RCL CEMENTS LIMITED

ANNUAL REPORT
2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS	Shri Dharmender Tuteja Shri Ganesh Wamanrao Jirkuntwar Shri Rajiv Kumar Choubey
REGISTERED OFFICE	3rd & 4th Floor, Anil Plaza II, ABC, G.S. Road, Guwahati- 781005,Assam Phone: 91 361 2132 569/91 361 7156 700, Fax: 91 361 7156 707 Email: corp.sec@dalmiabharat.com; Website:www dalmiacement.com CIN: U26941AS1997PLC005279
STATUTORY AUDITORS	Deloitte Haskins & Sells Chartered Accountants 7th Floor, Building 10, Tower B, DLF Cyber City Complex, Phase-2, Gurgaon- 122002 (Haryana)

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 24th report on the operations and business performance of your Company along with the audited financial statements for the financial year 2022-23.

FINANCIAL HIGHLIGHTS

	Amount (₹ in Lakhs)	
Particulars	**FY 2022-23**	**FY 2021-22**
Revenue from operation	1.32	11.60
Loss before interest, depreciation ans tax	(9.80)	(9.57)
Add: Finance and other Income	354.81	1.28
Less: Finance Cost	1.32	1.28
Profit/(Loss) before depreciation and tax and Exceptional Items	343.69	(9.57)
Less: Depreciation	1.65	1.65
Profit/(Loss) before tax	342.05	(11.22)
Total Tax Expenses	-	-
Profit/(Loss) after tax	342.05	(11.22)
Other comprehensive income/(loss)	-	-
Total comprehensive income for the year	342.05	(11.22)

OPERATIONS AND BUSINESS PERFORMANCE

There were no operations in the Company during the year under review.

There has been no material change in the nature of business of the Company.

DIVIDEND

Your Directors have not recommended any dividend for the FY 2022-23 in view of losses.

TRANSFER TO GENERAL RESERVE

Your Directors have not proposed transfer of any amount to the General Reserve for the year under review.

NUMBER OF BOARD MEETINGS

The Board meetings were convened on a quarterly basis and as and when required. During the year under review, the Board of Directors of the Company met four times on April 26, 2022,July 25, 2022,October 28, 2022 and February 01, 2023. The Board meetings were conducted in due compliance with; and following the procedures prescribed in the Companies Act, 2013 and applicable Secretarial Standards.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2023, the Board of Directors comprises of three Directors, all of them being Non-Executive Directors.

During the year under review, Shri Naveen Jain (DIN: 00051183), the Director has resigned from the Board with effect from October 28, 2022. Further, Shri R. A. Krishnakumar (DIN: 07333614), Non-Executive Director, who was appointed on the Board with effect from October 28, 2022 has resigned from the Board with effect from April

01, 2023. The Board places on record its appreciation for the valuable advice and guidance provided by them during their tenure on the Board. Shri Rajiv Kumar Choubey (DIN: 08211030) has been appointed as Additional Director in the Non-Executive Director category with effect from April 01, 2023.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Shri Dharmender Tuteja, (DIN: 02684569) is liable to retire by rotation at the forthcoming Annual General Meeting and has offered himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 134(3)(c) of the Companies Act, 2013, your Directors do hereby confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;

ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for that period;

iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors had prepared the annual accounts on a going concern basis; and

v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the year under review were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013. There were no material contracts or arrangements or transactions entered into with the related parties during the year under review.

INVESTMENTS, LOANS AND GUARANTEES

The particulars of investments made by the Company are furnished in Note No. 3 of the attached standalone financial statements for the financial year ended March 31, 2023. No loan has been made and no guarantee has been given by the Company during the financial year under review.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has requisite policies and procedures 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 fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal control systems are subjected to regular reviews, self-assessments and audits and based on such reviews, it is believed that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

RISK MANAGEMENT

Your Company has developed and implemented a Risk Management Framework to monitor and review the risk management plan/process of the Company. The Company has adequate risk management procedures in place that oversees the risk management processes with respect to all probable risks that the organization could face such as strategic, financial, liquidity, security including cyber security, regulatory, legal, reputational and other risks. The major risks are assessed through a systematic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood. The risk assessment is not limited to threat analysis, but also identifies potential opportunities.

SHARE CAPITAL

During the year under review, there has been no change in the Issued, Subscribed and Paid up equity share capital of the Company and it remained at Rs. 3.63 Crore consisting of 36,33,200 equity shares of Rs. 10/- each.

ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed at www.dalmiacement.com.

STATUTORY AUDITORS AND THEIR REPORT

Deloitte Haskins & Sells, Chartered Accountants (Firm Regn. No. 015125N), Statutory Auditors of the Company hold office till the conclusion of 26th Annual General Meeting of the Company to be held in 2025.

There is no qualification, reservation or adverse remark in the Auditors' report on Financial Statements. They have however emphasized on one matter referring to note no. 22(b) of the notes to accounts of the Financial Statements which pertains to the dispute between two major group of shareholders of Calcom Cement India Limited, which is currently sub-judice. Since the matter is sub-judice, pending final outcome, no adjustments are considered necessary in the Financial Statements.

The Auditors have also drew attention towards material uncertainty of the Company's ability to continue as a going concern which is explained in note no. 29 of the said financial statements and is self-explanatory. Your Directors acknowledges that the ability of the Company to continue as a going concern is dependent on the continued support of Calcom Cement India Limited as and when required in the future. As a result, the financial statements of the Company have been prepared on going concern basis.

The Auditors have not reported any matter under Section 143 (12) of the Act during the year under review.

SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India from time to time and approved by the Central Government.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE TRANSACTIONS

As there are no operations in the Company during the year under review, there are no reportable details of conservation of energy, technology absorption undertaken by the Company and the foreign exchange earnings and outgo, in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the financial year 2022-23, no complaint has been received by ICC.

HEALTH, SAFETY AND ENVIRONMENT

Health and safety of employees and clean environment receive utmost priority in the Company.

INDUSTRIAL RELATIONS

The industrial relations during the year under review remained harmonious and cordial.

OTHER DISCLOSURES

During the year under review:

- Maintenance of cost records under section 148 of the Companies Act, 2013 is not required by the Company.
- The Company has not accepted any deposits as per Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.
- There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There is no one time settlement entered into with the Banks or Financial Institutions.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the assistance and co-operation extended by the Government authorities, financial institutions, banks, customers, vendors, dealers and members during the year under review. Your Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors of RCL Cements Limited

	Dharmender Tuteja	Ganesh W. Jirkuntwar
Place: New Delhi	Director	Director
Date : April 22, 2023	Din-02684569	DIN- 07479080

INDEPENDENT AUDITOR'S REPORT

To The Members of RCL Cements Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **RCL Cements Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 22(b) to the financial statements regarding the disputes between two major shareholders of the Intermediate Holding Company 'Calcom Cement India Limited' ("CCIL") which are pending for disposal before Hon'ble High Court of Delhi and Hon'ble High Court of Gauhati. Since the matters are sub-judice, pending final outcome, no adjustments are considered necessary by the Management in the financial statements.

Our report on the financial statements is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter described in the Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31 March,2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer to note 22(a)of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer to note 22(c)of the financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer to note 22(d)of the financial statements.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer to note33(v) of thefinancial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer to note 33 (vi) of the financial statements.

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

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
UDIN:23105546BGXMRH4993

Place: New Delhi
Date: April 22, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of RCL Cements Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the 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 with reference to financial statements based on 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. 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 the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controlswith reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of 31 March 2023, based on the criteria for internal financial control with reference tofinancial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
UDIN:23105546BGXMRH4993

Place: New Delhi
Date: April 22, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situationof Property, Plant and Equipment and relevant details of right-of-use assets.

As the Company does not hold any intangible assets, reporting under clause 3(i)(a)(B) is not applicable

(b) The Property, Plant and Equipment and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals.

No material discrepancies were noticed on such verification.

(c) Based on our examination of the lease agreement for land on which building is constructed, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right of use assets) during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) According to the information and explanation given to us:

(a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has made not made any investments, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's activities, reporting under clause (vi) of the order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. The operations of the Company did not give rise to any liabilities with regard to

Sales Tax, Service Tax, duty of Custom,duty of Excise and Value Added Tax.

There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in Lakhs)*
Dima Hasao district (Taxes on entry of goods into Markets), Regulation, 1965 [earlier The North Cachar Hills districts (Taxes on entry of goods into Markets), Regulation, 1965	Entry Tax	Executive Committee, Dima Hasao district Autonomous council, (The North Cachar Hills Autonomous Council)	April 2010- Oct 2010	4.21

* Amount as per demand orders including interest and penalty wherever indicated in the Order. No amount has been paid under protest.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) We report that Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates, or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) As fully explained in Note 22 (b) to the financial statements, there is a dispute between two major set of shareholders of the Intermediate Holding Company Calcom Cement India Limited (“CCIL”), wherein the other shareholders, in addition to certain other matters, has disputed the related party transactions. However, all related party transactions have been approved by the audit cum governance committee and board of directors of CCIL. Presently the matter is sub-judice at Hon’ble High Court of Delhi and Hon’ble High Court of Gauhati. We have drawn attention to such matter in EOM para in our report of even date and hence, not commented upon.

(xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013, hence reporting under clause (xiv)(a) and (b) is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group has more than one CIC as part of the group. There are 4 CIC forming part of the group.

(xvii) The Company has not incurred cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs 5.02 lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No. 015125N)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
UDIN:23105546BGXMRH4993

Place: New Delhi
Date: April 22, 2023

RCL Cements Limited
CIN: U26941AS1997PLC005279
Balance sheet as at March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	**2(i)**	0.34	0.34
Right-of-use-asset	**2(ii)**	33.50	35.15
Investments	**3**	3,106.84	3,106.84
Financial assets			
Other financial assets	**4**	74.32	-
Income tax assets (net)	**5**	22.99	24.35
		3,237.99	**3,166.68**
Current assets			
Financial assets			
Cash & cash equivalents	**6(i)**	18.95	2.85
Bank balances other than 6(i) above	**6(ii)**	279.00	-
Other financial assets	**6(iii)**	23.41	19.34
Other current assets	**7**	0.34	0.21
		321.70	**22.40**
Assets classified as held for sale	**2(iii)**	0.33	4.24
Total Assets		**3,560.02**	**3,193.32**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**8**	363.32	363.32
Other equity	**9**	3,138.25	2,796.20
Total Equity		**3,501.57**	**3,159.52**
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	**10(i)**	-	-
Trade payables	**10(ii)**		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		4.86	3.68
Other financial liabilities	**11**	23.48	29.91
Other current liabilities	**12**	30.11	0.21
		58.45	**33.80**
Total Equity and Liabilities		**3,560.02**	**3,193.32**
Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration No. 015125N

For and on behalf of the Board of Directors of RCL Cements Limited

Rajesh Kumar Agarwal
Partner
Membership No.: 105546

Place: New Delhi
Date: April 22, 2023

Dharmender Tuteja
Director
DIN :02684569

Place: New Delhi
Date: April 22, 2023

Ganesh Wamanrao Jirkuntwar
Director
DIN :07479080

Place: Rajgangpur
Date: April 22, 2023

RCL Cements Limited
CIN: U26941AS1997PLC005279
Statement of profit and loss for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	**13**	1.32	11.60
Other income	**14**	354.82	1.28
Total income (I)		**356.14**	**12.88**
Expenses			
Employee benefits expense	**15**	0.01	11.96
Finance costs	**16**	1.32	1.28
Depreciation and amortization expense	**17**	1.65	1.65
Other expenses	**18**	11.11	9.21
Total expenses (II)		**14.09**	**24.10**
Profit/(Loss) before tax (III) I-II		**342.05**	**(11.22)**
Tax expense			
Current tax		-	-
Total tax expense (IV)		-	**-**
Profit/(loss) after tax		**342.05**	**(11.22)**
Other comprehensive income			
(i) Items that will not be reclassified to statement of profit or (loss)			
Re- measurement gain/(loss) on defined benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year (VI)		-	-
Total comprehensive income for the year (VII)		**342.05**	**(11.22)**
Earnings per share			
Basic and diluted earnings / (loss) per share (in Rs.)	**19**	9.41	(0.31)
[Nominal value of share Rs.10 (Rs.10) each]			
Summary of significant accounting policies	**1**		

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

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration No. 015125N

For and on behalf of the Board of Directors of RCL Cements Limited

Rajesh Kumar Agarwal
Partner
Membership No.: 105546

Dharmender Tuteja
Director
DIN :02684569

Ganesh Wamanrao Jirkuntwar
Director
DIN :07479080

Place: New Delhi
Date: April 22, 2023

Place: New Delhi
Date: April 22, 2023

Place: Rajgangpur
Date: April 22, 2023

RCL Cements Limited

CIN: U26941AS1997PLC005279

Statement of Cash Flow for the year ended March 31, 2023

(All amounts are in Rs. lakhs unless otherwise stated) **(Rs.)**

	Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
A.	**Cash flow from operating activities**		
	Profit/(Loss) before tax	342.05	(11.22)
	Adjustment to reconcile loss before tax to net cash flows;		
	Depreciation and amortization expense	1.65	1.65
	Profit on sale of Property, Plant and Equipment (net) / assets held for sale	(348.32)	-
	Liabilities no longer required written back	-	(1.28)
	Interest income	(6.50)	-
	Finance costs	1.32	1.28
	Operating loss before working capital changes	**(9.80)**	**(9.57)**
	Movements in working capital:		
	(Increase)/Decrease in other current /non current assets and current and non current financial assets	(0.13)	4.90
	(Decrease)/Increase in trade payables, other current and other financial liabilities	24.32	(23.13)
	(Decrease) in provisions	1.36	(1.16)
	Net Cash flows from/(used in) operations	**15.75**	**(34.63)**
	Direct taxes refund (net of payment)	(1.16)	103.54
	Net cash flows from operating activities (A)	**(34.63)**	**46.87**
B.	**Cash flows from investing activities**		
	Sale of Property, Plant and Equipment	352.22	-
	Investment in fixed deposits	(352.00)	-
	Interest received	1.11	1.03
	Net cash flows from/(used in) investing activities (B)	**1.33**	**1.03**
C.	**Cash flows from financing activities**		
	Proceeds from current borrowings	-	29.47
	Interest paid	(0.98)	-
	Net cash flows (used in)//from in financing activities (C)	**(0.98)**	**29.47**
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	16.10	(4.13)
	Cash and cash equivalents at the beginning of the year	2.85	6.98
	Cash and cash equivalents at the end of the year	**18.95**	**2.85**
E.	**Components of cash and cash equivalents**		
	Balances with scheduled banks:		
	- In current accounts	3.95	2.85
	- In deposit accounts	15.00	-
	Net cash and cash equivalents	**18.95**	**2.85**

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

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration No. 015125N

For and on behalf of the Board of Directors of RCL Cements Limited

Rajesh Kumar Agarwal
Partner
Membership No.: 105546

Dharmender Tuteja
Director
DIN :02684569

Ganesh Wamanrao Jirkuntwar
Director
DIN :07479080

Place: New Delhi
Date: April 22, 2023

Place: New Delhi
Date: April 22, 2023

Place: Rajgangpur
Date: April 22, 2023

RCL Cements Limited

CIN: U26941AS1997PLC005279

Statement of changes in equity for the period ended March 31, 2023

(All amounts are in Rs. lakhs unless otherwise stated)

Equity share capital:

a. Equity shares of Rs. 10 each issued, subscribed and fully paid

Reconciliation of Equity Share Capital outstanding at the end of period as at March 31, 2023

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2023
363.32	-	363.32	-	363.32

Reconciliation of Equity Shares Capital outstanding at the end of period as at March 31, 2022

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022
363.32	-	363.32	-	363.32

b. Other equity:

Other equity attributable to owners of the Holding Company as at March 31, 2023

	Other Reserves (General Reserve)	Deemed Capital Contribution	Retained Earnings	Total
Balance as at April 1, 2022	293.33	2,917.29	(414.42)	2,796.20
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2022	293.33	2,917.29	(414.42)	2,796.20
Profit for the year	-	-	342.05	342.05
Other comrehensive income	-	-	-	-
Total Comprehensive Income for the current year	-	-	342.05	342.05
Reclassification of borrowings and accrued interest (Refer note 9 and 31)	-	-	-	-
Balance as at March 31, 2023	**293.33**	**2,917.29**	**(72.37)**	**3,138.25**

Other equity attributable to owners of the Holding Company as at March 31, 2022

	Other Reserves (General Reserve)	Deemed Capital Contribution	Retained Earnings	Total
Balance as at April 1, 2021	293.33	-	(403.20)	(109.87)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2021	293.33	-	(403.20)	(109.87)
Profit for the year			(11.22)	(11.22)
Other comrehensive income			-	-
Total Comprehensive Income for the current year	-	-	(11.22)	(11.22)
Reclassification of borrowings and accrued interest (Refer note 9 and 31)	-	2,917.29	-	2,917.29
Balance as at March 31, 2022	**293.33**	**2,917.29**	**(414.42)**	**2,796.20**

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

As per our report of even date.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration No. 015125N

For and on behalf of the Board of Directors of RCL Cements Limited

Rajesh Kumar Agarwal
Partner
Membership No.: 105546

Place: New Delhi
Date: April 22, 2023

Dharmender Tuteja
Director
DIN :02684569

Place: New Delhi
Date: April 22, 2023

Ganesh Wamanrao Jirkuntwar
Director
DIN :07479080

Place: Rajgangpur
Date: April 22, 2023

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

Note 1

Significant Accounting Policies

A. Corporate Information

RCL Cements Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 3rd & 4th Floor, Anil Plaza-II, ABC, G.S. Road, Guwahati.

The Company is engaged in the manufacturing and selling of cement having its manufacturing facility at Umrangshu, Assam. Information on the Company's related party relationships are provided in Note 35.

The standalone Ind AS financial statements of the Company for the year ended March 31, 2023 were approved in accordance with a resolution passed in the meeting of the Board of Directors held on April 22, 2023.

B. Basis of preparation

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

C. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

D. Fair value measurement

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as property, plant and equipment, financial guarantee received from the Intermediate Holding Company.. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 22)
- Quantitative disclosures of fair value measurement hierarchy (note 27)
- Financial instruments (including those carried at amortised cost) (note 26 and note 27)
- Financial instruments (including those carried at fair value and carrying value) (note 26 and note (27))

E. Revenue from contract with customer

Revenue from contracts includes revenue from customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as a part of the contract

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods (including sale of scrap included under other operating revenue)

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods Amounts disclosed as revenue are net of returns and allowances, trade discounts, cash discounts and volume rebates.

The Company collects Goods and Service Tax (‘GST’) on behalf of the Government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

The Company considers the effects of variable consideration, non-cash incentives and consideration payable to the customer (if any). No element of financing is deemed present as the sales are made with credit terms largely ranging between 0 to 21 days.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Where the sale of goods provide customers with discounts, volume rebates etc., such discounts, volume rebates etc. give rise to variable consideration.

Rebates are offset against amounts payable by the customer.

The Company follows the 'most expected value' method in estimating the amount of variable consideration. The Company estimates the variable consideration based on an analysis of accumulated historical experience.

Revenue from services

Revenues from management services are recognized at the point in time i.e. as and when services are rendered. The Company collects service tax/ Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

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

Insurance & Other claims

Insurance claims and other claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Contract balances - Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

F. Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant related to income is deferred and it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate. The Company has chosen to present grants related to income to be deducted in reporting the related expense.

Government grant relating to the purchase of property, plant and equipment are presented based on their classification, Government grant is credited to the statement of profit and loss on a straight-line basis over the useful lives of the related assets. The Company has chosen to present grants related to property, plant and equipment to be deducted in reporting the depreciation and amortisation expense.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of profit and loss of the period in which it becomes receivable. Government grants are recognised in the Statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Income from government grant in the nature of operations are included under 'Revenue from operations'.

G. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit and loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit and loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised .

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

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

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income levied by the same taxation authority.

H. Property, plant and equipment

The Company had measured property, plant and equipment except vehicles, furniture and fixture, office equipment and computers at fair value as on transition date i.e. April 1, 2015 which had become its deemed cost. In respect of Vehicle, furniture and fixtures, office equipment and computer, the Company had applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind As as at transition date

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.. Cost comprises the purchase price, including import duties and non- refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories

Depreciation expense

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives as prescribed under Schedule II to the Companies Act, 2013. The useful life considered by the Company to provide depreciation on its property, plant and equipment is 5 years which is different from useful lives as prescribed under Schedule II to the Companies Act, 2013 based on technical assessment done by the management.

The Company capitalises machinery spares if such spares are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one year.

Capitalised spares are depreciated over their own estimated useful life or the remaining estimated useful life of the related asset, whichever is lower.

The Company applies accelerated depreciation on property, plant and equipment considering the useful life as 5 years which is different from useful lives as prescribed as under Schedule II to the Companies Act 2013, based on technical assessment made by expert and management estimates.

Leasehold land is amortized on a straight-line basis over the period of lease.

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

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

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

I. Borrowing costs

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

J. Leases

Policy applicable with effect from April 1, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration..

Company as a lessee

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

i) Right-of-use assets

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

Right of use assets	**Lease term in Years**
Leasehold land	10 to 99 years
Buildings	1 to 9 years
Vehicles	1 to 8 years
Other equipment	1 to 8 years

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

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

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option which is reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company's choice of exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

Short-term leases and leases of low-value assets and Contingent rentals

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of twelve months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

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

Contingent rentals are recognised as expenses in the periods in which they are incurred.

K. Inventories

All Inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, fuel and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on annual 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 normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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

L. 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. The 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

M. Provisions & Contingent Liabilities

General

Provisions are recognized 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 the 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 liabilities

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

N. Retirement and other employee benefits

Retirement benefit in the form of provident fund contribution to Statutory 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 this scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operate one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out 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 OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in the Statement of profit and loss on the earlier of:

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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.

O. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

P. Investment in intermediate Parent Company

Investment in intermediate Parent Company are measured at cost in accordance with Ind AS 27. As per Ind AS 101, on date of transition, the Company elects to measure its investment at deemed cost which is equivalent to previous GAAP carrying amount at the date of transition.

Q. Financial Instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset with the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (E) Revenue from contracts with customers

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as Debt instruments at amortised cost.

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of -cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)

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

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

The Company has not designated any financial asset (debt instruments) at FVTOCI.

Financial assets designated at fair value through OCI (FVTOCI) (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not designated any financial asset (equity instruments) as at FVTOCI.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Financial Asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. The Company has designated investment in mutual funds (debt instruments) as at FVTPL.

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables.

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

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

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

This category generally applies to borrowings

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made by holding company to reimburse banks for a loss they incur 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. This amount is adjusted from borrowings obtained by the Group. Borrowings are subsequently measured at amortised cost using the EIR method.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of statement of profit and loss.

For loans given by the Intermediate Holding Company, the extinguishment of financial liability has the effect of measuring the increase in equity as capital contribution (deemed capital contribution) by reference to the carrying amount of financial Liability, the gain or loss will not be recognised in Profit & loss statement and will be directly credited or debited to Other equity.

Offsetting of financial instruments

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

R. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks, 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 they are considered an integral part of the Company’s cash management.

RCL Cements Limited

Notes to financial statements as at and for the year ended March 31, 2023

(All amounts are in Rs. lakhs unless otherwise stated)

i) Property, Plant and Equipment

	Buildings	Plant and equipments	Total
Cost or valuation			
As at April 1, 2021	**69.01**	**392.90**	**461.91**
Additions during the year	-	-	-
Deletions during the year	-	-	-
Reclassified to Assets held for sale [refer note 2 (iii)]	(32.65)	(392.90)	(425.55)
As at March 31, 2022	**36.36**	**-**	**36.36**
Additions during the year	-	-	-
Deletions during the year	-	-	-
Reclassified to Assets Held for Sale	-	-	-
As at March 31, 2023	**36.36**	**-**	**36.36**
Depreciation			
As at April 1, 2021	68.34	388.99	457.33
Charge for the year	-	-	-
Deletions during the year	-	-	-
Reclassified to Assets held for sale [refer note 2 (iii)]	(32.32)	(388.99)	(421.31)
As at March 31, 2022	**36.02**	**-**	**36.02**
Charge for the year	-	-	-
Deletions during the year	-	-	-
Reclassified to Assets held for sale	-	-	-
As at March 31, 2023	**36.02**	**-**	**36.02**
Net book value			
As at March 31, 2023	**0.34**	**-**	**0.34**
As at March 31, 2022	**0.34**	**-**	**0.34**

2 (ii). Right-of-use assets

The Company has lease contract for Leasehold land. Lease term is expiring on March 31, 2040. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets

The carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold Land
Cost or Valuation	
As at April 1, 2021- (refer note-1.J(i))	40.37
Addition	-
Deletion	-
As at March 31, 2022	**40.37**
Addition	-
Deletion	-
As at March 31, 2023	**40.37**
Accumulated depreciation	
As at April 1, 2021	**3.57**
Charge for the year (refer note -17)	1.65
As at March 31, 2022	**5.22**
Charge for the year (refer note -17)	1.65
As at March 31, 2023	**6.87**
Net carrying value	
As at March 31, 2023	**33.50**
As at March 31, 2022	**35.15**

RCL Cements Limited

Notes to financial statements as at and for the year ended March 31, 2023

(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.

2 (iii). Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment once classified as held for sale are not depreciated or amortized.

During the year, the Company has sold assets having carrying amount of Rs 3.91. Profit of Rs 348.32 has been recognised on the sale. Refer Note 14

Assets held for sale	**0.33**	**4.24**

3. Investment (carried at cost)

Unquoted equity shares (Investment in Intermediate Holding Company)		
31,068,400 (March 31, 2022 31,068,400) shares of Rs. 10 each fully paid up in Calcom Cement India Limited*	3,106.84	3,106.84
Total	**3,106.84**	**3,106.84**
Aggregate book value of unquoted investments	3,106.84	3,106.84

*Note -The fair value of above investment is higher than the carrying value. However, the Company is carrying this investment at deemed cost as per Ind AS 101. (Refer note 1(X)). The above shares are not entitled to voting rights as per the shareholder's agreement entered by the shareholders of Calcom Cement India Limited dated November 30, 2012. Also, these shares are non-transferrable as per the terms of the said agreement.

4. Non current financial assets (Unsecured and considered good)

Other financial assets (carried at amortised cost)		
Deposits with banks having remaining maturity of more than 12 months	73.00	-
Interest receivable	1.32	-
	74.32	**-**

5. Income Tax Assets (Net)

Tax Deducted at Source receivable	22.99	24.35
	22.99	**24.35**

6. Current financial assets (Unsecured and considered good, unless otherwise stated)

(i). Cash and cash equivalents

Balances with banks:		
- In current accounts	3.95	2.85
- In deposit accounts with original maturity of less than three months*	15.00	-
	18.95	**2.85**

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
(ii). Bank balances other than (i) above	-	-
- In deposit accounts with remaining maturity of less than 12 months*	279.00	-
	279.00	**-**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks:		
- In current accounts	3.95	2.85
- In deposit accounts with original maturity of less than three months*	15.00	-
	18.95	**2.85**

*Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Company and on interest at the respective short-term deposit rates ranging from 6.00% -7.00%.

Changes in liabilities arising from financing activities

Particulars	**April 01, 2022**	**Cash Flows (net)**	**Reclassified to deemed capital contribution (refer note 9)**	**March 31, 2023**
Current borrowings	-	-	-	-
Total liabilities from financing activities	**-**	**-**	**-**	**-**
Particulars	**April 01, 2021**	**Cash Flows (net)**	**Reclassified to deemed capital contribution (refer note 9)**	**March 31, 2022**
Current borrowings	2,554.31	29.47	(2,583.78)	-
Total liabilities from financing activities	**2,554.31**	**29.47**	**(2,583.78)**	**-**

	As at March 31, 2023	As at March 31, 2022
(iii). Other financial assets (carried at amortised cost)		
Interest receivable	23.41	19.34
	23.41	**19.34**

7. Other current assets (Unsecured and Considered good unless otherwise stated)

		As at March 31, 2023		As at March 31, 2022
Advances other than capital advances				
Prepayments		-		0.16
Deposit and balances with government authorities				
Unsecured, considered good	0.34		0.05	
Unsecured, considered doubtful	37.24		37.24	
	37.58		37.29	
Less: Provision for doubtful debts and advances	(37.24)	0.34	(37.24)	0.05
		0.34		**0.21**

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
8. Share capital		
Authorised :		
4,000,000 (4,000,000) Equity Shares of Rs.10 each	400.00	400.00
	400.00	**400.00**
Issued, Subscribed and Fully Paid Up :		
3,633,200 (3,633,200) Equity Shares of Rs. 10 each fully paid up	363.32	363.32
	363.32	**363.32**

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding .
At the beginning of the year	3,633,200	100	3,633,200	100
At the end of the year	**3,633,200**	**100**	**3,633,200**	**100**

b. Terms/ rights attached to Equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Equity shares held by holding company

Name of the Share Holder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding .
Vinay Cement Limited (VCL) (including its nominees)	3,633,200	100	3,633,200	100

d. Details of shareholders holding more than 5% shares in the company

Name of the Share Holder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding .
Equity shares of Rs. 10 each fully paid up				
Vinay Cement Limited (VCL)(including its nominees)	3,633,200	100	3,633,200	100

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest. The above shareholding represent both legal and beneficial ownership of shares, unless stated otherwise

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.

List of promoters holding share as at March 31, 2023 and as at March 31, 2022

Shares held by promoters at the end of the Year				% Change during the Year
S. No.	Promoter's Name	No. of Shares	% of total shares	
1	Vinay Cement Limited	3,632,600	99.98%	0%
1	*Vinay Cement Limited*	*3,632,600*	*99.98%*	*0%*

9. Other equity

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
General reserve	293.33	293.33
Deemed Capital Contribution (Refer Note 1(Q))		
Balance as per last financial statements	2,917.29	-
Borrowings and accrued interest reclassfied (refer note 28)	-	2,917.29
Total Deemed Capital Contribution	**2,917.29**	**2,917.29**
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(414.42)	(403.20)
Profit/ (Loss) for the year	342.05	(11.22)
Net deficit in the statement of profit and loss	**(72.37)**	**(414.42)**
Total other equity	**3,138.25**	**2,796.20**

10. Financial liabilities

(i). Borrowings (at amortised cost)

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
Unsecured		
From Intermediate Holding Company (refer note 31)		2,583.78
Reclassified to deemed capital contribution (refer note 9 and 29)	-	(2,583.78)
Total borrowings	-	-

For explanations on the Company's credit risk management processes, (refer to note 26)

(ii). Trade payables (at amortised cost)*

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	4.86	2.20
Trade payable to related parties (refer note 31)	-	1.48
	4.86	**3.68**

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.

Trade Paybles Ageing Schedule as at March 31, 2023 and as at *March 31, 2022*

	Particulars	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	-	-	-	-	-	-
		-	-	-	-	-	-
ii	Others	4.86	-	-	-	-	4.86
		3.68	-	-	-	-	3.68
iii	Disputed dues- MSME	-	-	-	-	-	-
		-	-	-	-	-	-
iv	Disputed dues- Others	-	-	-	-	-	-
		-	-	-	-	-	-
Total as on March 31, 2023		**4.86**	**-**	**-**	**-**	**-**	**4.86**
Total as on March 31, 2022		***3.68***	**-**	**-**	**-**	-	***3.68***

*Trade payables are non-interest bearing and are normally settled on 30-60-day terms.

**Trade payables - Not due includes Rs 1.51 (1.93) of unbilled dues.

The Company has not received any memorandum from any party (as required to be filled by the suppliers with the notified authority under The Micro, Small and Medium Enterprises Act, 2006, as amended) claiming their status as Micro, Small and Medium Enterprises. Consequently the amount paid/payable to these parties during the year is Rs. NIL (Rs. Nil as at March 31, 2022) and no disclosures therefore are required to be made.

11. Other financial liabilities (at amortised cost)

Interest accrued but not due on borrowings from related parties (refer note 31)	-	333.51
Reclassified to deemed capital contribution (refer note 10, note 9 and note 29)	-	(333.51)
Interest payable on income tax	23.48	23.14
Other payables (refer note 31)	-	6.77
	23.48	**29.91**

For explanations on the companies credit risk management processes, (refer to note 26)

12. Other current liabilities

Advance from customers	29.63	-
Statutory dues	0.48	0.21
	30.11	**0.21**

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	For the year ended March 31, 2023 Rs.	For the year ended March 31, 2022 Rs.
13. Revenue from operations		
Other operating revenue		
Scrap Sale	1.32	-
Management service income (refer note 31)	-	11.60
	1.32	**11.60**
14 Other Income		
Liabilities/provisions no longer required-written back	-	1.28
Profit on sale of assets held for sale (Refer note 2 (iii))	348.32	-
Interest income on Income tax refund	0.11	-
Interest income on bank deposits	6.39	-
	354.82	**1.28**
15. Employee benefits expense		
Salaries, wages and bonus	-	10.71
Contribution to provident and other funds	0.01	0.59
Gratuity expense (refer note 21)	-	0.58
Workmen and staff welfare expenses	-	0.08
	0.01	**11.96**
16. Finance cost		
Interest		
- On income tax balances	0.32	1.28
- Others	1.00	-
	1.32	**1.28**
17. Depreciation and amortization expense		
Amortisation on Right-of- use assets (refer note- 2(ii))	1.65	1.65
	1.65	**1.65**

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

	For the year ended March 31, 2023 Rs.	For the year ended March 31, 2022 Rs.
18. Other expenses		
Rates and taxes	2.83	0.52
Insurance	-	0.03
Legal and professional charges	3.72	0.90
Director sitting fees (refer note 31)	0.18	0.13
Payments to auditors (refer details below)	1.55	1.73
Provision for doubtful debts and advances	-	5.83
Meeting Expenses	2.73	-
Miscellaneous expenses	0.10	0.07
	11.11	**9.21**
Payments to auditors		
-Statutory audit	1.50	1.73
-Reimbursement of expenses	0.05	-
	1.55	**1.73**

19. Basic Earnings (Loss) Per Share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Net Profit/(loss) for calculation of basic and diluted EPS (Rs.)	342.05	(11.22)
Total number of equity shares outstanding at the end of the year	3,633,200	3,633,200
Weighted average number of equity shares in calculating basic and diluted EPS	3,633,200	3,633,200
Basic and Diluted EPS (Rs.)	**9.41**	**(0.31)**

20. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, 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.

Judgements, estimates and assumptions

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

(a)Taxes

The Company has carried forward loss and unabsorbed depreciation on which the Company had recognised deferred tax assets only to the extent of deferred tax liability. The balancing deferred tax asset has not been recognized in absence of virtual certainty supported by convincing evidence that such asset can be realized against future taxable profits.

(b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values at each reporting date. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 29 and 30 for further disclosures.

(c) Property, plant and equipment

The Company measures property, plant and equipment at fair values as deemed cost with changes in fair value being recognized in retained earnings as on transition date and use it as its deemed cost as at the date of transition. The Company engaged an independent valuation specialist to assess fair value at April 1, 2015 for revalued property, plant and equipment. Property, plant and equipment were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

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 based on Schedule II rates as specified in note 1(h) by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

21. Gratuity

The Company has a defined gratuity plan. The gratuity is governed by the payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss.

Particulars	**Gratuity**
	Defined benefit obligation (Rs.)
April 1, 2022	**-**
Acquisition adjustment on account of transfer of employees	-
Sub total (A)	**-**
Current Service cost (Shown under Gratuity expense)	-
Interest cost (Shown under Finance cost)	-
Total amount recognized in statement of profit & loss (B)	**-**
Remeasurements	
Actuarial changes arising from changes in financial assumptions	-
Actuarial changes arising from changes in demographic assumptions	-
Actuarial changes arising from changes in Experience adjustments	-
Total amount recognized in other comprehensive income-Loss (C)	**-**
Benefits paid (D)	**-**
March 31, 2023 (A+B+C+D)	**-**
Opening as on April 1, 2021	**4.85**
Acquisition adjustment on account of transfer of employees*	(5.43)
Sub total (A)	**(0.58)**
Current Service cost (Shown under Gratuity expense)	0.58
Interest cost (Shown under Finance cost)	-
Total amount recognized in statement of profit & loss (B)	**0.58**
Remeasurements	
Actuarial changes arising from changes in financial assumptions	-
Actuarial changes arising from changes in demographic assumptions	-
Actuarial changes arising from changes in Experience adjustments	-
Total amount recognized in other comprehensive income-(Gain) (C)	**-**
Benefits paid (D)	**-**
March 31, 2022 (A+B+C+D)	**-**

* During the previous year the Company has transferred all the employee.

Actuary valuation was not done for the year ended March 31, 2023 and March 31, 2022 as there were no employees in the company for the respective years.

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

22. (a) Contingent liabilities / Litigations :

S. No.	Particulars	As at March 31, 2023	As at March 31,2022
a)	Claims by supplier and third parties, not acknowledged as debts	80.06	80.06
b)	Entry tax demand	4.21	3.98
c)	Corporate guarantees issued to lenders against term loan of Intermediate Holding Company	4,977.71	10,908.05

(b) The Intermediate Parent Company, Calcom Cement India Limited (CCIL) has two major sets of shareholders, Dalmia Cement (Bharat) Limited (DCBL) part of Dalmia Bharat Group holding 76% of the voting rights in the CCIL and the Bawri Group (BG) holding 20.5% of the voting rights in the CCIL. During the year 2015-16, DCBL, in view of the fact that BG had defaulted in completion of certain obligations under the Shareholders Agreement /Articles of Association (referred to inter-se agreement or ISA hereinafter), sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of said obligations and further filed a petition before the Company Law Board (CLB)/ National Company Law Tribunal (NCLT) under Section 397/398 of the Companies Act, 1956 alleging oppression and mismanagement. Meanwhile, DCBL and the CCIL filed a petition under section 8 of the Arbitration and Conciliation Act, 1996 with NCLT Gauhati.

NCLT, Gauhati vide its order dated January 5, 2017 concluded that section 8 application needs to be allowed and referred the parties in the above petitions to Arbitrator to have the disputes resolved in accordance with prescriptions of law(s). BG had challenged the order of NCLT Gauhati before the Hon'ble High Court, Gauhati in February, 2017 wherein the order of NCLT was stayed. This stay order was challenged before the Hon'ble Supreme Court by DCBL and CCIL. The Hon'ble Supreme Court vacated the stay vide order dated May 05, 2017 and referred the case back to the Hon'ble High Court, Gauhati to decide upon the maintainability of petition filed by BG, which is pending for disposal by the Hon'ble High Court, Gauhati.

Pending the disposal of the matter by Hon'ble High Court, Gauhati, both the parties referred their disputes to the Arbitral Tribunal, which pronounced an award on March 20, 2021 in favor of BG. The award of the Arbitral Tribunal was challenged by DCBL and the Parent before the Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi vide its judgement dated October 17, 2022 upheld the claims of the CCIL. BG has filed an appeal on December 13, 2022 before the Division Bench of the Hon'ble High Court of Delhi seeking setting aside of the judgment dated October 17, 2022, which is pending for disposal by the Hon'ble High Court of Delhi.

(c) The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

(d) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013

23. Segment Information

The Company is engaged in the business of manufacture and sale of Cement and its related products. This is the only activity performed and is thus also the main source of risks and returns. The Company's segments as reviewed by Chief Operating Decision Maker (CODM) does not result in to identification of different ways / sources in to which they see the performance of the Company. Accordingly, the Company has a single reportable segment. Further no product sales is made by the Company hence, no other disclosures are required in terms of Ind AS-108.

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

24.Fair Values of financial instrument

The Company assessed that cash and cash equivalents, trade receivables, bank deposits, interest receivables, trade payables, other current financial liabilities and current borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

25. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques

Level 1: quoted (unadjusted) price in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effects on the recorded fair value are absolute, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair value of above assets/liabilities approximates the carrying value and hence the valuation technique and inputs have not been given.

26. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include deposit.

The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are nearly constant at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

other post-retirement obligations and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

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 the risk of changes in market interest rates relates primarily to the long term debt obligations.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks financial institutions/others is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved banks and within limits assigned to each bank by the Company.

Liquidity risk

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

The Company monitors its risk of a shortage of funds through fund management exercise at regular intervals.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs.)

Year ended March 31, 2023	**On demand**	**Less than 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Other financial liabilities	-	23.48	-	-	23.48
	-	*29.91*	-	-	*29.91*
Trade and other payables	-	4.86	-	-	4.86
	-	*3.68*	-	-	*3.68*

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

27. Capital management

The Company is accountable to its sole shareholder, Vinay Cements Limited. The performance of the Company is supported by the intermediate Holding Company. The intermediate Holding Company influxes capital to maintain or adjust the capital structure of the Company and reviews the fund management at regular interval and takes necessary actions to maintain the requisite capital structure.

There are no major changes to the objectives policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

Particulars	March 31, 2023	March 31, 2022
	Rs.	Rs.
Trade payables	4.86	3.68
Other payables	23.48	29.91
Less: Cash and cash equivalents	18.95	2.85
Net debt	**9.39**	**30.74**
Equity Share capital	363.32	363.32
Other equity	3,138.25	2,796.20
Total Capital	**3,501.57**	**3,159.52**
Capital and net debt	**3,510.96**	**3,190.25**
Gearing ratio	**NA**	**NA**

28. The Company has taken loans and advances from various companies. Loans and advances outstanding as at year end are given in below mentioned table as required u/s 186(4) of the Companies Act ,2013:

(Rs.)

Particulars	Year ended	Opening	Loans taken	Reclassified to Deemed Capital Contribution (Refer note 9 and 31)	Closing
Calcom Cement India Limited	March 31, 2023	-	-	-	-
	March 31, 2022	2,554.31	29.47	2,583.78	-

29. The Company has earned profits amounting to Rs. 342.05 during the year ended 31 March, 2023 (during the year ended 31 March, 2022 losses amounting to Rs. 11.22) and has accumulated losses amounting to Rs. 72.37 as at March 31, 2023 (Rs. 414.42 as at 31 March, 2022). Management has undertaken initiatives to explore new business opportunities and thereby improve the profitability. However, during the previous year, the Intermediate Holding, Calcom Cement India Limited ("CCIL") had waived off the outstanding borrowings (including interest accrued thereon) amounting to Rs. 2,917.29 as at March 31, 2022 based on the request from the Company which has been disclosed as deemed capital contribution. (Refer Note 9) CCIL has confirmed to continue to provide requisite financial and operational support for the continued operations of the Company as and when required. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent on the continued support of CCIL as and when required in the future. As a result, the financial statements of the Company have been prepared on going concern basis.

30. All events or transactions that have taken place between March 31, 2023 and date of signing of the financial statements and for which the Indian Accounting Standard 10 – 'Events after the Reporting Period' ("Ind AS 10") requires disclosure/ adjustment are disclosed and/ or adjusted in the financial statements.

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

31. Related Party Disclosures

a) Names of related parties and related party relationship

Holding Company	Vinay Cement Limited (Holding company) Calcom Cement India Limited (Intermediate Holding Company) Dalmia Cement (Bharat) Limited (Intermediate Parent Company) Dalmia Bharat Limited (Ultimate Holding Company)
Fellow Subsidiary	SCL Cements Limited
Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Dalmia Bharat Group Foundation
Key Management Personnel and their Relatives	Dharmendra Tuteja (Director) Ganesh Wamanrao Jirkuntwar Rowther Alwar Krishnakumar(w.e.f october 28, 2022) Naveen Jain (Director) (till october 28, 2022)

(b) Related party transactions

Transactions carried out during the year with related parties referred in (a) above, in the ordinary course of business, are as follows-

Nature of Transaction	Holding Company		Key Management Personnel & their relatives	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Calcom Cement India Limited				
Management service Income	-	11.60	-	-
Loan Taken	-	29.47	-	-
Write back of interest payables	-	333.51	-	-
Write back of Current Borrowings	-	2,583.78	-	-
Director sitting fees				
Naveen Jain	-	-	0.18	0.13

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

Balances at year end	Holding Company		Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Advance to Related party (Other current assets)				
Dalmia Bharat Group Foundation	-	-	-	0.00
Trade Payables				
Vinay Cement Limited	-	1.48	-	-
Corporate guarantee given by the Company against term loan of Intermediate parent company				
Calcom Cement India Limited	4,977.71	10,908.05	-	-

1. Management service Income

a) All the direct expenses to be charged on cost plus mark-up basis.

2. Corporate Guarantee given by company against the term loan of Intermediate holding:

The Company had given guarantee in favor of lenders on loans taken by the Intermediate Holding Company.

32. Analytical Ratios

Ratios	Numerator	Denominator	Proposed for Results/ Annual account	March 31, 2023	March 31, 2022	Variance %	Reason For Variance
Current ratio	Current Assets	Current Liabilities	"Current Assets ------------------------- Current Liabilities "	5.50	0.66	730%	"Change due to: Increase in Current assets in FY 2022-23 on account of profits from sale of assets held for sale."
Trade receivables turnover ratio	Net profits after taxes	Average total equity excluding fair value of investments through OCI	"Net Profits after taxes ---------------------------------- ------------ Average total equity excluding fair value of Investments through OCI"	0.10	-0.01	1662%	"Reason for change : Increase in net profit in FY 2022-23 as compared to net loss in the FY 2021-22. "
Net capital turnover ratio	Revenue from sale of products and services (excluding subsidies)	Working capital = Current assets - Current liabilities	"Revenue from sale of products and services (excluding subsidies) ------------------------------------ ------------- Working capital"	0.01	-1.02	100%	"Reason for change : Improvement in working capital in FY 2022-23 on account of profits from sale of assets held for sale."
Net profit ratio	Net profit after tax	Revenue from operations	"Net profit after tax ----------------------------------- ------------ Revenue from operations"	-0.12	-0.97	88%	"Reason for change: Increase in Net profit in FY 2022-23 on account of profits from sale of assets held for sale."

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

Return on capital employed	Earnings before interest and taxes (including other income)	Capital Employed = Average total equity excluding fair value of investments through OCI + Average Total Debt	"Earnings before interest and taxes (including other income) --- (Average total equity excluding fair value of Investments through OCI + Average Total Debt)"	0.10	0.00	3196%	"Reason for change : Increase in Earnings before interest and taxes in FY 2022-23 on account of profits from sale of assets held for sale."
Return on investment	Interest Income on FD,Bonds Debentures+ Dividend Income+Profit on sale of Investment+Profit on fair valuation of Investement	Current Investment+Non Current Investment+ Other bank balances	"Interest Income on FD,Bonds Debentures+ Dividend Income+Profit on sale of Investment+Profit on fair valuation of Investment ---------------------- Current Investment+Non Current Investment+ Other bank balances"	3.48%	Not Applicable	Not Applicable	Not Applicable

Note: Debt equity ratio, Debt Service Coverage Ratio, Inventory Turnover ratio, Trade payables turnover ratio and Trade receivables turnover ratio are not applicable considering the nature of transactions during the current year and previous year.

33. Additional disclosures

Sl. No.	Particulars	Note in financial statements
(i)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(iii)	Registration of charges or satisfaction with Registrar of Companies (ROC)	The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v)	Utilization of Borrowed funds and share premium	"The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."

RCL Cements Limited
Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. lakhs unless otherwise stated)

(vi)	Utilization of Borrowed funds and share premium	"The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
(vii)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(viii)	Title deeds of immovable properties not held in the name of the company	There are no immovable properties which are not registered in the name of the company.
(ix)	Core Investment Companies (CIC)	The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has four unregistered CIC as part of the Group

34. On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective April 01, 2019 subject to certain conditions. The Company has opted the options given in Section 115BAA and accordingly calculated its tax @25.168%.

35. Previous year's figures are given in brackets and italics.

For and on behalf of the Board of Directors of SCL Cements Limited

Dharmender Tuteja
Director
DIN :02684569

Place: New Delhi
Date: April 22, 2023

Ganesh Wamanrao Jirkuntwar
Director
DIN :07479080

Place: Rajgangpur
Date: April 22, 2023