 37 - Provisions

Particulars	Site Restotation expense		Dealer discount provisions		Indirect taxes and litigations		Provision for contractors' charges		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Carrying amount at the beginning of the year	29.21	23.81	91.21	64.80	185.06	193.05	25.84	23.24	331.32	304.90
Additional provision made during the year	2.68	6.64	81.73	77.94	11.56	10.28	2.33	2.60	98.30	97.46
Amounts used during the year	(1.89)	(1.24)	(66.33)	(50.91)	(0.70)	(1.13)	-	-	(68.92)	(53.28)
Amounts written back during the year	-	-	-	(0.62)	(17.92)	(17.14)	-	-	(17.92)	(17.76)
Carrying amount at the end of the year #	30.00	29.21	106.61	91.21	178.00	185.06	28.17	25.84	342.78	331.32

This includes current and non current portion.

i. Site Restoration expense

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

ii. Dealer discount provisions

The provision for discounts is on account of various promotion and incentive schemes proposed to be announced to dealers on products sold by the Company. The provision is based on the historic data/ estimated figures of discounts passed on. The timing and amount of the cash flows that will arise will be determined as and when these schemes are formalised and pay-offs approved by management, which is generally 12 to 18 months.

iii. Indirect taxes and legal cases

Provision for indirect tax and legal cases includes disputed cases of excise tax, value added tax, sales tax, entry tax and other disputed legal cases.

Notes to Standalone financial statements 2019

(All amounts in ₹ crore, unless otherwise stated)

iv. **Provision for contractor charges**

Provision for contractors' charges pertains to gratuity amount payable by contractor to its employees which as per the terms of the contract shall be reimbursed by the Company.

51. The Company had installed a Fly Ash classifier at its Mejia Cement Plant in earlier years and has a claim of ₹12.22 Crores (Previous year ₹ 12.22 Crores) on Damodar Valley Corporation (DVC) towards their share of the capital expenditure on such Fly Ash classifier in terms of the agreement, which along with certain operational settlements are currently under discussion with DVC. Pending resolution on the matters, the Company has not recognized the above claims in its books. Further, the management is confident that the use of the Fly Ash classifier and operational settlements shall be amicably resolved with the party.

52. As per the limit specified under Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 5.04 crores (Previous year ₹ 5.54 crores) during the year on account of Corporate Social Responsibility (CSR). However, the actual amount spent during the year amounts to ₹ 2.95 crores (Previous year ₹ 5.93 crores).

53. The figures of the previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place : Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited

CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place : Mumbai
Date : 7 May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Nuvoco Vistas Corporation Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Nuvoco Vistas Corporation Limited** ("the Company") and its joint venture, which comprise the Consolidated Balance sheet as at March 31, 2019, the Consolidated Statement of profit and loss (including Other comprehensive income), the Consolidated Statement of changes in equity and the Consolidated Cash flows statement for the year 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, and based on the other financial information of joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated financial position of the Company and its joint venture as at March 31, 2019, and their consolidated financial performance including other comprehensive income, their consolidated statement of changes in equity and consolidated cash flows for the year then ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's response
1.	**Recognition, Valuation and Presentation of provisions and contingent liabilities** The Company operates in multiple states, exposing it to a variety of different laws, regulations and interpretations thereof. In such an environment, there is an inherent litigation risk. At March 31, 2019, the Company has accounted for provision for legal cases amounting to ₹ 178.00 Crores [Refer Note 47 to the consolidated Ind AS financial statements]. Further, the Company has disclosed significant open legal cases with respect to Competition Appellate Tribunal (COMPAT) stay Order [Refer Note 47 to the consolidated Ind AS financial statements], Sales tax incentives recoverable for Mejia Plant [Refer Note 7 to the consolidated Ind AS financial statements] and other material contingent liabilities [Refer Note 47 to the consolidated Ind AS financial statements].	Our audit procedures, in respect of this matter are described below: 1. Assessed Management's processes of identifying new / possible obligations and changes in existing obligations for compliance with Company's policy and Ind AS 37 requirements. 2. Analysed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change. 3. Discussed the status of significant known actual and potential litigations with the Head of Legal and Compliance and management who possess knowledge of such matters. 4. Involved our internal tax experts to challenge management decisions and rationale with respect to provisions not made in the books of account or disclosed as contingent liability or cases which are remote and do not warrant any disclosure.

Sr. No.	Key Audit Matter	Auditor's response
	Given the complexity and magnitude of potential exposures to the Company, the assessment of the existence of legal or constructive obligation and analysis of the probability of the related outflow of resources and involves significant judgement by the management. Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.	5. Evaluated the legal opinion obtained by the management from external lawyers for significant litigations including with respect to: - the COMPAT case and the reimbursable rights available with the Company for recovery. - the recoverability of fiscal incentives from the State Government for the Mejia plant. 6. Reviewed minutes of board meetings and held regular meetings with management and legal head in this regard.
2.	**Revenue Recognition: Discounts and Rebates** Refer to the disclosures related to Revenue Recognition in Note 27 to the consolidated Ind AS financial statements. The Company sells cement in various states through its dealers. The Company gives various types of discounts and rebates to these dealers through various scheme based on the market conditions and competition. The Company records revenue net of such discounts and rebates as required under Ind AS 115- Revenue from contracts with customers. Considering the nature of the business and industry in which the Company operates, discounts and rebates are material amounts and involve significant estimation by management; hence, we have considered this as a key audit matter.	Our key audit procedures, in respect of this matter are described below: 1. Verified whether accounting policy adopted by the Company is in accordance with Ind AS 115 - Revenue from contracts with customers and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. 2. Performed procedures to assess whether the design, implementation and operating effectiveness of the controls related to the approval, recording, calculation and payments of rebates and discounts and the estimates for the year end provisions are in accordance with the discount schemes approved by the Head of Department. 3. Recalculated the discounts for certain schemes on test check basis. 4. Verified on test check basis the subsequent payments made against the year-end provision and also verified the actual pay-outs made against the previous year provision to test the reasonableness of the management estimation process. 5. Verified any write backs/ utilisation of discounts and rebates during the year and analysed the rationale for the same. 6. Tested the ageing for the discount payables under the schemes outstanding at the year end.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to the Directors' Report, Management discussion and analysis, Corporate Governance 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 the 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 and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirement of the Act that give a true and fair view of the consolidated financial position, the consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Company and its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and of its joint venture and for preventing and detecting frauds and other irregularities; the 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 Company, as aforesaid.

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

The Board of Directors of the Company and its joint venture are responsible for overseeing the financial reporting process of the Company and of its joint venture.

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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Ind AS financial statements.

Other Matters

The consolidated Ind AS financial statements include the Company's share of net profit/loss of ₹ Nil for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose Ind AS financial statements (including the comparative financial information for the year ended March 31, 2018) have not been audited by us. These Ind AS financial statements of the joint venture are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of sub-section(3) of section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements are not material to the Company.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the Ind AS financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of financial information of the joint venture, as noted in the 'other matter' paragraph above, 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 consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.

    c. The Consolidated Balance sheet, the Consolidated Statement of profit and loss (including other comprehensive income), the Consolidated Statement of changes in equity and the Consolidated Cash flow statement dealt with by this Report are in agreement with the relevant 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e. On the basis of the written representations received from the directors of the Company and joint venture as on March 31, 2019 taken on record by the Board of Directors of the Company and the joint venture incorporated in India, none of the directors of the Company, and its joint venture incorporated in India is disqualified as on March 31, 2019 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 Company and its joint venture and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of financial information of joint venture, as noted in the 'other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its joint venture – Refer Note 7 and 47 to the consolidated Ind AS financial statements.

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its joint venture incorporated in India.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: May 7, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NUVOCO VISTAS CORPORATION LIMITED

Auditor's Responsibilities for the Audit of the 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 Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its joint venture 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 Company and its joint venture 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 or business activities of the Company and its joint venture 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 financial statements of 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 Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: May 7, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NUVOCO VISTAS CORPOARTION LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Nuvoco Vistas Corporation Limited on the consolidated Ind AS financial statements for the year ended March 31, 2019]

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 the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of Nuvoco Vistas Corporation Limited (hereinafter referred to as "the Company") and its joint venture which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Company. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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 audits involves performing procedures to obtain audit evidence about 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 consolidated 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 Company's 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 consolidated 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 consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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 control 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, and to the best of our information and according to the explanations given to us, the Holding Company has in all material respects, an internal financial control system 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, 2019, based on the internal control with reference to consolidated Ind AS financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements insofar as it relates to one joint venture incorporated in India whose Ind AS financial statements are unaudited and hence we are unable to comment on the adequacy and operating effectiveness of the internal financial controls in respect of this joint venture. In our opinion and according to the information and explanations given to us by the Management, the said joint venture is not material to the Group.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date: May 7, 2019

Consolidated Balance Sheet

as at 31 March 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	4,773.60	4,909.15
(b) Capital work-in-progress (net of provision)		602.53	140.64
(c) Investment property	3	1.27	1.35
(d) Goodwill	4	2,443.86	2,443.86
(e) Other intangible assets	4	1,262.71	1,335.15
(f) Intangible assets under development (net of provision)		-	3.16
(g) Financial assets			
(i) Investments	5	-	-
(ii) Loans	6	0.20	0.21
(iii) Other non-current financial assets	7	584.99	517.14
(h) Income tax assets (net)		113.03	159.79
(i) Other non current assets	8	61.51	107.26
		9,843.70	**9,617.71**
CURRENT ASSETS			
(a) Inventories	9	378.12	430.20
(b) Financial assets			
(i) Investments	10	455.60	844.37
(ii) Trade receivables	11	498.39	415.15
(iii) Cash and cash equivalents	12	98.11	37.93
(iv) Bank balances other than Cash and cash equivalents	13	5.18	5.18
(v) Loans	14	1.34	0.80
(vi) Other current financial assets	15	148.46	134.12
(c) Income tax assets (net)		12.50	7.99
(d) Other current assets	16	130.52	130.26
		1,728.22	**2,006.00**
TOTAL ASSETS		**11,571.92**	**11,623.71**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	200.00	150.00
(b) Other equity		4,062.41	3,967.22
		4,262.41	**4,117.22**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	2,725.52	3,205.69
(ii) Other non-current financial liabilities	19	52.76	50.97
(b) Provisions (non-current)	20	58.63	55.77
(c) Deferred tax liabilities (net)	21	1,168.02	1,181.55
		4,004.93	**4,493.98**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	1,263.28	1,167.50
(ii) Trade payables	23		
- Due to micro and small enterprises		5.33	5.95
- Due to creditors other than micro and small enterprises		761.50	675.40
(iii) Other current financial liabilities	24	555.51	481.30
(b) Provisions (current)	25	308.60	296.47
(c) Other current liabilities	26	410.36	385.89
		3,304.58	**3,012.51**
TOTAL EQUITY AND LIABILITIES		**11,571.92**	**11,623.71**
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	1B		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited
CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place: Mumbai
Date : 7 May 2019

Consolidated Statement of Profit and Loss

as at 31 March 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	Note No.	2018-19	2017-18
INCOME			
Revenue from operations	27	6,560.26	6,297.23
Other income	28	51.50	54.19
Total Income		**6,611.76**	**6,351.42**
EXPENSES			
Cost of materials consumed	29	1,331.03	1,227.64
Purchase of stock in trade	30	167.77	77.08
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	55.03	(35.06)
Power and fuel		1,110.43	1,037.93
Freight and forwarding charges		1,781.16	1,645.57
Excise duty on sale of goods		-	203.11
Employee benefits expense	32	342.78	319.66
Finance costs	33	390.90	425.41
Depreciation and amortization expense	34	399.44	391.63
Other expenses	35	869.58	832.80
Total expenses		**6,448.12**	**6,125.77**
Profit before tax	37	**163.64**	**225.65**
Tax expenses:			
1. Current tax (MAT)		64.21	77.08
2. MAT credit entitlement		(9.40)	(11.29)
3. Deferred tax (excluding MAT credit entitlement)		3.22	46.17
4. Tax expense relating to earlier years		(19.98)	(44.38)
Total tax expense		**38.05**	**67.58**
Profit for the year		**125.59**	**158.07**
OTHER COMPREHENSIVE INCOME (OCI)			
I Items that will not be reclassified to profit or loss			
i. Remeasurements gains/(losses) of post-employment benefit obligation		(2.39)	1.51
ii. Income tax related to above		0.84	(0.52)
		(1.55)	**0.99**
II Items that will be reclassified to profit or loss			
i. Deferred gains/(losses) on cash flow hedge		-	0.09
ii. Income tax related to above		-	(0.03)
		-	0.06
Other comprehensive income for the year		(1.55)	1.05
Total comprehensive income for the year		**124.04**	**159.12**
Earnings per equity share (Face value of ₹ 10 each)	36		
1. Basic (₹)		6.28	1.37
2. Diluted (₹)		6.28	1.37

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited
CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place: Mumbai
Date : 7 May 2019

Consolidated Statement of Cash Flows

for the year ended 31 March 2019

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	2018-19	2017-18
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	163.64	225.65
Adjustments for:		
Depreciation and Amortisation Expense	399.44	391.63
Net gain on foreign currency transaction and translation	(1.41)	(0.48)
Provision for bad/doubtful debts and advances	12.29	10.97
Provision for indirect taxes and litigations	11.56	10.28
Provision/liabilities no longer required, written back	(47.72)	(47.74)
Property, Plant & Equipment written off	0.47	0.82
Gain on sale of current investments	(26.27)	(26.88)
Fair value gain on financial instruments at fair value through profit or loss	(3.20)	(13.90)
Interest income on bank deposits	(0.39)	(1.16)
Interest income on others	(17.20)	(7.86)
Finance costs	390.90	425.41
Operating profit before working capital adjustments	**882.11**	**966.74**
Adjustments for working capital :		
(Increase)/Decrease in Inventories	52.08	(69.16)
(Increase)/Decrease in trade and other receivables	(92.20)	19.68
Increase in loans and advances and other non current assets	(83.35)	(52.85)
Increase in trade / other payables, provisions and other liability	166.10	177.61
	924.74	1,042.02
Income tax paid (net)	(15.62)	(90.90)
NET CASH FLOW FROM OPERATING ACTIVITIES	**909.12**	**951.12**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase and construction of property, plant and equipment	(547.45)	(217.12)
Purchase of current investments	(2,904.00)	(3,686.47)
Proceeds from sale of current investments	3,322.24	3,295.07
Loans/advances given during the year	(0.54)	0.97
Interest received	13.25	5.43
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(116.50)**	**(602.12)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Stamp duty on issue of shares	-	(20.79)
Repayment of long term borrowings	(1,150.00)	-
Proceeds from long term borrowings	750.00	-
Short term borrowing (Net)	(4.39)	4.39
Interest paid	(328.05)	(366.47)
NET CASH USED IN FINANCING ACTIVITIES	**(732.44)**	**(382.87)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**60.18**	**(33.87)**
Cash and cash equivalents at the beginning of the year	43.11	76.93
Cash and cash equivalents at the end of the year	**103.29**	**43.06**
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet		
Bank balances (including bank deposits)	96.82	37.47
Cheques/drafts on hand	6.44	5.59
Cash on hand	0.03	0.05
Cash and Cash equivalents at the end of the year	**103.29**	**43.11**

Notes :

i) Cash and Cash equivalents at the end of the year includes cash collateral of ₹ 5.18 crores maintained by the Company for collateral of disputed indirect tax case.

ii) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

iii) Disclosure as required by IND AS 7 - ''Cash Flow Statements'' - Changes in liabilities arising from financing activities:

Particulars	2018-19	2017-18
Opening balance	4,373.19	4,314.39
Non Cash movement		
– Conversion of CCD (Refer note 17(c)(ii)	(32.48)	-
– Accrual of interest	371.05	398.94
Cash movement		
– Further Borrowings	750.00	4.39
– Principle repayment	(1,154.39)	-
– Interest payment	(318.57)	(344.53)
Closing balance	**3,988.80**	**4,373.19**

The accompanying notes are an integral part of these financial statements

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited
CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place: Mumbai
Date : 7 May 2019

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019 (All amounts are in ₹ crore, unless otherwise stated)

Equity Share Capital

Particulars	31 March 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	150,000,000	150.00	150,000,000	150.00
Conversion of CCD into equity shares (Refer note 17(c)(ii))	50,000,000	50.00	-	-
Balance at the end of the reporting year	**200,000,000**	**200.00**	**150,000,000**	**150.00**

Other equity

Particulars	Reserves and Surplus**									Items of OCI	Equity component of compound financial instrument	Total
	Capital reserve	Capital reserve on amalgamation	Securities premium	Capital redemption reserve	Debenture redemption reserve	Amalgamation Reserves	General reserve	Statutory Reserve Under Section 45IC of RBI Act	Retained earnings	Cash Flow hedge reserve		
Balance at 1 April , 2017	**37.33**	**(1,053.75)**	**1,326.56**	**23.33**	**183.00**	**2.53**	**90.00**	**0.01**	**2,255.84**	**(0.06)**	**934.16**	**3,798.95**
Profit for the year	-	-	-	-	-	-	-	-	158.07	-	-	158.07
Share issue expense*			(13.53)									(13.53)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	0.99	0.06	-	1.05
Total comprehensive income	**-**	**-**	**(13.53)**	**-**	**-**	**-**	**-**	**-**	**159.06**	**0.06**	**-**	**145.59**
Transfer to Debenture redemption reserve from retained earning	-	-	-	-	337.95	-	-	-	(337.95)	-	-	-
Deferred tax on CCD debt component	-	-	-	-	-	-	-	-	-	-	22.68	22.68
Balance at 31 March 2018	**37.33**	**(1,053.75)**	**1,313.03**	**23.33**	**520.95**	**2.53**	**90.00**	**0.01**	**2,076.95**	**0.00**	**956.84**	**3,967.22**
Profit for the year									125.59			125.59
Other comprehensive income/(loss) for the year									(1.55)			(1.55)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**124.04**	**-**	**-**	**124.04**
Transfer to Debenture redemption reserve from retained earning					260.05				(260.05)			-
Transfer to retained earning from Debenture redemption reserve					(287.50)				287.50			-
Reversal of CCD debt component (Refer note 17(c)(ii))									32.46			32.46
Reversal of deferred tax on CCD debt component (Refer note 38)									11.37		(22.68)	(11.31)
Converstion of CCD into equity (Refer note 17(c)(ii))			884.16								(934.16)	(50.00)
Balance at 31 March 2019	**37.33**	**(1,053.75)**	**2,197.19**	**23.33**	**493.50**	**2.53**	**90.00**	**0.01**	**2,272.27**	**0.00**	**-**	**4,062.41**

Notes:

* Share issue expense is related to stamp duty charge on new equity shares on amalgamation in financial year 2016-17

** Refer note 17 for description of the nature and purpose of each reserve within other equity

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Yogesh Sharma
Partner
Membership No. 211102

Place: Mumbai
Date : 7 May 2019

For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited
CIN: U26940MH1999PLC118229

Jayakumar Krishnaswamy
Managing Director
DIN: 02099219

Suketu Nareshbhai Shah
Director
DIN: 07211283

Maneesh Agrawal
Chief Financial Officer

Shruta Sanghavi
Company Secretary

Place: Mumbai
Date : 7 May 2019

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

1A. Company Information

Nuvoco Vistas Corporation Limited ("the Company") is a limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1956. The registered office is located at Equinox Business Park, Tower-3, 4th Floor, LBS Marg, Off BKC, Kurla (West), Mumbai – 400070. The Company is principally engaged in the business of manufacturing and sale of Cement and Ready Mix along with trading and manufacturing of Aggregates. The Company caters mainly to the domestic market.

The financial statement of the Company for the year ended 31 March, 2019 was authorized for issue in accordance with a resolution of Directors on 7th May, 2019.

1B. Summary of significant accounting policies

a) Basis of preparation

The consolidated financial statements of the Company, its subsidiary (together "the Group") and its jointly controlled entity have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The consolidated financial statements up to year ended 31 March 2019 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 (as amended), notified under section 133 of the Act and other relevant provisions of the Act.

The consolidated financial statements have been prepared on the historical cost except for the defined benefit plans' assets which are measured at fair value.

b) Principles of Consolidation

i) The Consolidated Financial Statement comprises the financial statements of the Company, its subsidiary and joint venture. Reference in these notes to the "group" shall mean to include Nuvoco Vistas Corporation (and/or its subsidiary/joint venture consolidated in these financial statements unless otherwise stated.

ii) The list of companies which are included in consolidation and the Parent company's holdings therein are as under:

Name of the Company	Percentage Holding March 31, 2019
a) Subsidiaries	
1) Rima Eastern Cement Limited (formerly known as Lafarge Eastern India Limited)	-
b) Joint Venture	
1) Wardha Vaalley Coal Field Private Limited	19.14%

Each of the above company is incorporated in India and financial statements are drawn upto the same reporting date as that of the parent Company i.e. 31st March, 2019.

iii) The consolidated financial statements of the Company and its subsidiary company have been prepared in accordance with the Ind AS 110 "Consolidated Financial Statements". The intra-group balances, intra-group transactions and unrealised profits/losses if any are fully eliminated.

iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

v) The excess cost of the Company of its investment in the subsidiary, on the acquisition dates over and above the Company's share of fair value of net identifiable assets acquired and liability assumed in the subsidiary, is recognised in the Consolidated Financial Statements as Goodwill. On the other hand, where the share of fair value of net identifiable assets acquired and liability assumed as on the date of investment is in excess of cost of investments of the Company, it is recognised as "Capital Reserve".

The Company's investments in the joint venture are accounted for using the equity method. Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. If the Company's share of losses of a joint venture equals or exceeds its interest in joint venture, the Company discontinues recognising further losses. Additional losses are recognised only to the extent the Company has a legal or constructive obligation or made payments on behalf of other joint ventures. If the joint venture subsequently reports profit, the Company resumes recognising its share of those profits only after its share of the profit equals the share of losses not recognised.

c) Revenue recognition

Sale of goods

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

the consideration to which the entity expects to be entitled in exchange for those goods or services. It is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts, incentives and volume rebates. Revenue for the period 1 April 2017 to 30 June 2017 includes excise duty and excludes value added tax/ sales tax. Revenue for the period 1 July 2017 to 31 March 2019 excludes goods and service tax. Ind AS 115 - "Revenue from Contracts with Customers" which is mandatory w.e.f. 1st April 2018 has replaced existing revenue recognition requirements. The Company has applied the modified retrospective approach on transition. There were no significant impact on the retained earnings as at 1 April 2018.

Interest income

For all interest bearing financial assets interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items net of depreciation and impairment losses (if any). Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

Capital work in progress ('CWIP') is stated at cost, net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as CWIP and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

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

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation (other than on mining land) is calculated on a straight-line basis to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. The useful lives have been determined based on technical evaluation which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The useful lives so determined are as follows:

Asset Type	Useful life (in years)
Buildings and roads	5 to 50
Plant and machinery	1 to 30
Railway sidings and locomotives	30
Office equipment	5 to 10
Vehicles	5
Furniture and fixtures	5 to 10
Leasehold land	Over the lease period
Mining land	Amortised on the unit of production method based on extraction of limestone from mines

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.

Depreciation on items of property, plant and equipment acquired / disposed off during the year

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

is provided on pro-rata basis with reference to the date of addition / disposal. Cost of lease-hold land is amortized equally over the period of lease.

Residual values, useful life of assets and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

The Company, based on management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

f) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Amortisation methods, estimated useful lives and residual value

Intangible assets are amortised on a straight line basis over their estimated useful lives based on underlying contracts where applicable, except for mining rights

The useful lives of intangible assets are assessed as either finite or indefinite. The useful lives so determined are as follows:

Asset Type	Useful life (in years)
Mining Rights	Amortised on the unit of production method based on extraction of limestone from mines but restricted upto the lease period (in case of Leasehold and Freehold Land)
Supplier agreement	(Finite) Upto the validity of the Contract
Trademark	(Finite) 10
Software	(Finite) 5

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level, and whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

g) 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.

Recoverable amount is determined:

1. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
2. In case of cash-generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

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(All amounts in ₹ crore, unless otherwise stated)

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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. In any case the growth rate does not exceed the long term average growth rate for the products/industries in which the entity operates.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

h) Leases

The determination of whether as 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 fulfillment of the arrangement is dependent on the use of the specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Company as a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

i) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

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

Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

j) Financial instruments

A. 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 and loss, transaction costs that are attributable to the acquisition of the financial asset.

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(All amounts in ₹ crore, unless otherwise stated)

Subsequent measurement

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

1. Financial assets at amortised cost
2. Financial assets at fair value

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit and loss) (FVTPL), or recognized in other comprehensive income (i.e. fair value through other comprehensive income) (FVTOCI)

Financial asset at amortised cost

A financial asset is measured at amortised cost if following two conditions are met:

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

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

Financial assets at fair value

Debt instruments

A debt instrument is classified as at FVTOCI if following two conditions are met:

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

Debt instrument included within the fair value through other comprehensive income are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

All other investment in debt instruments not measured at amortised cost or at FVTOCI as described above are measured at fair value through profit and loss.

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 fair value through profit or loss. 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 fair value through other comprehensive income, 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 Profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the fair value through profit or loss category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

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

1. The rights to receive cash flows from the asset have expired, or
2. 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

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(All amounts in ₹ crore, unless otherwise stated)

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.

Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
2. Full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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.

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

1. Financial liabilities at fair value through profit or loss
2. Loans and borrowings
3. Financial guarantee contracts

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

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(All amounts in ₹ crore, unless otherwise stated)

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.

Loans and borrowings

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.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 and loss.

B. Off-setting 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.

C. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

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(All amounts in ₹ crore, unless otherwise stated)

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

k) Investment in subsidiaries and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group accounts for investment in Joint venture using the equity method.

l) Compulsorily Convertible Debentures:

Compulsorily Convertible Debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 Financial Instruments: Presentation criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debentures shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

m) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an expense item are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When grants relates to an assets it is recognized as income in equal amounts over the expected useful life of the related asset and disclosed under financial assets in accordance with Ind AS -109-Financial Instruments.

n) 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, based on

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(All amounts in ₹ crore, unless otherwise stated)

the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss.

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 balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes at the reporting date.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. the carry forward of unused tax credits.

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

o) Inventories

Inventories are valued at the lower of cost and Net Realisable Value (NRV).

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the actual level of production which approximates normal operating capacity, but excluding borrowing costs.

Stores, spares and other supplies: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Items of stores and spares that does not meet the definition of 'property, plant and equipment' is recognised as a part of inventories.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

p) Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes

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(All amounts in ₹ crore, unless otherwise stated)

contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Company also has additional death benefit scheme for specific set of employees. This death benefit scheme is unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, 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 other comprehensive income in the period in which they occur. Re-measurements 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 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

Other Long-term employee benefits

Other long term employee benefits are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expenses are recognised at the present value of the amount payable determined using actuarial valuation technique. Actuarial gains and loss in respect of other long term benefits are charged to the statement of profit and loss.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the company 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.

s) Operating Segment:

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

t) Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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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.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

u) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

v) Significant accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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.

The estimates and assumptions that may 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:

1. Useful life of property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2. Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than the carrying amount, a material impairment loss may arise.

3. Defined benefit obligation

The cost of defined benefit gratuity plans, Leave encashment and death benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future salary increments. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty

4. Measurement of site restoration provisions

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.

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(All amounts in ₹ crore, unless otherwise stated)

5. **Legal & Tax matters and contingent liabilities**

   Various litigations and claims related to Company are assessed primarily by the management and also in certain cases by with the support of the relevant external advice. Disclosures related to such provision for legal cases, as well as contingent liabilities, requires judgment and estimations.

6. **Revenue recognition**

   Company provides various discounts to the customers. The methodology and assumptions used to estimate the same are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

7. **Provision for doubtful debt**

   Trade receivables are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off / provide for basis management estimate, historical trend and existing market condition as well as forward looking estimates at the end of each reporting period

w) Current and non-current classification

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

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period,

   Or

4. 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:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period,

   Or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

x) Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency, using the foreign exchange rate at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

At each balance sheet date, foreign currency monetary assets and liabilities are translated at the functional currency using the foreign exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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 other comprehensive income or the statement of profit and loss are also recognised in other comprehensive income or the statement of profit and loss, respectively).

y) 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

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability,

   Or

2. 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.

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:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

z) Exceptional items

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

aa) Business combinations under common control

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combined entity are reflected at their carrying amounts, the only adjustment that are made are to harmonize accounting policies.

The financial information in the financial statements in respect of prior periods are 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, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount 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 capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

bb) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated. Any amount appearing as ₹ 0.00 represents amount less than ₹ 50,000.

cc) Standards issued but not yet effective and have not been adopted early by the Company

Ind AS 116 'Leases' (Effective for annual periods beginning on or after 1 April 2019):

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessee. This will result in the company recognising right of use assets & lease liability in the books. The Company is in the process of analyzing the impact of IndAS 116 on its financials. The amendment will come into force from April 01, 2019.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2. Property, plant and equipment

Description	Land - Freehold (a)	Land - Leasehold	Quarry Develop-ment	Building and Roads	Plant and Machinery	Railway Sidings & Locomotives	Furniture & Fixtures	Office Equipment	Vehicles	Total
Cost as at 1 April 2017	**599.87**	**103.46**	**3.82**	**1,306.24**	**5,159.30**	**652.11**	**8.06**	**32.09**	**3.40**	**7,868.35**
Additions	22.69	0.86	-	37.39	72.58	2.92	0.37	0.49	0.25	137.55
Disposals	-	-	-	(9.25)	(3.37)	-	(0.01)	(0.20)	-	(12.83)
Adjustments	2.25	(2.25)	-	-	-	-	-	-	-	-
Cost as at 31 March 2018 (A)	**624.81**	**102.07**	**3.82**	**1,334.38**	**5,228.51**	**655.03**	**8.42**	**32.38**	**3.65**	**7,993.07**
Additions	14.52	-	0.57	10.90	157.13	2.73	0.58	1.01	-	187.44
Disposals	-	-	-	(0.01)	(2.43)	-	-	(0.06)	-	(2.50)
Adjustments	32.08	(32.08)	-	-	-	-	-	-	-	-
Cost as at 31 March 2019 (C)	**671.41**	**69.99**	**4.39**	**1,345.27**	**5,383.21**	**657.76**	**9.00**	**33.33**	**3.65**	**8,178.01**
Accumulated depreciation as at 1 April 2017	**10.49**	**8.88**	**2.83**	**458.14**	**2,068.94**	**201.70**	**4.36**	**23.55**	**2.14**	**2,781.03**
Depreciation for the year	9.40	2.19	0.16	41.25	234.60	23.01	0.80	2.98	0.49	314.88
Disposals/adjustments	-	-	-	(9.25)	(2.55)	-	(0.00)	(0.19)	-	(11.99)
Accumulated depreciation as at 31 March 2018 (B)	**19.89**	**11.07**	**2.99**	**490.14**	**2,300.99**	**224.71**	**5.16**	**26.34**	**2.63**	**3,083.92**
Depreciation for the year	8.00	2.08	0.20	47.97	237.25	23.07	0.81	2.69	0.45	322.52
Disposals/adjustments	-	-	-	(0.01)	(1.96)	-	-	(0.06)	-	(2.03)
Accumulated depreciation as at 31 March 2019 (D)	**27.89**	**13.15**	**3.19**	**538.10**	**2,536.28**	**247.78**	**5.97**	**28.97**	**3.08**	**3,404.41**
Net carrying amount as at 31 March 2018 (A)- (B)	**604.92**	**91.00**	**0.83**	**844.24**	**2,927.52**	**430.32**	**3.26**	**6.04**	**1.02**	**4,909.15**
Net carrying amount as at 31 March 2019 (C)- (D)	**643.52**	**56.84**	**1.20**	**807.17**	**2,846.93**	**409.98**	**3.03**	**4.36**	**0.57**	**4,773.60**

Notes:

a. Freehold land includes ₹ 2.11 Crores (31 March 2018 : ₹ 2.11 Crores) being used by third party

b. Refer note 18 for property, plant and equipment provided as collateral against borrowings

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

3. Investment property

Description	Amount
Cost as at 1 April 2017	**1.59**
Additions	-
Disposals/transfer	-
Cost as at 31 March 2018 (A)	**1.59**
Additions	-
Disposals/transfer	-
Cost as at 31 March 2019 (C)	**1.59**
Accumulated depreciation as at 1 April 2017	**0.16**
Depreciation for the year	0.08
Disposals/transfer	-
Accumulated depreciation as at 31 March 2018 (B)	**0.24**
Depreciation for the year	0.08
Disposals/transfer	-
Accumulated depreciation as at 31 March 2019 (D)	**0.32**
Net carrying amount as at 31 March 2018 (A)- (B)	**1.35**
Net carrying amount as at 31 March 2019 (C)- (D)	**1.27**

4. Goodwill and Other intangible assets

Description	Other Intangible Assets						Goodwill
	Software	Mining rights	Trade Mark	Non Compete Agreement	Suppliers Agreement	Total	
Cost as at 1 April 2017	**56.07**	**896.55**	**506.66**	**71.90**	**17.78**	**1,548.96**	**3,295.50**
Additions	0.39	28.05	-	-	-	28.44	-
Cost as at 31 March 2018 (A)	**56.46**	**924.60**	**506.66**	**71.90**	**17.78**	**1,577.40**	**3,295.50**
Additions	4.40					4.40	-
Cost as at 31 March 2019 (C)	**60.86**	**924.60**	**506.66**	**71.90**	**17.78**	**1,581.80**	**3,295.50**
Accumulated amortisation as at 1 April 2017	**38.85**	**17.78**	**34.83**	**71.90**	**2.22**	**165.58**	**851.64**
Amortisation for the year	4.00	18.62	49.62	-	4.43	76.67	-
Accumulated amortisation as at 31 March 2018 (B)	**42.85**	**36.40**	**84.45**	**71.90**	**6.65**	**242.25**	**851.64**
Amortisation for the year	4.46	18.33	49.62	-	4.43	76.84	-
Accumulated amortisation as at 31 March 2019 (D)	**47.31**	**54.73**	**134.07**	**71.90**	**11.08**	**319.09**	**851.64**
Net carrying amount as at 31 March 2018 (A)- (B)	**13.61**	**888.20**	**422.21**	**-**	**11.13**	**1,335.15**	**2,443.86**
Net carrying amount as at 31 March 2019 (C)- (D)	**13.55**	**869.87**	**372.59**	**-**	**6.70**	**1,262.71**	**2,443.86**

Note : Refer note 18 for other intangible assets provided as collateral against borrowings

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

Impairment testing of goodwill with indefinite life

Goodwill pertains to the two CGUs below, which are also operating and reportable segments, for impairment testing:

– Cement CGU

– Concrete CGU

Carrying amount of goodwill pertains to each of the CGUs:

Particulars	Cement		Concrete	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Goodwill	2,017.85	2,017.85	426.01	426.01

The Company performed its annual impairment test for years ended 31 March 2019 and 31 March 2018 respectively and no Goodwill impairment was deemed necessary.

i. Cement CGU

The recoverable amount of the Cement CGU has been determined based on a value in use calculation using cash flow projections covering a five-year period. The projected cash flows have been updated to reflect the demand for Cement. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is ~ 13% and cash flows beyond the five-year period are extrapolated using ~ 2% growth rate that is the same as the long-term average growth rate for the industry. It was concluded that the recoverable amount exceeded the carrying value of cash generating unit hence there is no impairment.

ii. Ready Mix CGU

The recoverable amount of the Concrete CGU has been determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period. The projected cash flows have been updated to reflect the demand for Concrete. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is ~ 13% and cash flows beyond the five-year period are extrapolated using ~ 2% growth rate that is the same as the long-term average growth rate for the industry. It was concluded that the recoverable amount exceeded the carrying value of cash generating unit hence there is no impairment.

Key assumptions used for value in use calculations

The calculation of value in use for both units is most sensitive to the following assumptions:

(1) Sales Growth rate

(2) Raw Material price inflation

(3) Market growth rate

Sales Growth Rate - Management expects a stable sales growth rate over the forecast period, the management further expects the Company position in relative to its competitors to strengthen following sales aggressive targets taken by the Company.

Raw Material Price inflation - Past material price movements are used as indicators of future price movements.

Market growth rate - Management expects the Company position in Cement & Concrete business to be stable over the forecast period, the management further expects the Company position in relative to its competitors to strengthen based on future growth forecast of the Company.

<u>Sensitivity to changes in assumptions</u>

The implications of the key assumptions for the recoverable amount are discussed below:

Sales Growth Rate - Management recognises the effect of new entrant and additional capacity expansion of existing competitors as not to have material adverse impact on the forecasts.

Raw Material Price inflation - The management has considered the possibility of greater than forecast increases in raw material price inflation. This may occur if anticipated regulatory changes result in an increase in demand that cannot be met by suppliers. If prices of raw materials increase greater than the forecast price inflation, then the Concrete CGU will have to pass on such increase to the customer. For Cement CGU raw material prices do not vary significantly.

Market growth rate - Based on industrial data and infrastructure growth action taken by the government, the Company is of the view that the growth rate will be higher than the forecast estimated by the Company.

While it is unlikely for all the above assumptions to move adversely together, it would require a significant increase/ decrease to result in an impairment charge.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

5. Non current investments

Particulars	As at 31 March 2019	As at 31 March 2018
Unquoted, valued at cost unless stated otherwise		
a. Investment in joint venture (Refer note 40)		
861,300 (31 March 2018 - 861,300) equity shares of ₹ 10/- each fully paid up in Wardha Vaalley Coal Field Private Limited	0.86	0.86
Less: Provision for impairment	(0.86)	(0.86)
	-	-

Note :

The Ministry of coal had allotted a coal block in the state of Maharashtra to a consortium in which the Company is a member. The Company plans to carry out mining activities through Wardha Vaalley Coal Field Private Limited, a joint venture Company incorporated in India as a special purpose vehicle. The Company's ownership in the jointly controlled entity is 19.14%. The other owners in the joint venture being IST Steel & Power Limited (53.59%) and Ambuja Cements Limited (27.27%).

In prior years, the allotment of the coal block has been cancelled and the Joint Venture (JV) company has been show caused for allegedly not achieving the progress milestones in the development of the mine. Deallocation of the coal block has been challenged before the Hon'ble Delhi High Court and the matter is sub-judice. The guarantees given by the JV has also been sought to be invoked but the same has been stayed by the Hon'ble Delhi High Court subject to the guarantee being kept alive. Subsequently such guarantee furnished by the company has been cancelled.

c. Investment in others

Particulars	As at 31 March 2019	As at 31 March 2018
i. Equity investment (at FVTOCI)		
1,925,924 (31 March 2018 - 1,925,924) Class A equity shares of ₹ 10/- each fully paid-up in VS Lignite Power Private Ltd.	1.93	1.93
ii. Debt investment (at FVTPL)		
4,828,298 (31 March 2018 - 4,828,298) 0.01% cumulative class A redeemable preference shares of ₹ 10/- each fully paid-up in VS Lignite Power Private Ltd.	4.83	4.83
Less: Provision for impairment	(6.76)	(6.76)
	-	-

6. Loans

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Loans/advances to employees	0.20	0.21
Sub total (a)	**0.20**	**0.21**
Doubtful		
Loans to related party#	1.11	1.11
Less: Provision for doubtful loans	(1.11)	(1.11)
Sub total (b)	**-**	**-**
Total (a+b)	**0.20**	**0.21**

Represents intercorporate loan given to Wardha Vaalley Coal Field Private Limited for working capital requirements.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

7. Other non-current financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Industrial promotional assistance (Refer foot note below)	427.14	380.75
Deposits with govt. authorities and others	157.85	136.39
Sub total (a)	**584.99**	**517.14**
Doubtful		
Deposits with govt. authorities and others	4.90	4.90
Less: Provision for doubtful deposits	(4.90)	(4.90)
Sub total (b)	**-**	**-**
Total (a+b)	**584.99**	**517.14**

The Company is entitled to Industrial Promotional Assistance related to the Mejia Cement Plant (MCP) of 75% of the VAT and CST paid by it, for a period of 12 years, from the Government of West Bengal under the West Bengal Incentive Scheme 2004 with effect from April 23, 2008. Accordingly, the Company has accrued such fiscal incentive in its books upto 31 March 2019 (outstanding claim balance as of balance sheet date is ₹ 427.14 crore). The authorities disputed the claim of the Company, pursuant to which, the Company filed a writ petition against the Industry, Commerce & Enterprise department, Government of West Bengal during the year 2017-18 in the Honourable High Court of Kolkata (High Court). The High Court passed an order on June 27, 2018 directing Principal Secretary of the State of West Bengal to re-consider the claim and contention lodged by the Company. The Additional Chief Secretary to the Government of West Bengal has rejected the Company's claim for incentive vide order dated March 18, 2019. The Company, based on advice of legal counsel, is in the process of filing a writ petition in the High Court and is confident of its ultimate recovery. (Refer note 27)

8. Other non current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Capital advances	59.73	106.55
Prepaid expenses	1.78	0.71
Sub total (a)	**61.51**	**107.26**
Doubtful		
Capital advances	1.26	1.26
Less: Provision for doubtful advances	(1.26)	(1.26)
Sub total (b)	**-**	**-**
Total (a+b)	**61.51**	**107.26**

9. Inventories

(Valued at cost or NRV whichever is lower)

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	50.51	52.41
(includes in transit and stock with third party ₹ 0.55 crores (31 March 2018 : ₹ 11.43 crores))		
Work-in-progress	86.88	137.85
(includes in transit ₹ 7.13 crores (31 March 2018 : ₹ 11.30 crores))		
Finished goods	50.33	54.44
(includes in transit and stock with third party ₹ 9.61 crores (31 March 2018 : ₹ 12.58 crores))		
Stock-in-Trade	0.55	0.50
Stores and Spare Parts, Packing Material and Fuel*	189.85	185.00
(includes in transit and stock with third parties ₹ 17.04 crores (31 March 2017 : ₹ 18.18 crores))		
Total	**378.12**	**430.20**

* The Company has provided for write down to the value of stores and spare parts in the statement of profit and loss of ₹ 0.28 crores; previous year - ₹ 0.38 crores.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

10. Investments

Quoted, valued at fair value through statement of profit or loss

Particulars	As at 31 March 2019	As at 31 March 2018
SBI Liquid Fund (391,165.81 Units)	114.56	-
HDFC Liquid Fund (312,275.94 Units)	114.86	-
Kotak Liqud Fund (67,597.23 Units)	25.58	-
Reliance Liquid Fund (123,500.31 Units)	56.34	-
DHFL Pramerica Insta Cash Fund (629,632.04 Units)	15.30	-
DSP Blackrock Liquidity Fund (147,910.37 Units, 31 March 2018- 395,046.99 Units)	39.54	98.18
Axis Liquid Fund (112,327.52 Units)	23.29	-
ICICI Prudential Liquid Plan (2,209,294.42 Units, 31 March 2018 - 2,337,516.04 Units)	61.07	60.11
Invesco India Medium Term Bond Fund (19,667.81 Units, 31 March 2018 - 221,882.63 Units)	5.06	40.37
SBI Premier Liquid fund (31 March 2018 - 2,53,816.95 Units)	-	69.15
ICICI Prudential Savings Fund (31 March 2018 - 2,925,157.17 Units)	-	79.03
HDFC F R I F - STF - WP (31 March 2018 - 39,173,234.92 Units)	-	119.02
Tata Ultra Short Term Fund - (31 March 2018 - 74,406.29 Units)	-	19.77
Aditya Birla Sun Life Savings Fund (31 March 2018 - 583,636.52 Units)	-	20.07
SBI Treasury Advantage Fund (31 March 2018 - 324,827.80 Units)	-	64.26
UTI Floating Rate Fund (31 March 2018 - 262,96.72 Units)	-	7.65
Kotak Low Duration Fund (31 March 2018 - 670,590.92 Units)	-	146.92
Reliance Medium Term Fund (31 March 2018 - 32,212,679.97 Units)	-	119.84
Total	**455.60**	**844.37**
Aggregate book value of quoted investments	455.60	844.37
Aggregate market value of quoted investments	455.60	844.37

11. Trade receivables (Refer note 40)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured, considered good	211.45	189.45
Unsecured, considered good	279.36	215.71
Which have significant increase in credit risk	7.58	9.99
Credit impaired	74.60	65.64
	572.99	480.79
Provision for doubtful trade receivables	(74.60)	(65.64)
Total	**498.39**	**415.15**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Also no trade or other receivables are due from firms or private companies respectively in which any director is a partner or a director

12. Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with bank		
– On current accounts	41.64	22.29
– Deposits with original maturity of less than three months	50.00	10.00
Cheques/drafts on hand	6.44	5.59
Cash on hand	0.03	0.05
Total	**98.11**	**37.93**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

13. Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Earmarked (restricted) balances with banks for :		
Collateral for disputed indirect tax cases	5.18	5.18
Total	**5.18**	**5.18**

14. Loans

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Loans/advances to employees	1.34	0.80
Total	**1.34**	**0.80**

15. Other current financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good, unless otherwise stated		
Industrial promotional assistance	33.05	27.74
Interest accrued	0.75	0.58
Deposits with govt. authorities and others	114.66	105.80
Total	**148.46**	**134.12**

16. Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good, unless otherwise stated		
Balances with indirect tax authorities	32.41	26.10
Advances to Suppliers	78.29	87.22
Other receivables	4.26	3.54
Prepaid expenses	15.56	13.40
Total	**130.52**	**130.26**

17. Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorized		
7,801,110,000 (31 March 2018 - 7,801,110,000) equity shares of ₹ 10/- each	7,801.11	7,801.11
1,000,000,000 (31 March 2018 - 1,000,000,000) preference shares of ₹ 10/- each	1,000.00	1,000.00
	8,801.11	**8,801.11**
Issued, subscribed and fully paid-up		
200,000,000 (31 March 2018 - 150,000,000) equity shares of ₹ 10/- each	200.00	150.00
	200.00	**150.00**

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings.

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.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

(b) Shares held by shareholders holding more than 5% in the Company

Particulars	As at 31 March 2019	As at 31 March 2018
Nirma Limited (Holding Company)		
No of Shares	200,000,000	150,000,000
Shareholding %	100%	100%

As per records of the company, including its register of shareholder/members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

i) Equity shares issued pursuant to merger scheme in financial year 2016-17 - 150,000,000 shares of ₹ 10/- each

ii) On 19 February 2019, the Company has converted Compulsory Convertible Debentures (CCD) of ₹ 1,000 crores into 50,000,000 numbers of equity shares of ₹ 10/- each. Difference between the equity component of CCD and face value of the equity shares issued on conversion has been credited to securities premium account. Difference between the outstanding debt component related to CCD and actual interest payable as per coupon rate of CCD has been credited to retained earnings as the transaction is between the parent and subsidiary company. Interest payable up to the date of conversion has been converted into Inter Corporate Deposit as per agreed terms with the Holding Company bearing interest @ 8% p.a.

Nature and purpose of reserve

A. Capital Reserve, Capital Reserve on Amalgamation and Amalgamation Reserve

It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

B. Debenture Redemption Reserve

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the company to create Debenture Redemption Reserve (DRR) out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

C. Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast purchase. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedge are effective; the change in fair value of hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when hedged item affects profit or loss.

D. Securities premium

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses etc.

E. Capital Redemption Reserve

Capital redemption reserve was created by transferring from retained earnings. The balance will be utilised in accordance with the provision of the Companies Act, 2013.

F. General Reserve

General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

G. Statutory Reserve Under Section 45IC of RBI Act

Statutory Reserve under section 45IC of RBI Act was created by transfering profits as per the rules stated therein when the company was registered as a Non Banking Financial Company (NBFC).

H. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

18. Borrowings

Particulars		As at 31 March 2019	As at 31 March 2018
i)	**Non convertible debentures (Refer note a)**		
	8.66% Secured listed non convertible debenture redeemable at par on 14.09.2021 (8000 nos.)	784.22	778.77
	8.57% Secured listed non convertible debenture redeemable at par on 14.09.2020 (8000 nos.)	790.64	784.91
	8.47% Secured listed non convertible debenture redeemable at par on 14.09.2019 (12,500 nos.)	-	1,236.02
ii)	**Term loan from bank in local currency (Refer note b)**		
	Secured term loans	748.45	-
iii)	**Unsecured borrowings**		
	Inter corporate deposit from holding company (Refer note c)	402.21	333.72
	2% Unlisted, unsecured debentures compulsorily convertible into equity shares (Refer note 17(c)(ii))	-	72.27
		2,725.52	**3,205.69**

Note :

a. The Company has issued Non Convertible Debentures (NCD) of ₹ 4000.00 crores which are secured by first ranking exclusive charge in favour of the debenture trustee over all rights, title, interest and benefit of the Company in respect of and over the fixed assets including plant and machinery, equipments, land, immovable properties, mining leases (to the extent permitted under the applicable law), investments, its intellectual properties (other than the excluded intellectual properties) and a second pari passu charge over the current assets including cash, receivables, stocks, bank accounts of the Company. The interest is payable half yearly at the applicable rates as specified for each series.

b. The Company has taken term loan of ₹ 375.00 crores from Kotak Mahindra Bank Ltd and ₹ 375.00 crores from State Bank of India, carrying average interest rate of 8.60%, which is secured by first pari passu charge to be shared with other term lenders and debenture holders on all rights, title, interest and benefits of the borrower pertaining to all existing and future moveable fixed assets and immovable properties. Loan shall be repaid in 20 equal quarterly installments starting from the quarter following the expiry of moratorium period of 24 month from the date of first disbursement. The interest is payable on monthly basis at the applicable rates.

c. The inter corporate deposit of ₹ 343.87 crores (Previous Year ₹ 299.78 Crores) is long term in nature and carries interest rate of 8% p.a.

Particulars	As at 31 March 2019	As at 31 March 2018
<u>Repayment Schedule of non convertible debentures:</u>		
Not later than one year	1,250.00	1,150.00
Later than one year and not later than two years	800.00	1,250.00
Later than two years and not later than five years	800.00	1,600.00

19. Other non-current financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Other liabilities	52.76	50.97
Total	**52.76**	**50.97**

20. Provisions (non-current)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for death benefit (Refer note 39)	3.41	3.51
Provision for gratuity (Refer note 39)	1.71	1.27
Provision for site restoration (Refer note 50)	27.76	27.27
Provision for contractors' charges (Refer note 50)	25.75	23.72
Total	**58.63**	**55.77**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21. Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liability (Refer note 38)	**1,492.53**	**1,502.02**
– Depreciation and amortisation	583.60	532.54
– Deferred tax liability on business combination	907.81	964.62
– Others	1.12	4.86
Deferred tax asset (Refer note 38)	**324.51**	**320.47**
– Disallowance under section 43B of the Income Tax Act	42.81	56.82
– Provision for doubtful debts and advances	31.27	28.14
– Others	17.71	30.84
– MAT credit entitlement	232.72	204.67
Total	**1,168.02**	**1,181.55**

22. Borrowings (Secured)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debt	1,263.28	1,163.11
Loans repayable on demand:		
From Banks - Cash Credits / Working Capital Borrowings (Secureby Hypothecation of Stocks and Book Debts of the Company)	-	4.39
	1,263.28	**1,167.50**

23. Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Due to micro and small enterprises (Refer note 49)	5.33	5.95
Due to creditors other than micro and small enterprises	761.50	675.40
Total	**766.83**	**681.35**

This information on Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

24. Other current financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Creditors for capital expenditure	82.32	40.53
Liability for employee related expenses	61.23	56.55
Security deposits from dealers, transporters and others	411.96	384.22
Total	**555.51**	**481.30**

25. Provisions (current)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for leave benefits	18.81	15.68
Provision for death benefit (Refer note 39)	0.52	0.46
Provision for indirect taxes/litigations (Refer note 50)	178.00	185.06
Provision for dealers' discounts (Refer note 50)	106.61	91.21
Provision for contractors' charges (Refer note 50)	2.42	2.12
Provision for site restoration (Refer note 50)	2.24	1.94
Total	**308.60**	**296.47**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

26. Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	56.17	51.86
Liability towards discount to dealers	208.28	204.56
Others (including statutory dues and provision for expenses)	145.91	129.47
Total	**410.36**	**385.89**

27. Revenue from operations

Particulars	2018-19	2017-18
Sale of products (including excise duty)*		
Finished goods	6,250.81	6,048.66
Traded goods	188.72	86.84
Other operating revenue		
Industrial promotional assistance - fiscal incentive**	60.66	75.37
Provision/liabilities no longer required, written back	47.72	47.74
Scrap sales	10.33	7.37
Recoveries of shortages & damaged cement	2.02	1.25
Income from services	-	30.00
Total revenue from operations	**6,560.26**	**6,297.23**

Note

* Sale of products for the current year is not comparable with previous year, since sales for the period 1 July 2017 to 31 March 2018 are net of GST whereas excise duty formed part of expenses in the periods before transition to GST.

** The Company has recognized as other operating revenue, Industrial Promotional Assistance (IPA) of ₹ 46.39 Crores (Previous Year ₹ 49.58 Crores) related to Mejia Cement Plant, from the Government of West Bengal under the West Bengal Incentive Scheme 2004. (Refer note 7). Similarly, IPA of ₹ 14.27 Crores (Previous Year ₹ 25.79 Crores) has been recognised related to Chittorgarh Cement Plant, from the Government of Rajasthan under the Rajasthan Investment Promotion Scheme 2010.

28. Other income

Particulars	2018-19	2017-18
Gain on sale of current investments	26.27	26.88
Fair value gain on financial instruments at fair value through profit or loss	3.20	13.90
Interest income on bank deposits	0.39	1.16
Interest income on others	17.20	7.86
Net gain on foreign currency transaction and translation	1.41	0.48
Other non-operating income	3.03	3.91
	51.50	**54.19**

29. Cost of materials consumed

Particulars	2018-19	2017-18
Inventory at the beginning of the year	52.41	41.51
Add: Purchases	1,329.13	1,238.54
	1,381.54	1,280.05
Less: Inventory at the end of the year	(50.51)	(52.41)
	1,331.03	**1,227.64**

30. Purchase of stock in trade

Particulars	2018-19	2017-18
Cement	155.24	61.54
Others	12.53	15.54
	167.77	**77.08**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

31. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	2018-19	2017-18
Inventories at the end of the year		
Finished goods	50.33	54.44
Work-in-progress	86.88	137.85
Stock-in-Trade	0.55	0.50
	137.76	**192.79**
Inventories at the beginning of the year		
Finished goods	54.44	40.49
Work-in-progress	137.85	116.95
Stock-in-Trade	0.50	0.29
	192.79	**157.73**
Changes in inventories of finished goods	4.11	(13.95)
Changes in inventories of work-in-progress	50.97	(20.90)
Changes in inventories of Stock-in-trade	(0.05)	(0.21)
	55.03	**(35.06)**

32. Employee benefits expense

Particulars	2018-19	2017-18
Salaries, bonus and wages	290.45	266.38
Contribution to provident fund and other retirement benefits (Refer note 39)	30.71	32.57
Staff welfare expenses	21.62	20.71
	342.78	**319.66**

33. Finance costs

Particulars	2018-19	2017-18
Interest on :		
Non convertible debentures	312.05	367.15
Term loans	25.84	-
Inter corporate deposits	26.70	24.90
Compulsorily convertible debentures	6.45	6.89
Security deposits from dealers, transporters and others	24.93	22.39
Others	9.46	4.08
	405.43	**425.41**
Less:: Borrowing cost capitalised	(14.53)	-
	390.90	**425.41**

34. Depreciation and amortization expense

Particulars	2018-19	2017-18
Depreciation on tangible assets	322.52	314.88
Amortization of intangible assets	76.84	76.67
Depreciation on investment property	0.08	0.08
	399.44	**391.63**

35. Other expenses

Particulars	2018-19	2017-18
Consumption of stores & spares	145.24	124.56
Consumption of packing materials	201.65	183.23
Lease rent (Refer note 41)	38.08	38.53
Rates & taxes	11.14	24.57
Insurance	5.08	4.61
Repairs and maintenance to plant and machinery, building and others	75.52	77.00
CSR expenditure (Refer note 52)	2.95	5.93
Advertisement and sales promotions	82.11	85.27
Travelling and conveyance expenses	32.03	29.67

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

Particulars	2018-19	2017-18
Legal and professional charges	35.66	27.29
Payment to auditors (Refer note below)	0.86	0.82
Donations	0.12	0.13
Provision for bad/doubtful debts and advances	12.29	10.97
Property, plant & equipment written off	0.47	0.82
Equipment hire, labour and subcontract charges	185.24	177.66
Security service charges	14.59	13.52
Miscellaneous expenses	30.99	31.40
Less : Captive Consumption	(4.44)	(3.18)
	869.58	**832.80**
Payment to auditor (excluding taxes)		
Statutory Auditors :		
Audit fee (including half year limited review)	0.64	0.62
Tax audit fee	0.11	0.10
Other services	0.10	0.03
Reimbursement of expenses	0.01	0.07
Total	**0.86**	**0.82**

36. Earnings per equity share

Particulars	2018-19	2017-18
Profit attributable to equity shareholders	**125.59**	**158.07**
Weighted average number of equity shares for EPS (Nos.)	**200,000,000**	**150,000,000**
Unlisted, unsecured debentures compulsorily convertible into equity shares (Nos.)*	-	1,000,000,000
Weighted average number of equity shares for basic & dilutive EPS (Nos.)	**200,000,000**	**1,150,000,000**
Basic earnings per share (in ₹)	6.28	1.37
Diluted earning per share (in ₹)	6.28	1.37
Face value per equity Share (in ₹)	10.00	10.00

* As per the terms the unlisted, unsecured, compulsorily convertible debentures (CCD) were mandatorily convertible into equity shares and there were no cash settlement option available either with the Company or with the holder. On 19th February 2019, CCDs have been converted into 5,000,0000 number of equity shares of ₹ 10 each. (Refer note 17(c)(ii)).

37. Tax expense

(a) Amounts recognised in profit and loss

Particulars	2018-19	2017-18
Current income tax	64.21	77.08
Tax expense relating to earlier years	(19.98)	(44.38)
	44.23	**32.70**
Deferred tax liability (net)		
Origination and reversal of temporary differences	3.22	46.17
Minimum Alternate Tax credit	(9.40)	(11.29)
Deferred tax expense	(6.18)	34.88
Tax expense for the year	**38.05**	**67.58**

(b) Reconciliation of effective tax rate

Particulars	2018-19	2017-18
Tax Rate	**34.944%**	**34.608%**
Profit before tax	**163.59**	**225.70**
Tax using the applicable tax rate	57.17	78.11
Tax effect of:		
Expenses inadmissible under Income Tax Act, 1961	1.03	2.05
Adjustment related to earlier years (Refer notes below)	(19.98)	(25.87)
Change in deferred tax rate	-	13.33
Others	(0.17)	(0.04)
Tax expense as per statement of profit and loss	**38.05**	**67.58**
Effective tax rate	**23.26%**	**29.94%**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

38. Deferred Tax Liability (Net)

Particulars	As at 1 April 2017	2017-18			As at 31 March 2018	2018-19			As at 31 March 2019
		Recog-nised in statement of profit and loss	Recog-nised in OCI	Recog-nised in other equity		Recog-nised in statement of profit and loss	Recog-nised in OCI	Recog-nised in other equity	
Deferred tax liability									
Depreciation and amortisation difference	625.31	(92.77)	-	-	532.54	51.06	-	-	583.60
Deferred tax liability acquired on amalgamation	1,009.81	(45.19)	-	-	964.62	(56.81)	-	-	907.81
Others	-	4.86	-	-	4.86	(3.74)	-	-	1.12
Total (a)	**1,635.12**	**(133.10)**	**-**	**-**	**1,502.02**	**(9.49)**	**-**	**-**	**1,492.53**
Deferred tax Asset									
Disallowance under section 43B of Income Tax Act, 1961	57.59	(0.77)	-	-	56.82	(14.01)	-	-	42.81
Provision for doubtful debts and advances	24.20	3.94	-	-	28.14	3.13	-	-	31.27
Unabsorbed depreciation	123.35	(123.35)	-	-	-	-	-	-	
Others	10.05	(7.70)	-	28.49	30.84	(1.82)	-	(11.31)	17.71
MAT credit entitlement	195.55	9.12	-	-	204.67	28.05	-	-	232.72
Total (b)	**410.74**	**(118.76)**	**-**	**28.49**	**320.47**	**15.35**	**-**	**(11.31)**	**324.51**
Net deferred tax liability (a-b)	**1,224.38**	**(14.34)**	**-**	**(28.49)**	**1,181.55**	**(24.84)**	**-**	**11.31**	**1,168.02**

39. Employee benefit

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 12.39 crores (Previous year ₹ 11.01 crores) for superannuation contribution in the statement of Profit and Loss. The Company recognised ₹ 9.09 crores (previous year ₹ 8.17 crores) for provident fund contributions in the statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

A. The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by HDFC Life, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statement as at balance sheet date:

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Gratuity (Funded)		Death Benefit	
Defined benefit obligation	(65.37)	(60.28)	(3.93)	(3.97)
Fair value of plan assets	63.66	59.01	-	-
Net defined benefit (obligation)/assets	**(1.71)**	**(1.27)**	**(3.93)**	**(3.97)**
Non-current	(1.71)	(1.27)	(3.41)	(3.51)
Current	-		(0.52)	(0.46)

B. Movement in net defined benefit (asset) / liability

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

	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Gratuity (Funded)		Death Benefit	
Defined benefit obligation				
Opening balance	60.28	54.36	3.97	3.91
Included in statement of profit and loss				
Current service cost	4.03	3.42	0.09	0.09
Past service cost	-	5.23		-
Interest cost	4.36	3.69	0.28	0.26
	8.39	**12.34**	**0.37**	**0.35**
Included in OCI				
Actuarial loss / (gain) - experience adjustments	1.14	(0.12)	(0.02)	0.16
Actuarial loss / (gain) - financial assumptions	1.37	(1.65)	0.06	(0.09)
	2.51	**(1.77)**	**0.04**	**0.07**
Other				
Benefits paid	(5.81)	(4.65)	(0.45)	(0.36)
Closing balance (a)	**65.37**	**60.28**	**3.93**	**3.97**
Fair value of plan asset				
Opening balance	59.01	55.28	-	-
Interest income	4.49	3.91	-	-
	63.50	**59.19**	**-**	**-**
Included in OCI				
Actuarial gain /(loss)	0.16	(0.18)	-	-
	63.66	**59.01**	**-**	**-**
Other				
Contributions paid by the employer	5.81	4.65	-	-
Benefits paid	(5.81)	(4.65)	-	-
Closing balance (b)	**63.66**	**59.01**	**-**	**-**
Represented by				
Net defined benefit asset (b-a)	-	-	-	-
Net defined benefit liability (a-b)	1.71	1.27	3.93	3.97

C. Plan assets

Plan assets comprises the following :

Particulars	31 March 2019	31 March 2018
	Gratuity (Funded)	
Investment in scheme of insurance	100%	100%

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31 March 2019	31 March 2018
Discount rate	7.20%	7.60%
Expected rate of return on plan assets	8.00%	8.00%
Salary escalation	8.00%	8.00%
Mortality pre and post retirement	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
Employee turnover rate (for different age groups)	5%-10%	5%-10%

The estimate of future salary increase, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

E. Sensitivity analysis

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

Particulars	31 March 2019		31 March 2019		31 March 2018		31 March 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	Gratuity (Funded)		Death Benefit		Gratuity		Death Benefit	
Discount rate (1% movement)	(3.31)	3.67	(0.15)	0.16	(3.05)	3.38	(0.16)	0.17
Future salary growth (1% movement)	3.10	(2.95)	0.06	(0.06)	2.91	(2.76)	0.06	(0.06)
Employee turnover rate (1% movement)	0.08	(0.08)	(0.06)	0.07	(0.00)	0.00	(0.07)	0.07
Mortality pre-retirement	-	-	(0.17)	0.18	-	-	(0.18)	0.19

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.

F. Other information

Particulars	31 March 2019	31 March 2018
Expected employer contribution for the next annual reporting period	1.71	1.27
Weighted average duration of defined benefit obligation	6 years	6 years

40. Related party relationships, transactions and balances

<u>Related parties and nature of relationship</u>

(i) Holding Company

Nirma Limited

(ii) Subsidiary Company

Rima Eastern Cement Limited (formerly known as Lafarge Eastern India Limited), struck off w.e.f 4 December 2017

(iii) Joint Venture Company

Wardha Vaalley Coal Field Private Limited

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

(iv) Key Management Personnel

Managing Director & Chief Executive Officer - Mr. Ujjwal Batria (Ceased to be MD & CEO w.e.f. June 19, 2018)

Managing Director - Mr. Jayakumar Krishnaswamy (Appointed w.e.f. September 17, 2018)

Director - Mr. Hiren Patel

Director - Mr. Kaushik Patel

Director - Mr. Suketu Nareshkumar Shah

Independent Director - Mr. Berjis Minoo Desai

Independent Director - Mrs. Bhavna Doshi

Particulars	As at and for the year ended 31st March 2019			As at and for the year ended 31st March 2018		
	Holding Company	Joint Venture Company	Total	Holding Company	Joint Venture Company	Total
Details of Related Party Transactions carried out during the year						
Purchases	199.95	-	**199.95**	67.00	-	**67.00**
Sales	2.95	-	**2.95**	-	-	**-**
Finance Cost	33.15	-	**33.15**	31.79	-	**31.79**
Interest Income	-	0.19	**0.19**	-	0.18	**0.18**
Loans given	-	-	**-**	-	0.04	**0.04**
Details of Related Party balances						
Interest Payable and outstanding	58.34	-	**58.34**	40.62	-	**40.62**
Outstanding Inter Corporate Deposits	343.87	-	**343.87**	299.78	-	**299.78**
Outstanding amount payable	32.99	-	**32.99**	12.20	-	**12.20**
Outstanding amount receivable	3.78	1.48	**5.26**	-	1.29	**1.29**
Provision against the receivables	-	1.48	**1.48**	-	1.29	**1.29**

1. All transactions listed above are at arms length price and all the outstanding balances are unsecured.
2. Key Managerial Compensation breakup is as follow:

Particulars	2018-19	2017-18
Compensation paid to Key Management Personal		
– Short term	9.09	6.24
– Post retirement	0.43	0.34
– Sitting Fees & Commission	0.31	0.26
Total	**9.83**	**6.84**
Professional services availed from relative of Key Management Personnel	0.18	0.18

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

41 Operating leases

Lease payments

(a) The Company has taken various residential and commercial premises under operating leases. Further, certain arrangements entered by the Company meet criteria specified in Appendix C of Ind AS 17 and are classified as embedded operating leases. The lease payment recognised in the statement of profit and loss is ₹ 38.08 Crores. (Previous year ₹ 38.53 Crores.)

(b) Future commitments of lease rentals on account of assets taken on non-cancellable operating lease are as follows:

Particulars	31 March 2019	31 March 2018
Less than one year	13.29	15.07
Between one and five years	9.93	5.61
More than five years	0.03	0.43
	23.25	**21.11**

42. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Current investments	455.60	-		455.60	455.60	-	-	455.60
Trade receivables	-	-	498.39	498.39	-	-	-	-
Cash and cash equivalents	-	-	98.11	98.11	-	-	-	-
Bank balances other than Cash and cash equivalents	-	-	5.18	5.18	-	-	-	-
Loans	-	-	1.54	1.54	-	-	-	-
Others	-	-	733.45	733.45	-	-	-	-
	455.60	**-**	**1,336.67**	**1,792.27**	**455.60**	**-**	**-**	**455.60**
Financial liabilities								
Borrowings	-	-	3,988.80	3,988.80	-	3,988.80	-	3,988.80
Trade payables	-	-	766.83	766.83	-	-	-	-
Others	-	-	608.27	608.27	-	-	-	-
	-	**-**	**5,363.90**	**5,363.90**	**-**	**3,988.80**	**-**	**3,988.80**

31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Current investments	844.37	-	-	844.37	844.37	-	-	844.37
Trade receivables	-	-	415.15	415.15	-	-	-	-
Cash and cash equivalents	-	-	37.93	37.93	-	-	-	-
Bank balances other than Cash and cash equivalents	-	-	5.18	5.18	-	-	-	-
Loans	-	-	1.01	1.01	-	-	-	-
Others	-	-	651.26	651.26	-	-	-	-
	844.37	**-**	**1,110.53**	**1,954.90**	**844.37**	**-**	**-**	**844.37**
Financial liabilities								
Borrowings	-	-	4,373.19	4,373.19	-	4,373.19	-	4,373.19
Trade payables	-	-	681.35	681.35	-	-	-	-
Others	-	-	532.27	532.27	-	-	-	-
	-	**-**	**5,586.81**	**5,586.81**	**-**	**4,373.19**	**-**	**4,373.19**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

B. Financial risk management

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

- Credit risk
- Liquidity risk, and
- Market risk

i. Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

ii. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. In order to comply with the disclosure requirements of Schedule III of the Companies Act, 2013, the Company has disclosed the cases where legal case has been filed against the customer and Company believes that the likelihood of the court proceedings will take longer time. Company has shown these cases net of provisions.

Trade receivables

The Company's exposure to credit risk is determined by the individual characteristics and specifications of each customer. The profile of the customer, including the market risk of the industry has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	31 March 2019	31 March 2018
Neither past due nor impaired	290.99	216.17
Past due but not impaired		
Past due 1–180 days	164.93	145.16
Past due 181–365 days	18.31	29.03
Past due 1 to 2 years	14.97	16.87
More than 2 years	9.19	7.92
Total	**498.39**	**415.15**

Expected credit loss assessment for customers as at 31 March 2018 and 31 March 2019

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due are still collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk. The allowance at 31 March, 2018 and 31 March, 2019 related to several customers that may default on their payments to the Company and may not pay their outstanding balances, mainly due to economic circumstances.

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(All amounts in ₹ crore, unless otherwise stated)

The movement in the allowance for impairment in respect of trade receivables during the year was as follow :

Particulars	31 March 2019	31 March 2018
Balance as at beginning of the year	65.64	56.25
Impairment loss recognised net of reversal	8.96	9.39
Balance at the end of the year	**74.60**	**65.64**

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained both fund based and non-fund based working capital lines from various banks. The Company also constantly monitors, as and when required, funding options available in the debt and capital markets with a view to maintain financial liquidity. The Company also enjoys A1+ ratings from CRISIL on short term facilities from banks indicating very strong degree of safety regarding timely payment of financial obligations and carries lowest credit risk.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities

As at 31 March 2019	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings*	4,204.51	1,505.88	1,024.20	1,410.87	263.56
Other non-current financial liabilities	52.76	-	52.76	-	-
Trade payables	766.83	766.83	-	-	-
Other current financial liabilities	555.51	555.51	-	-	-

* No repayment schedule has been specified for Inter Corporate Deposits, hence not included above

As at 31 March 2018	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings*	4,723.90	1,442.26	1,441.21	1,840.43	-
Other non-current financial liabilities	50.97	-	50.97	-	-
Trade payables	681.35	681.35	-	-	-
Other current financial liabilities	481.30	481.30	-	-	-

* No repayment schedule has been specified for Inter Corporate Deposits, hence not included above

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

43. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

a. Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit before tax account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering economic environment in which the Company operates, its operations are subject to risks arising from fluctuation in exchange rates in those countries. The risks primarily relate to fluctuations in the foreign exchange rates of USD & EURO, on account of payables to foreign suppliers, for import of petcoke, gypsum and spares.

The Company, as per its risk management policy, uses foreign exchange forward contracts to hedge foreign exchange exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	31 March 2019		31 March 2018	
	EUR	USD	EUR	USD
Accounts Receivable	-	-	-	-
Accounts Payable	2.52	1.21	2.53	1.05
Net balance sheet exposure	**2.52**	**1.21**	**2.53**	**1.05**
Forward exchange contracts	-	-	-	-
Net exposure	**2.52**	**1.21**	**2.53**	**1.05**

Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit before tax and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹ Crores	Strengthening	Weakening
31 March 2019		
EUR	(0.25)	0.25
USD	(0.12)	0.12

Effect in ₹ Crores	Strengthening	Weakening
31 March 2018		
EUR	(0.25)	0.25
USD	(0.11)	0.11

b. 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 exposure to market risk for changes in interest rates relates to

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

fixed deposits and borrowings from financial institutions. For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, Refer to Note 18 and 22 of these financial statements.

Particulars	31 March 2019			31 March 2018		
	Total Borrowings	Floating rate borrowing	Fixed rate borrowing	Total Borrowings	Floating rate borrowing	Fixed rate borrowing
Borrowings	3,988.80	748.45	3,240.35	4,373.19	-	4,373.19
Total	**3,988.80**	**748.45**	**3,240.35**	**4,373.19**	**-**	**4,373.19**

Sensitivity analysis

Interest rate sensitivity for floating rate borrowings (impact of increase in 100 bps)

Particulars	31 March 2019	31 March 2018
Impact in profit before tax	(3.00)	-

Interest rate sensitivity for floating rate borrowings (impact of decrease in 100 bps)

Particulars	31 March 2019	31 March 2018
Impact in profit before tax	3.00	-

44. Netting off disclosure

The Company engages the services of CFA agents for selling the cement. As per the terms of the agreement, Company has a right to offset balances with CFA against debtors balances if debtor has not paid for a period of 90 days. Hence such amounts have been offset in the balance sheet. The amount of CFA assignment, as on reporting date, is not material.

45. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and to sustain future development of the business. The Company carefully monitors cash and bank balances, deployment of surplus funds and regularly assesses any debt requirements.

The Company's adjusted net debt to equity ratio is as follows.

Particulars	As at 31 March 2019	As at 31 March 2018
Total borrowings along with accrued interest	3,988.80	4,368.80
Less : Cash and bank balances & Current Investments	(558.89)	(887.48)
Adjusted net debt	**3,429.91**	**3,481.32**
Equity	200.00	150.00
Other equity	4,062.41	3,967.27
Total equity	**4,262.41**	**4,117.27**
Adjusted net debt to equity ratio	**0.80**	**0.85**

46. Segment Reporting

A. General Information

For management purposes, the Company is organised into business units based on its products and has two reportable segments, as follows:

- Segment-1 Cement Division
- Segment-2 Concrete Division

Others - All the segments other than segments identified above are collectively included in this segment.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transaction with third parties.

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

B. Information about reportable segments

Particulars	Reportable segments				Others		Total	
	Cement		Concrete					
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue								
External sales	5,335.66	5,144.57	1,214.95	1,132.48	9.65	20.18	6,560.26	6,297.23
Inter segment sales	18.04	25.69	-	-	9.34	5.87	27.38	31.56
Total	**5,353.70**	**5,170.26**	**1,214.95**	**1,132.48**	**18.99**	**26.05**	**6,587.64**	**6,328.79**
Less : Eliminations	(18.04)	(25.69)	-	-	(9.34)	(5.87)	(27.38)	(31.56)
Net Revenue	**5,335.66**	**5,144.57**	**1,214.95**	**1,132.48**	**9.65**	**20.18**	**6,560.26**	**6,297.23**
Segment Results	493.46	596.01	25.48	9.20	(12.88)	(3.89)	506.06	601.26
Financial expense							(390.90)	(425.41)
Financial income							48.48	49.80
Profit before tax							163.64	225.65
Tax expenses							38.05	67.58
Profit after tax							125.59	158.07
OTHER INFORMATION								
Segment assets	10,503.68	10,470.50	896.81	918.24	32.11	53.40	11,432.60	11,442.14
Un-allocated assets	-	-	-	-	-	-	139.32	181.57
Total Assets	**10,503.68**	**10,470.50**	**896.81**	**918.24**	**32.11**	**53.40**	**11,571.92**	**11,623.71**
Segment liabilities	1,757.57	1,608.73	386.08	329.03	9.08	18.38	2,152.73	1,956.14
Un-allocated liabilities	-	-	-	-	-	-	5,156.78	5,550.35
Total Liabilities	**1,757.57**	**1,608.73**	**386.08**	**329.03**	**9.08**	**18.38**	**7,309.51**	**7,506.49**
Capital Expenditure								
Tangible assets	637.42	131.74	11.48	16.80	0.45	-	649.35	148.54
Intangible assets	1.12	3.16	0.13	0.02	-	-	1.25	3.18
Depreciation / Amortization	367.74	362.90	23.30	25.17	8.40	3.56	399.44	391.63
Other non cash expense/ (income)	(39.90)	(32.01)	12.43	5.87	0.85	0.00	(26.62)	(26.14)

C. Geographic information

All assets of the Company are domiciled in India. Further the Company does not have any single customer contributing more than 10 % of revenue. The breakup of total revenue into domestic revenue and exports is as follows :

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Domestic	6,560.26	6,294.40
Export	-	2.83
Total	**6,560.26**	**6,297.23**

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

47. Contingent Liabilities

Particulars		As at 31 March 2019	As at 31 March 2018
Contingent Liabilities not provided for in respect of:			
i.	Claims against the Company not acknowledged as debts: -		
	a. Disputed demands in respect of Sales Tax/VAT/GST by various tax authorities	59.73	31.05
	b. Disputed demand in respect of Entry Tax by various tax authorities	54.50	42.82
	c. Disputed demand in respect of Excise Duty	192.95	173.72
	d. Disputed demand in respect of Service Tax	3.34	1.32
	e. Stamp Duty paid under protest for change of name from GKW to LRCL	1.80	1.80
	f. Disputed demands in respect of Custom duties	14.44	14.44
	g. In respect of Income Tax	278.42	220.65
	h. Other claims	25.13	22.91
	Against these, payments under protest/adjustments made by the Company	137.74	149.44
ii.	The State of Chhattisgarh has filed a Revision Application challenging the adjudication order of the District Registrar and Collector of Stamps; Janjgir -Champa for alleged under-valuation of the properties, which the Company acquired from Raymond Ltd. Against this, Raymond Ltd. has filed a Special Leave Petition before the Hon'ble Supreme Court, which has stayed the proceedings before the Board of Revenue.	Amount not determinable	Amount not determinable
	The Collector of Stamps, Raipur has commenced enquiry proceedings under Section 47 (A)(3) of the Indian Stamp Act, 1899 questioning the amount of stamp duty paid by The Tata Iron and Steel Company Limited (TISCO) on transfer of the immovable properties at Sonadih from TISCO to the Company. The Company has filed a Writ Petition in the Hon'ble High Court of Bilaspur, Chhattisgarh challenging the enquiry commenced by the Collector of Stamps. The matter is pending before the High Court.	Amount not determinable	Amount not determinable
	The Company's liability, if at all arises, in both the above cases, is restricted to 50% by virtue of business transfer agreement between Lafarge and Raymond Ltd/TISCO.	Amount not determinable	Amount not determinable

iii. In June 2012, the Competition Commission of India (CCI) passed an Order levying a penalty of ₹ 490 crores on the Company in connection with a complaint filed by the Builders Association of India against leading cement companies (including the Company) for alleged violation of certain provisions of the Competition Act, 2002. The Company filed an appeal before the Competition Appellate Tribunal (COMPAT) for setting aside the said Order of CCI. The COMPAT granted stay on levying the penalty imposed on the Company by CCI against deposit of 10% of the penalty amount. In December 2015, the COMPAT finally set aside the said Order of CCI and remanded back to CCI for fresh adjudication of the issues and passing of fresh Order. However, in August 2016 the case was reheard by CCI and it passed an Order levying a penalty of ₹ 490 crores on the Company. The Company had filed an appeal against the Order before the COMPAT. The COMPAT has granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order. Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 5, 2018 had admitted the appeal of the Company and directed that the interim order passed by the tribunal in this case will continue in the meantime. Based on the reimbursable rights available with the Company backed by legal opinion, no provision is considered necessary.

iv. Vide letter F.No.13016/49/2008-CA-I dated 15th/16th November, 2012, Ministry of Coal had de-allocated the Dahegaon Makardhokra IV Coal Block allocated to the Joint Venture Partners and had ordered invocation of

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

bank guarantee of ₹ 2,55,93,000. The said order was challenged by all joint venture partners, through separate Writ Petitions before Hon'ble High Court of delhi and a stay was granted against invocation of bank guarantee. However, in view of Supreme Court orders dated 25th August, 2014 and 24th September, 2014 in WP (Crl) No. 120/2012, the Hon'ble High Court of Delhi through its judgement dated 30th October, 2014, did not provide relief of cancellation of de-allocation of coal block and disposed of the all the three writ petitions of JV partners with a direction to Ministry of Coal to take a decision in respect of each individual case whether bank guarantees ought to be invoked or released. In pursuance, Ministry of Coal vide its letter F.No.13016/17/2014-CA-I (VOL. III) dated 04th August, 2015 ordered invocation of Bank Guarantee of ₹ 2,55,93000/-, which has been challenged by all JV partners through separate writ petitions before Hon'ble High Court of Delhi. High Court of Delhi through its orders dated October 16,2015 and October 20, 2015 was pleased to grant stay against any coercive steps subject to Bank Guarantee being kept alive.

48. Capital and other commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances)	273.64	385.36

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

Particulars	As at 31 March 2019	As at 31 March 2018
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (including capex vendors)		
Principal amount due to micro and small enterprises	6.11	5.95
Interest due on above	0.13	0.22
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
Principal	60.76	0.78
Interest on above	-	0.01
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 the MSMED Act, 2006.	0.86	0.22
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.99	0.23
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 the MSMED Act 2006, 2006.	-	-

Notes to Consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50. Disclosures required by Indian Accounting Standard (Ind AS) 37 - Provisions

Particulars	Site Restotation expense		Dealer discount provisions		Indirect taxes and litigations		Provision for contractors' charges		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Carrying amount at the beginning of the year	29.21	23.81	91.21	64.80	185.06	193.05	25.84	23.24	331.32	304.90
Additional provision made during the year	2.68	6.64	81.73	77.94	11.56	10.28	2.33	2.60	98.30	97.46
Amounts used during the year	(1.89)	(1.24)	(66.33)	(50.91)	(0.70)	(1.13)	-	-	(68.92)	(53.28)
Amounts written back during the year	-	-	-	(0.62)	(17.92)	(17.14)	-	-	(17.92)	(17.76)
Carrying amount at the end of the year #	30.00	29.21	106.61	91.21	178.00	185.06	28.17	25.84	342.78	331.32

This includes current and non current portion.

i. Site Restoration expense

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

ii. Dealer discount provisions

The provision for discounts is on account of various promotion and incentive schemes proposed to be announced to dealers on products sold by the Company. The provision is based on the historic data/ estimated figures of discounts passed on. The timing and amount of the cash flows that will arise will be determined as and when these schemes are formalised and pay-offs approved by management, which is generally 12 to 18 months.

iii. Indirect taxes and legal cases

Provision for indirect tax and legal cases includes disputed cases of excise tax, value added tax, sales tax, entry tax and other disputed legal cases.

iv. Provision for contractor charges

Provision for contractors' charges pertains to gratuity amount payable by contractor to its employees which as per the terms of the contract shall be reimbursed by the Company.

51. The Company had installed a Fly Ash classifier at its Mejia Cement Plant in earlier years and has a claim of ₹ 12.22 Crores (Previous year ₹ 12.22 Crores) on Damodar Valley Corporation (DVC) towards their share of the capital expenditure on such Fly Ash classifier in terms of the agreement, which along with certain operational settlements are currently under discussion with DVC. Pending resolution on the matters, the Company has not recognized the above claims in its books. Further, the management is confident that the use of the Fly Ash classifier and operational settlements shall be amicably resolved with the party.

52. As per the limit specified under Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 5.04 crores (Previous year ₹ 5.54 crores) during the year on account of Corporate Social Responsibility (CSR). However, the actual amount spent during the year amounts to ₹ 2.95 crores (Previous year ₹ 5.93 crores).

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(All amounts in ₹ crore, unless otherwise stated)

53. Additonal information as required by Paragraph 2 of the general instructions for the preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share of Profit/(Loss)		Share of Other comprehensive Income		Net Assets, i.e. total assets minus total liabilities		Share of Profit/(Loss)		Share of Other comprehensive Income	
	As a % of consolidated net assets	As at 31 March 2019	As a % of consolidated Profit/(Loss)	As at 31 March 2019	As a % of consolidated Profit/(Loss)	As at 31 March 2019	As a % of consolidated net assets	As at 31 March 2018	As a % of consolidated Profit/(Loss)	As at 31 March 2018	As a % of consolidated Profit/(Loss)	As at 31 March 2018
Parent												
Nuvoco Vistas Corporation Limited	100%	4,262.41	100%	125.54	100%	(1.55)	100%	4,117.27	100%	158.12	100%	1.05
Subsidiaries												
Rima Eastern Cement Limited	0%	-	0%	-	0%	-	0%	0.05	-0%	(0.05)	0%	-
Non-controlling interest in subsidiary	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Joint Ventures												
Wardha Vaalley India Private Limited	-0%	(0.51)	-0%	(0.07)	0%	-	-0%	(0.44)	-0%	(0.07)	0%	-
Total	**100%**	**4,261.90**	**100%**	**125.47**	**100%**	**(1.55)**	**100%**	**4,116.88**	**100%**	**158.00**	**100%**	**1.05**

Note: The above figures are before eliminating intra group transactions. The loss of Joint venture not recognised for in books is ₹ 0.07 crores (Previous year ₹ 0.07 crores). The group's interest in joint venture has been reduced to zero and the group does not have any legal or constructive obligations or made payments on behalf of joint venture.

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(All amounts in ₹ crore, unless otherwise stated)

Significant Judgment : Existence of joint control and classification of joint arrangement

The joint venture agreement in relation to Wardha Vaalley India Private Limited require unanimous consent from all parties for all relevant activities, hence there is a joint control. Further the parties having joint control have the rights to the net assets of the joint arrangement. Hence it has been classified as joint venture.

54. The figures of the previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached	For and on behalf of the Board of Directors of Nuvoco Vistas Corporation Limited	
For MSKA & Associates	**CIN: U26940MH1999PLC118229**	
Chartered Accountants		
Firm Registration No. 105047W	**Jayakumar Krishnaswamy**	**Suketu Nareshbhai Shah**
	Managing Director	Director
	DIN: 02099219	DIN: 07211283
Yogesh Sharma		
Partner	**Maneesh Agrawal**	**Shruta Sanghavi**
Membership No. 211102	Chief Financial Officer	Company Secretary
Place: Mumbai	Place: Mumbai	
Date : 7 May 2019	Date : 7 May 2019	