Notes to the Standalone Financial Statements for the year ended March 31, 2020

BACKGROUND

Prism Johnson Limited, a Public Limited Company domiciled in India, incorporated under the Companies Act, 1956, principally operates in three business segments : Cement; Tile and Bath (HRJ) and Ready Mixed Concrete (RMC). The equity shares of the Company are listed on BSE Limited and the National Stock Exchange (India) Limited.

Authorisation of financial statements :

The financial statements were Authorised for issue in accordance with a resolution of the board of directors dated May 28, 2020.

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

1.1 Basis of Preparation

a) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act'), and relevant rules issued thereunder and the relevant provisions of the Act. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting Standards.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following :

i) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

ii) defined benefit plans - plan assets measured at fair value.

1.2 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crores, except where otherwise indicated.

1.3 Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is classified as current if it is:

a) expected to be realized or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realized within twelve months after the reporting period; or

d) the 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:

a) it is expected to be settled in normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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 normal operating cycle.

1.4 Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgements. These judgements affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluates these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as below :

The Company has equity stake in various entities for strategic reasons concerning its operation. The relationship with these entities has been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements and Ind AS 111 – Joint Arrangements. The entities mentioned below are considered as subsidiaries :

a) Antique Marbonite Private Limited

b) Small Johnson Floor Tiles Private Limited

c) Spectrum Johnson Tiles Private Limited

d) Sentini Cermica Private Limited

e) Coral Gold Tiles Private Limited

f) Sanskar Ceramics Private Limited

Key assumptions

a) Evaluation of recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Assets and obligations relating to employee benefits

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These, *inter alia,* include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Useful lives of Property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d) Impairment of Property, plant and equipment

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or 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.

e) Impairment of investment

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

f) Valuation of inventories

The Company estimates the Net Realisable Value ('NRV') of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

g) Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

h) Mine Restoration Provision

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

i) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.5 Property, plant and equipment

a) Freehold land is carried at historical cost less impairment losses, if any.

b) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

c) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

d) 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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss.

e) Expenditure directly attributable to setting up/construction of new projects are capitalised. Administrative and other General overhead expenses, which are specifically attributable to the setting up/construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure incurred during such period which are not related to the setting up/construction activities are charged to Statement of Profit and Loss. Income earned during this period from setting up activities is deducted from the total of indirect expenditure.

f) The residual values and useful lives of Property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

g) Long-term lease arrangements in respect of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land. Cost in respect of the same is amortised over the period of respective lease arrangement.

h) Stores and spares which meet the definition of Property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, plant and equipment.

i) Cost of mining reserve included in freehold/leasehold land, balance cost of leasehold mining land and mines development expenses are amortised systematically based on principle of Unit of Production method.

j) Depreciation on Property, plant and equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, plant and equipment and has adopted the useful lives and residual value as prescribed therein except following cases which are based on internal technical assessment :

Assets	Useful life of asset
Mobile Phones	1- 3 years
Motor car given to employees as per the Company's scheme or vehicle used by employees	5-7 years
Leasehold land	Remaining period of the lease
Truck mixers, Loaders, Excavators and Dumpers	8 years
Leasehold Improvements	Over the period of the lease /rent agreement
Machinery spares	Over the useful life of the related assets
Plant & Machinery–Concrete Pumps	6 years

Freehold land is not depreciated.

k) The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, plant and equipment is assessed based on the historical experience and internal technical inputs which varies from 2 to 40 years.

l) All assets costing up to ₹ 10,000/- are fully depreciated in the year of capitalisation.

1.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Technical know-how/license fee and application software are classified as Intangible Assets.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows :

Assets	Amortisation method/Useful life
Intellectual Property Rights	10 years
Technical know-how	7 years
Software	1 - 8 years
Mineral Procurement Rights	Unit of Production method
Mining Lease Rights	Over the period of the lease

Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an Intangible asset when the Company can demonstrate the following :

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) Its intention to complete the asset;

c) Its ability to use or sell the asset;

d) Ability to generate future economic benefits;

e) The availability of adequate resources to complete the development and use or sell the asset; and

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

1.7 Impairment of Assets

Carrying amount of Tangible assets, Intangible assets, investments in Subsidiaries, Joint Ventures and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.8 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition. Cost of raw materials, components and stores and spares which do not meet the recognition criteria under Property, plant and equipment is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of inventories is computed on weighted average basis.

Traded goods are valued at lower of weighted average cost and net realisable value.

Net realisable 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.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, price changes and such other related factors.

1.9 Cash and cash equivalents

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

For the purpose of statement of cash flow, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management.

1.10 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

The above criteria is also used for recognition of incentives under various scheme notified by the Government.

1.11 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement :

Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ('FVTOCI') or fair value through profit or loss ('FVTPL') on the basis of following :

- the entity's business model for managing the financial assets : and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Classification and Subsequent measurement :

Financial Liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets and Financial Liabilities

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

1.12 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

1.13 Investments in Subsidiaries, Associates and Joint Ventures

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the Joint Venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its Subsidiaries, Associates and Joint Ventures are accounted at cost.

1.14 Borrowing Costs

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

1.15 Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed in the case of :

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;

- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

1.16 Gratuity and other post-employment benefits

a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

b) Post-employment obligations

The Company operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, superannuation fund and national pension scheme.

Gratuity obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement Profit and Loss as past service cost.

Defined contribution plans

The Company contributes to Superannuation, Employee's State Insurance Corporation, Provident Fund and subscribes to the National Pension Scheme which are considered as defined contribution plans. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Company, the management does not expect any material liability on account of interest shortfall to be borne by the Company. The said contributions are charged to the Statement of Profit and Loss.

c) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1.17 Revenue Recognition

a) Revenue From Contracts With Customers

The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach :

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time.

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

b) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

c) Dividend Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

1.18 Taxes on Income

Current Tax

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed 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 realized 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 the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

1.19 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.20 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective approach, under which the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 'Lease'. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases. Refer Note 1 'Significant Accounting policies', in the Company's 2019 Annual Report for the policies in effect for Leases prior to April 1, 2019. The effect of transition on Ind AS 116 was insignificant.

Company as a lessee

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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and Right of Use assets representing the right to use the underlying assets as below.

Right of Use (ROU) assets

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

If 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.

Lease Liabilities

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities are remeasured with a corresponding adjustment to the related ROU assets.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.21 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items

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

1.22 Mine Restoration Provision

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year. Mines restoration expenses are incurred on an ongoing basis and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. On the basis of technical parameters, restoration expenses estimates are reviewed periodically.

1.23 Non-current assets held for Sale

Non-current assets are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised. Any decrease in fair value of asset (less cost of sale) is recognised through profit and loss as impairment loss. Any subsequent increase in fair value of asset to the extent of previously recognised impairment loss is recognised as gain and any gain exceeding this impairment loss is recognised on the date of de-recognition.

2.01 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Gross Carrying Amount				Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2019	Addition/ Adjustments	Disposal/ Adjustments	As at March 31, 2020	As at April 1, 2019	For the Year	Elimination on disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Own Assets :										
Land - Freehold	614.23	54.21	0.01	668.43	20.96	8.30	—	29.26	639.17	593.27
Buildings	190.19	14.48	4.35	200.32	40.86	13.26	2.11	52.01	148.31	149.33
Plant and Machinery	1,477.85	99.17	25.58	1,551.44	378.61	101.32	22.40	457.53	1,093.91	1,099.24
Railway siding	4.46	—	—	4.46	0.76	0.29	—	1.05	3.41	3.70
Office Equipment	13.22	2.26	(0.14)	15.62	5.86	2.11	(0.16)	8.13	7.49	7.36
Computers	14.98	2.73	0.90	16.81	8.86	2.65	0.79	10.72	6.09	6.12
Mines Development	189.79	37.00	—	226.79	113.30	27.01	—	140.31	86.48	76.49
Furniture & Fixtures	39.85	7.05	2.93	43.97	15.01	4.73	2.86	16.88	27.09	24.84
Vehicles	17.83	1.78	2.59	17.02	8.42	2.49	1.91	9.00	8.02	9.41
Truck Mixers, Loaders and Dumpers	11.55	2.15	3.03	10.67	10.17	0.70	3.03	7.84	2.83	1.38
Total (a)	**2,573.95**	**220.83**	**39.25**	**2,755.53**	**602.81**	**162.86**	**32.94**	**732.73**	**2,022.80**	**1,971.14**
Leased Assets										
Leasehold Land (Long term - refer note 1.5(g)) (b)	—	8.85	1.37	7.48	—	0.23	0.14	0.09	7.39	—
Assets taken on Finance Lease : (Under Ind AS 17)										
Land	10.05	—	10.05	—	1.20	—	1.20	—	—	8.85
Plant and Machinery	45.58	—	45.58	—	9.91	—	9.91	—	—	35.67
Vehicles	0.53	—	0.53	—	0.12	—	0.12	—	—	0.41
Total (c)	**56.16**	—	**56.16**	—	**11.23**	—	**11.23**	—	—	**44.93**
Total (a+b+c)	**2,630.11**	**229.68**	**96.78**	**2,763.01**	**614.04**	**163.09**	**44.31**	**732.82**	**2,030.19**	**2,016.07**

2.01 PROPERTY, PLANT AND EQUIPMENT (Contd...)

₹ Crores

Particulars	Gross Carrying Amount				Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2018	Addition/ Adjustments	Disposal	As at March 31, 2019	As at April 1, 2018	For the Year	Elimination on disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Own Assets :										
Land - Freehold	565.72	48.93	0.42	614.23	13.21	7.75	—	20.96	593.27	552.51
Buildings	189.54	4.17	3.52	190.19	31.69	11.25	2.08	40.86	149.33	157.85
Plant and Machinery	1,452.14	86.38	60.67	1,477.85	328.40	95.07	44.86	378.61	1,099.24	1,123.74
Railway siding	3.42	1.04	—	4.46	0.57	0.19	—	0.76	3.70	2.85
Office Equipment	11.47	2.42	0.67	13.22	4.86	1.59	0.59	5.86	7.36	6.61
Computers	13.08	3.62	1.72	14.98	7.29	2.76	1.19	8.86	6.12	5.79
Mines Development	160.56	29.23	—	189.79	86.78	26.52	—	113.30	76.49	73.78
Furniture & Fixtures	31.34	8.81	0.30	39.85	11.17	4.03	0.19	15.01	24.84	20.17
Vehicles	16.54	3.61	2.32	17.83	7.33	2.45	1.36	8.42	9.41	9.21
Truck Mixers, Loaders and Dumpers	11.26	0.29	—	11.55	8.96	1.21	—	10.17	1.38	2.30
Total (a)	**2,455.07**	**188.50**	**69.62**	**2,573.95**	**500.26**	**152.82**	**50.27**	**602.81**	**1,971.14**	**1,954.81**
Assets taken on Finance Lease : (Under Ind AS 17)										
Land	10.05	—	—	10.05	0.98	0.22	—	1.20	8.85	9.07
Plant and Machinery	37.62	7.96	—	45.58	4.94	4.97	—	9.91	35.67	32.68
Vehicles	0.41	0.12	—	0.53	0.06	0.06	—	0.12	0.41	0.35
Total (b)	**48.08**	**8.08**	**—**	**56.16**	**5.98**	**5.25**	**—**	**11.23**	**44.93**	**42.10**
Total (a+b)	**2,503.15**	**196.58**	**69.62**	**2,630.11**	**506.24**	**158.07**	**50.27**	**614.04**	**2,016.07**	**1,996.91**

Notes :

a) Depreciation for the year includes ₹ 2.86 Crores (Previous year : ₹ 1.61 Crores) considered for capitalisation.

b) Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.

c) Additions to Plant & Machinery during the year includes ₹ 0.89 Crores (Previous year : ₹ 1.78 Crores) on account of Research assets.

d) During the year, depreciation on Right of Use assets is ₹ 36.25 Crores (Previous year : Nil) which is not forming part of the above schedule and disclosed in note 4.03 on leases.

e) Other adjustments include reclassification of assets taken on Finance Lease in terms of Ind AS 17 to Right of Use assets on account of adoption of Ind AS 116 (refer note 4.03)

f) Addition to Freehold Land is net- off liabilities no longer required to be paid.

2.02 INTANGIBLE ASSETS

₹ Crores

Particulars	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	As at April 1, 2019	Addition	Disposal	As at March 31, 2020	As at April 1, 2019	For the Year	Elimination on disposal	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	20.43	6.46	0.39	26.50	9.55	3.13	0.39	12.29	14.21	10.88
Intellectual Property Rights	1.77	—	—	1.77	1.77	—	—	1.77	—	—
Mining Lease Rights	8.25	2.97	—	11.22	1.68	0.46	—	2.14	9.08	6.57
Minerals Procurement Rights	2.28	—	—	2.28	2.26	—	—	2.26	0.02	0.02
Technical Know-how	1.27	0.50	—	1.77	0.27	0.28	—	0.55	1.22	1.00
Total	**34.00**	**9.93**	**0.39**	**43.54**	**15.53**	**3.87**	**0.39**	**19.01**	**24.53**	**18.47**

₹ Crores

Particulars	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	As at April 1, 2018	Addition	Disposal	As at March 31, 2019	As at April 1, 2018	For the Year	Elimination on disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Software	15.50	4.93	—	20.43	6.56	2.99	—	9.55	10.88	8.94
Intellectual Property Rights	1.77	—	—	1.77	1.77	—	—	1.77	—	—
Mining Lease Rights	8.25	—	—	8.25	1.24	0.44	—	1.68	6.57	7.01
Minerals Procurement Rights	2.28	—	—	2.28	2.26	—	—	2.26	0.02	0.02
Technical Know-how	0.14	1.13	—	1.27	0.10	0.17	—	0.27	1.00	0.04
Total	**27.94**	**6.06**	**—**	**34.00**	**11.93**	**3.60**	**—**	**15.53**	**18.47**	**16.01**

Range of remaining period of amortisation as at March 31, 2020 of Intangible assets is as below :

₹ Crores

Assets	Range of remaining period of amortisation			
	< 5 year	6 - 10 year	> 10 year	Net Carrying Amount
Software	8.26	5.95	–	14.21
Mining Lease Rights	3.08	4.71	1.29	9.08
Minerals Procurement Rights	0.02	–	–	0.02
Technical Know-how	0.81	0.41	–	1.22
Total	**12.17**	**11.07**	**1.29**	**24.53**

2.03 INVESTMENTS

₹ Crores

Particulars	Face Value ₹	As at March 31, 2020		As at March 31, 2019	
		Qty	Amount	Qty	Amount
Investments in Equity Instruments (fully paid up) - Unquoted					
Investment in Subsidiaries - measured at cost					
• Raheja QBE General Insurance Company Limited	10	10,55,70,000	105.57	10,55,70,000	105.57
• Silica Ceramica Private Limited #	10	12,16,08,283	248.47	8,65,45,783	213.31
• H. & R. Johnson (India) TBK Limited	100	1,61,020	29.71	1,61,020	29.71
• Antique Marbonite Private Limited #	10	30,09,000	15.08	30,09,000	15.08
• Small Johnson Floor Tiles Private Limited *	10	20,00,000	13.30	20,00,000	13.30
• Sentini Cermica Private Limited #	10	17,10,000	8.55	20,00,000	10.00
• Milano Bathroom Fittings Private Limited *	100	72,446	9.09	72,446	9.09
• Spectrum Johnson Tiles Private Limited	10	21,65,388	8.03	21,65,388	8.03
• Coral Gold Tiles Private Limited	10	26,00,000	5.46	26,00,000	5.46
• Sanskar Ceramics Private Limited @	10	15,00,000	5.25	—	—
• RMC Readymix Porselano (India) Limited	10	50,000	0.05	50,000	0.05
Investment in Joint Venture - measured at cost					
• Ardex Endura (India) Private Limited	10	65,00,000	6.50	65,00,000	6.50
Investment in Associates - measured at cost					
• Prism Power and Infrastructure Private Limited	10	4,900	—	4,900	—
• CSE Solar Parks Satna Private Limited	10	55,00,000	5.50	2,70,001	0.27
• Sunspring Solar Private Limited	10	14,78,412	1.48	—	—
Other Investments designated at FVTOCI					
• B L A Power Private Limited (refer note 4.08)	10	1,75,00,000	5.18	1,75,00,000	21.30
(a)			**467.22**		**437.67**
Investments in preference shares (fully paid up) - Unquoted					
Investment in Subsidiaries - measured at amortised cost					
• Milano Bathroom Fittings Private Limited (1% Non-cumulative and Redeemable Preference Shares)	100	2,00,000	0.85	2,00,000	0.80
• Small Johnson Floor Tiles Private Limited (0.01% Non-cumulative Optionally Convertible Preference Shares)	10	40,00,000	1.45	40,00,000	1.33
(b)			**2.30**		**2.13**
Total non-current investments (a + b)			**469.52**		**439.80**
Aggregate book value of quoted investments			—		—
Aggregate market value of investments designated at FVTOCI			5.18		21.30
Aggregate amount of unquoted investments			464.34		418.50

Company has given Non Disposal Undertaking to certain banks for its investment in above Subsidiaries.

* Investment in Subsidiaries viz Milano Bathroom Fittings Private Limited and Small Johnson Floor Tiles Private Limited includes equity component recognised from 1% Non-cumulative and Redeemable Preference Shares and 0.01% Non-cumulative Optionally Convertible Preference Shares respectively. The carrying value of such equity component is ₹ 2.36 Crores (Previous year : ₹ 2.36 Crores) and ₹ 3.30 Crores (Previous year : ₹ 3.30 Crores) with respect to these Companies.

@ During the year, the Company has purchased 15,00,000 shares of Sanskar Ceramics Private Limited from Small Johnson Floor Tiles Private Limited.

2.04 LOANS

₹ Crores

Particulars		Non-current As at March 31,		Current As at March 31,	
		2020	2019	2020	2019
Security Deposits - Utility					
Unsecured, considered good		36.79	33.66	1.61	1.05
	(a)	**36.79**	**33.66**	**1.61**	**1.05**
Security Deposits - Rental					
Unsecured, considered good		15.61	15.45	–	–
Unsecured, credit impaired		0.74	0.77	–	–
		16.35	16.22	–	–
Less : Provision for impairment		0.74	0.77	–	–
	(b)	**15.61**	**15.45**	**–**	**–**
Loans to related parties					
Loan to a subsidiary company *					
Unsecured, considered good		4.00	4.00	–	–
	(c)	**4.00**	**4.00**	**–**	**–**
Loans to employees					
Unsecured, considered good		1.21	1.49	2.90	2.51
	(d)	**1.21**	**1.49**	**2.90**	**2.51**
Total	**(a+b+c+d)**	**57.61**	**54.60**	**4.51**	**3.56**

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member except security deposit of ₹ 0.06 Crores (Previous year : ₹ 0.06 Crores) for premises given to Director.

* Further information about these loans is set out in notes 4.12 and 4.13.

2.05 OTHER FINANCIAL ASSETS

₹ Crores

Particulars	Non-current As at March 31,		Current As at March 31,	
	2020	2019	2020	2019
Insurance claim receivable (refer note 4.17)	58.94	58.94	2.56	4.12
Bank deposits with more than twelve months maturity (restricted use)	0.84	0.05	2.54	–
Accrued Interest	–	–	0.89	1.14
Balances in Escrow accounts with banks (restricted use)	0.05	0.05	–	–
Balances related to Coal Mine and Infrastructure (refer note 4.16)	13.93	13.93	–	–
Other receivables	–	–	1.06	0.02
Total	**73.76**	**72.97**	**7.05**	**5.28**

2.06 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Significant components of deferred tax (liabilities)/assets recognised in the financial statements are as follows :

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax (liabilities)/assets in relation to :		
Unabsorbed depreciation/ Business loss as per Income Tax	64.72	32.54
Provision for employees benefits	56.83	58.29
Other temporary differences/unutilised tax asset	(54.92)	72.14
Property, plant and equipment	(117.44)	(138.00)
Total	**(50.81)**	**24.97**

The movement in deferred tax (liabilities)/assets during the year ended March 31, 2020 and March 31, 2019 :

₹ Crores

Particulars	As at March 31, 2020	Credited/ (Charged) to Statement of P&L /OCI	As at March 31, 2019	Credited/ (Charged) to Statement of P&L /OCI	As at March 31, 2018
Deferred tax (liabilities)/assets in relation to :					
Unabsorbed depreciation/ Business loss as per Income Tax	64.72	32.18	32.54	(94.44)	126.98
Provision for employees benefits	56.83	(1.46)	58.29	3.37	54.92
Other temporary differences/unutilised tax asset	(54.92)	(127.06)	72.14	41.08	31.06
Property, plant and equipment	(117.44)	20.56	(138.00)	18.58	(156.58)
Total	**(50.81)**	**(75.78)**	**24.97**	**(31.41)**	**56.38**

2.07 OTHER ASSETS

₹ Crores

Particulars	Non-current As at March 31, 2020	Non-current As at March 31, 2019	Current As at March 31, 2020	Current As at March 31, 2019
Capital Advances				
Unsecured, considered good	53.57	74.04	—	—
Doubtful	0.34	—	—	—
	53.91	74.04	—	—
Less : Provision for Impairment	0.17	—	—	—
	53.74	74.04	—	—
Advances other than Capital Advances				
Balances with government authorities :				
CENVAT/ VAT/GST receivables	—	—	30.55	32.52
Balances with statutory authorities	—	—	0.55	0.28
Excise/ VAT/ Service Tax/ Custom duty deposited under protest	31.07	39.28	0.19	0.76
Security Deposits	4.69	5.52	0.91	0.16
Advances to other parties (net of provision for impairment)	15.46	15.63	27.97	66.84
Prepaid expenses	2.73	2.27	17.05	17.72
Royalty refund receivable	—	—	17.12	17.12
Others	54.48	73.04	15.15	11.90
Total	**162.17**	**209.78**	**109.49**	**147.30**

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

2.08 INVENTORIES

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	122.09	106.61
Goods-in-transit	0.37	0.82
Stores and spares	61.08	61.83
Goods-in-transit	0.17	0.01
Fuel stock	53.61	23.73
Goods-in-transit	5.55	76.16
Work-in-progress	69.19	64.13
Finished goods	142.18	108.56
Goods-in-transit	12.54	18.55
Stock-in-trade	51.69	40.18
Goods-in-transit	0.02	0.60
Total	**518.49**	**501.18**

Notes :

(a) Amount charged to the Statement of Profit and Loss on account of write-down of inventories to net realisable value for the year is ₹ 20.90 Crores (Previous year : ₹ 11.44 Crores).

(b) Above inventory includes damaged stock of finished goods of cement amounting to ₹ 2.95 Crores (Previous year : ₹ 0.51 Crores) in respect of which insurance claims have been lodged. The management expects to recover the amount atleast equal to it's carrying value.

2.09 TRADE RECEIVABLES

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	81.60	55.00
Unsecured, considered good	596.67	649.58
Unsecured, credit impaired	140.77	121.13
	819.04	825.71
Less : Provision for impairment	140.77	121.13
Total	**678.27**	**704.58**

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

2.10 CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks :		
In current accounts	5.10	44.32
Deposits with original maturity of less than three months	112.52	3.48
Cheques/drafts on hand	0.09	3.85
Cash on hand	0.91	0.89
Total	**118.62**	**52.54**

2.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	As at March 31,	
	2020	2019
Unclaimed Dividend	0.65	0.46
Term Deposits (original maturity for more than three months but less than twelve months)	256.68	—
Term Deposits (original maturity for more than three months but less than twelve months -restricted use)	0.64	2.47
Total	**257.97**	**2.93**

2.12 CURRENT TAX ASSETS (NET)

₹ Crores

Particulars	As at March 31,	
	2020	2019
Current Tax Assets :		
Taxes paid (net of provision)	45.89	26.21
Total	**45.89**	**26.21**

2.13 EQUITY SHARE CAPITAL

₹ Crores

Particulars	As at March 31,	
	2020	2019
Authorised Share Capital :		
52,50,00,000 (Previous year : 52,50,00,000) Equity shares of ₹ 10/- each	525.00	525.00
Total	**525.00**	**525.00**
Issued, Subscribed and Paid up :		
50,33,56,580 (Previous year : 50,33,56,580) Equity shares of ₹ 10/- each	503.36	503.36
Total	**503.36**	**503.36**

a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :

Equity shares	As at March 31,	
	2020 No. of Shares	2019 No. of Shares
At the beginning of the year	50,33,56,580	50,33,56,580
Outstanding at the end of the year	**50,33,56,580**	**50,33,56,580**

b. Rights, preference and restrictions attached to Equity shares :

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

2.13 EQUITY SHARE CAPITAL (Contd...)

c. Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at March 31,			
	2020		2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Manali Investment & Finance Private Limited	6,78,17,992	13.47%	6,78,17,992	13.47%
Hathway Investments Private Limited	6,41,13,400	12.74%	6,41,13,400	12.74%
Coronet Investments Private Limited	5,79,49,394	11.51%	5,79,49,394	11.51%
Rajan B. Raheja	5,14,06,327	10.21%	5,14,06,327	10.21%
Bloomingdale Investment & Finance Private Limited	3,15,07,000	6.26%	3,12,89,300	6.22%

2.14 OTHER EQUITY

₹ Crores

Particulars	As at March 31,	
	2020	2019
General reserve	155.67	155.67
Retained earnings	453.74	376.08
Capital redemption reserve	10.75	10.75
Debenture redemption reserve	—	96.25
Total	**620.16**	**638.75**

Description of the nature and purpose of each reserve within equity is as follows :

(a) General Reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

(b) Retained Earnings

Retained earnings are the net profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments in terms of Ind AS 101.

(c) Capital Redemption Reserve

Capital redemption reserve was created pursuant to the scheme of amalgamation.

(d) Debenture Redemption Reserve (DRR)

The Company has issued non-convertible debentures. Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 effective from August 16, 2019, the Company is not required to create a DRR of 25% of the value of its outstanding Non-convertible debentures. Accordingly, the balance in DRR is transferred to Retained Earnings.

2.15 BORROWINGS

₹ Crores

Particulars	Non-current	
	As at March 31,	
	2020	2019
Secured		
Bonds/Debentures		
• 10.40% Non-convertible Debentures (refer Sr. No. 1) {800 Nos. (Previous year : 800 Nos.) debentures of ₹ 0.10 Crore each}	80.00	80.00
• 10.40% Non-convertible Debentures (refer Sr. No. 2) {1200 Nos. (Previous year : 1200 Nos.) debentures of ₹ 0.10 Crore each}	120.00	120.00
• 10.70% Non-convertible Debentures (refer Sr. No. 3) {1000 Nos. (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each}	100.00	100.00
• 9.25% Non-convertible Debentures (refer Sr. No. 4) {1781 Nos. (Previous year : 2000 Nos.) debentures of ₹ 0.10 Crore each}	178.10	200.00
• 9.00% Non-convertible Debentures (refer Sr. No. 5) {Nil (Previous year : 1500 Nos.) debentures of ₹ 0.10 Crore each}	—	150.00
Term loans from banks (refer Sr. No. 6 to 16)	811.11	523.23
Vehicle loans from banks (refer Sr. No. 17 to 19)	2.83	4.09
Unsecured		
• 10.70% Non-convertible Debentures (refer Sr. No. 24) {1150 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each}	115.00	—
• 10.00% Non-convertible Debentures (refer Sr. No. 25) {840 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each}	84.00	—
• 10.40% Non-convertible Debentures (refer Sr. No. 26) {500 Nos. (Previous year : 500 Nos.) debentures of ₹ 0.10 Crore each}	50.00	50.00
• 10.65% Non-convertible Debentures (refer Sr. No. 27) {750 Nos. (Previous year : 750 Nos.) debentures of ₹ 0.10 Crore each}	75 .00	75.00
Term loans from banks (refer Sr. No. 28)	89.82	—
Inter-corporate deposits (refer Sr. No. 29)	—	0.13
Fixed deposits from public (refer Sr. No. 30)	0.57	6.41
Finance lease obligations (refer Sr. No. 31)	—	28.75
	1,706.43	**1,337.61**
Less : Disclosed under other Financial Liabilities :		
Current maturities of non-current borrowings	418.37	306.27
Current maturities of finance lease obligations	—	8.47
Unclaimed fixed deposits	0.57	1.93
Total	**1,287.49**	**1,020.94**

2.15 BORROWINGS (Contd...)

₹ Crores

Particulars	Current As at March 31, 2020	Current As at March 31, 2019
Secured		
Loans repayable to banks-On Demand (refer Sr. No. 20 to 22)	19.36	24.01
Buyer's Credit (refer Sr. No. 23)	25.95	8.23
Unsecured (refer Sr. No. 32)		
Commercial Papers {Maximum balance outstanding during the year ₹ 150 Crores (Previous year : ₹ 100 Crores)}	100.00	100.00
Total	**145.31**	**132.24**

(a) Debentures (Secured) :

The Company has issued the following Secured Redeemable Non-convertible Debentures :

₹ Crores

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
1	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets.	Allotted on August 31, 2018 and repayable at 10.40 % pa XIRR basis redemption premium on September 27, 2021.	80.00	80.00
2	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets.	Allotted on August 3, 2018 and repayable at 10.40 % pa XIRR basis redemption premium on June 22, 2021.	120.00	120.00
3	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, except leased assets.	Allotted on November 10, 2017 and repayable on November 10, 2020 with Put/Call option at par on November 12, 2018 and November 11, 2019.	100.00	100.00
4	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, except leased assets.	Allotted on December 13, 2016 and repayable at 9.25 % pa XIRR basis redemption premium on April 29, 2020. During the year, part prepayment was made for ₹ 21.90 Crores on March 23, 2020.	178.10	200.00
5	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, except leased assets.	Allotted on January 21, 2015 and repayable on January 21, 2020 with call option at par on July 21, 2016 and Put/Call option at par on July 20, 2018; January 21, 2019; July 19, 2019. During the year, the terms of Non convertible debentures were modified with the consent of Debenture holder and ROI decreased to 9.00 %.	—	150.00
Total		**(a)**	**478.10**	**650.00**

2.15 BORROWINGS (Contd...)

(b) Nature of Security and terms of repayment for secured borrowings (other than Debentures) :

₹ Crores

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
6	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future.	Quarterly in equal installments payable over a period of 6 years commencing after moratorium period of two years. Availed on March 16, 2016.	47.50	142.50
7	First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7th Floor, Windsor.	Quarterly installments payable over a period of 54 Months; ₹ 4.16 Crores each per quarter from November 17, 2018.	25.00	41.67
8	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 13 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on April 21, 2017.	—	59.23
9	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 13 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on July 20, 2017.	—	83.08
10	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 19 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on September 27, 2018.	57.89	100.00
11	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 19 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on November 19, 2018.	63.16	100.00
12	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 17 structured installments payable from the last day of 9th month from date of first drawdown of facility availed on September 20, 2019.	200.00	—
13	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 17 structured installments payable from the last day of 9th month from date of first drawdown of facility availed on September 13, 2019.	150.00	—
14	Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, both present and future.	Quarterly in 17 structured installments payable from the last day of 9th month from date of first drawdown of facility availed on September 18, 2019.	75.00	—
15	Secured by exclusive charge on all the movable Property, plant and equipment in relation to the Waste Heat Recovery System of the company , both present and future.	Quarterly in 23 structured installments payable from the last day of 18th month from date of first drawdown of facility availed on March 18, 2020.	75.00	—
16	Secured by exclusive charge over the movable Property, plant and equipment of specified plants of the HRJ division namely Dewas, Pen, Kunigal and Karaikal, both present and future.	Quarterly in 17 structured installments payable from the last day of 9th month from date of first drawdown of facility availed on September 30, 2019.	125.00	—
17	Secured by exclusive charge on vehicles of HRJ Division.	EMI over a period of 60 months from the respective date of disbursement.	2.03	3.26
18	First and exclusive charge secured by hypothecation of vehicles financed to RMC Division.	EMI over a period of 60 months from the respective date of disbursement.	0.34	0.47
19	Secured by exclusive charge on vehicles of Cement Division.	EMI over a period of 60 months from the respective date of disbursement.	0.46	0.36

2.15 BORROWINGS (Contd...)

₹ Crores

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
20	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of Cement Division.	Payable within one year.	0.47	—
21	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division.	Payable within one year.	12.75	24.01
22	Secured by first pari passu charge over entire current assets both present and future of RMC Division.	Payable within one year.	6.14	—
23	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division.	As per due dates of respective buyer's credit.	25.95	8.23
	Total		**866.69**	**562.81**
	Less : Unamortised borrowing costs		7.44	3.25
	Total	**(b)**	**859.25**	**559.56**

(c) **Nature of Security and terms of repayment for unsecured borrowings :**

₹ Crores

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
	Non-current Borrowings :			
24	Non-convertible Debentures	Allotted on July 26, 2019 and repayable on July 25, 2022.	115.00	—
25	Non-convertible Debentures	Allotted on January 31, 2020 and repayable on January 31 2023 with Put/Call option at par on January 31, 2022.	84.00	—
26	Non-convertible Debentures	Allotted on September 17, 2018 and repayable on September 17, 2021 with Put/Call option at par on September 17, 2020.	50.00	50.00
27	Non-convertible Debentures	Allotted on April 11, 2018 and repayable on April 9, 2021 with Put/Call option at par on April 11, 2019 and April 11, 2020.	75.00	75.00
28	Term Loan	Quarterly in 10 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on May 27, 2019.	90.00	—
29	Inter corporate deposits	Original terms of repayment was three years from April 01, 2016. However, the same has been revised from April 01, 2018 for a period of one year.	—	0.13
30	Fixed deposits from public	Payable over a period of one to two years from the respective date of disbursement.	0.57	6.41
31	Finance lease obligation	Payable over period of 5 years from the respective date of disbursement.	—	28.75
32	Current Borrowings		100.00	100.00
	Total		**514.57**	**260.29**
	Less : Unamortised borrowing costs		0.18	—
	Total	**(c)**	**514.39**	**260.29**
	Total Borrowings	**(a+b+c)**	**1,851.74**	**1,469.85**

2.15 BORROWINGS (Contd...)

(d) Assets pledged as security :

₹ Crores

Particulars		As at March 31, 2020	As at March 31, 2019
Current			
Receivables		678.27	704.58
Inventories		518.49	501.18
	(a)	**1,196.76**	**1,205.76**
Non-current			
Freehold Land		602.65	556.74
Buildings		86.37	80.48
Plant and Machinery		910.69	895.83
Railway Siding		3.41	3.70
Office Equipments		4.02	3.84
Furniture and Fixtures		4.11	4.20
Computers		1.95	2.27
Mines Development		80.33	70.31
Vehicles		4.08	5.11
Movable Tangible assets at Pen, Dewas and Kunigal		188.50	—
	(b)	**1,886.11**	**1,622.48**
Total	**(a+b)**	**3,082.87**	**2,828.24**

2.16 TRADE PAYABLES

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro Enterprises & Small Enterprises (refer note 4.22)	13.70	8.09
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	721.37	783.20
Total	**735.07**	**791.29**

2.17 OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	Non-current		Current	
	As at March 31,		As at March 31,	
	2020	2019	2020	2019
Current maturities of non-current borrowings	—	—	418.37	306.27
Current maturities of finance lease obligations	—	—	—	8.47
Payables for acquisition of Property, plant and equipment	—	—	31.93	29.31
Interest accrued	37.53	60.56	96.85	17.26
Unclaimed dividends *	—	—	0.65	0.46
Unpaid matured deposits and interest accrued thereon	—	—	0.78	2.31
Security deposits from customers/others	264.46	248.47	18.52	11.48
Payable to employees	—	—	7.53	7.12
Financial lease obligations	2.03	2.06	—	—
Finance guarantee obligations	0.01	0.09	—	0.63
Liability for expenses	6.79	0.84	283.42	248.77
Others	—	—	1.35	1.11
Total	**310.82**	**312.02**	**859.40**	**633.19**

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020 (Previous year : Nil).

Details of current maturities of non-current borrowings :

₹ Crores

Particulars	As at March 31,	
	2020	2019
Secured Loans :		
Non-convertible debentures	278.10	150.00
Term loans	99.17	150.24
Vehicle loans	1.10	1.42
Unsecured Loans :		
Term loans	40.00	—
Fixed deposits from public	—	4.48
Inter-corporate deposits	—	0.13
Total	**418.37**	**306.27**

2.18 PROVISIONS

₹ Crores

Particulars		Non-current As at March 31,		Current As at March 31,	
		2020	2019	2020	2019
Employee benefits					
Provision for Gratuity		0.35	—	—	0.05
Provision for Bonus		—	—	13.56	12.36
Provision for Leave Encashment		17.43	16.96	15.35	8.81
Others		—	—	14.06	12.29
	(a)	**17.78**	**16.96**	**42.97**	**33.51**
Others					
Provision for claims under litigations		0.07	0.07	—	—
Others		6.06	5.15	—	—
	(b)	**6.13**	**5.22**	**—**	**—**
Total	**(a+b)**	**23.91**	**22.18**	**42.97**	**33.51**

2.19 OTHER LIABILITIES

₹ Crores

Particulars	Non-current As at March 31,		Current As at March 31,	
	2020	2019	2020	2019
Advance from customers	0.19	1.55	73.84	70.55
Statutory liabilities	26.19	26.26	59.11	113.71
Other employee benefit expenses	—	—	20.07	15.90
Others	1.92	10.06	58.93	58.97
Total	**28.30**	**37.87**	**211.95**	**259.13**

2.20 CURRENT TAX LIABILITIES (NET)

₹ Crores

Particulars	As at March 31,	
	2020	2019
Provision for Taxation (net of taxes paid/adjusted)	3.22	18.61
Total	**3.22**	**18.61**

3.01 REVENUE FROM OPERATIONS

₹ Crores

Particulars	Year ended March 31,	
	2020	2019
Revenue from operations		
Sale of products	5,508.33	5,909.62
Sale of services	45.14	20.97
Other operating revenue		
Scrap sales	8.41	11.13
Claims and recoveries	3.18	5.36
Export incentive	1.04	2.45
Others	6.19	6.04
Total	**5,572.29**	**5,955.57**

Revenue from contracts with customers

I. Revenue from contracts with customers disaggregated based on geography

₹ Crores

Particulars	Year ended March 31,	
	2020	2019
Home market	5,507.06	5,902.41
Exports	65.23	53.16
Total	**5,572.29**	**5,955.57**

II. Reconciliation of gross revenue with the revenue from Contracts with Customers

₹ Crores

Particulars	Year ended March 31,	
	2020	2019
Gross Revenue	5,909.02	6,224.67
Less : Discounts and incentives	336.73	269.10
Net Revenue recognised from Contracts with Customers	**5,572.29**	**5,955.57**

III. Revenue recognised from Contract liability (Advances from Customers)

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Closing Contract liability	74.03	72.10

The contract liability outstanding at the beginning of the year was ₹ 72.10 Crores, of which ₹ 58.07 Crores has been recognised as revenue during the year ended March 31, 2020.

Management concludes that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

3.02 OTHER INCOME

₹ Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income earned on financial assets		
Bank deposits (at amortised cost)	9.54	1.06
Corporate guarantee/unwinding interest	2.01	1.42
Dividend on preference shares	0.19	0.45
Others	7.66	6.62
Other non - operating income		
Liabilities no longer considered as payable	0.60	0.19
Government assistance - Tax subsidy/exemption	0.66	4.64
Miscellaneous income	0.49	6.35
Other gains and losses		
Net gain on buyback of investments	5.31	—
Total	**26.46**	**20.73**

3.03 CHANGES IN INVENTORIES

₹ Crores

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year (including in-transit)			
Stock-in-trade		51.71	40.78
Work-in-progress		69.19	64.13
Finished goods		154.72	127.11
	(a)	**275.62**	**232.02**
Inventories at the beginning of the year (including in-transit)			
Stock-in-trade		40.78	34.45
Work-in-progress		64.13	40.64
Finished goods		127.11	81.53
	(b)	**232.02**	**156.62**
Total	**(a - b)**	**43.60**	**75.40**

3.04 OTHER MANUFACTURING EXPENSES

₹ Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Stores and spares consumed	98.32	90.60
Plant and equipment hire charges	36.71	51.65
Repairs to plant and equipment	20.64	23.33
Royalty for minerals	61.52	63.37
Sub-contract charges	67.88	66.03
Plant upkeep expenses	52.23	45.67
Quarry expenses	13.72	19.77
Dies and punches consumed	3.07	3.97
Other manufacturing expenses	3.21	3.94
Total	**357.30**	**368.33**

3.05 EMPLOYEE BENEFITS EXPENSE

₹ Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	405.65	397.07
Contribution to provident and other funds	36.96	36.41
Staff welfare expenses	21.46	20.85
Total	**464.07**	**454.33**

3.06 FINANCE COSTS

₹ Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest and Finance charges on financial liabilities		
Interest on overdraft/cash credit	4.03	6.62
Interest on borrowings	170.89	144.94
Interest on security deposits	11.14	13.68
Interest on lease obligation	13.36	2.86
Other borrowing costs	6.43	5.96
Total	**205.85**	**174.06**

3.07 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

₹ Crores

Particulars	Year ended March 31,	
	2020	2019
Depreciation of Property, plant and equipment	158.24	155.96
Depreciation on Right of Use assets	36.25	—
Impairment of Property, plant and equipment	2.01	0.50
Amortisation of intangible assets	3.85	3.60
Total	**200.35**	**160.06**

3.08 OTHER EXPENSES

₹ Crores

Particulars	Year ended March 31,	
	2020	2019
Rent expenses	24.04	37.29
Rates and taxes	19.73	16.03
Travelling and communication expenses	54.02	58.24
Commission on sales	25.81	25.05
Advertisement, sales promotion and other marketing expenses	78.38	76.22
Legal and professional fees	32.53	53.46
Insurance	13.23	10.88
Impairment of trade receivables	19.64	13.66
Bad debts written off	12.89	11.97
Loss on sale of assets	1.09	1.23
Concrete pumping expenses	14.80	15.41
Research expenses *	4.66	4.47
Repairs to buildings	3.04	3.13
Repairs others	6.25	6.14
Bank charges	5.24	5.12
Net loss on foreign exchange fluctuation	2.04	0.73
Impairment of non-current assets	2.63	1.87
Impairment/write-off of Inventories	1.50	—
Miscellaneous expenses	66.08	63.39
Total	**387.60**	**404.29**
*Research expenses comprises of :		
Salaries and wages	2.29	2.12
Travelling and Communication	0.44	0.36
Others	1.93	1.99
Total	**4.66**	**4.47**

3.09 TAX EXPENSES

₹ Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Income tax expenses		
Current tax - In respect of the current year	—	53.15
Deferred tax - In respect of the current year	75.19	30.92
Total	**75.19**	**84.07**
(b) Income tax recognised in Other Comprehensive Income		
Remeasurements of the defined benefit plans	0.59	0.49
Total income tax expenses recognised in the year (a + b)	**75.78**	**84.56**
(c) A reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate is as follows		
Net profit before tax	131.64	230.05
Effective tax rate applicable to the Company	25.17%	34.94%
Tax amount at the enacted income tax rate	33.13	80.38
Add : Expenses not deductible in determining taxable profits	71.15	79.51
Less : Allowances/Deductibles	(58.58)	(65.44)
Minimum Alternative Tax	112.70	53.15
Incremental Deferred Tax assets on account of unused tax losses and unused tax credits	(98.44)	(68.91)
Incremental Deferred Tax liability on account of other temporary differences	15.82	5.87
Tax expense as per the Statement of Profit and Loss	**75.78**	**84.56**

4.01 EARNINGS PER SHARE (EPS)

Particulars	As At March 31,	
	2020	2019
Basic earnings per share		
Attributable to equity holders of the Company (₹)	1.12	2.90
Diluted earnings per share		
Attributable to equity holders of the Company (₹)	1.12	2.90
Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basic earnings per share (₹ Crores)	56.45	145.98
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share (₹ Crores)	56.45	145.98
Weighted average number of Equity shares used as the denominator in calculating basic and diluted earnings per share	50,33,56,580	50,33,56,580

4.02 EXCEPTIONAL ITEMS

Current FY 2019-20 :

(a) Road Infrastructure Tax is levied by Madhya Pradesh (MP) Government upon various companies having mining operation. Aggregate demand on the Company for the period 2005-06 to 2018-19 is to the tune of ₹ 14.20 crores. In earlier years, the said tax was paid under protest as per the demand from the Assessing authority. However, in recent years, the Company is made to deposit the tax in full based on self-assessment and the same is charged to Statement of Profit and Loss. The decision of the High Court in the matter was against the Company. The Company's appeal is pending before the apex court.

(b) The Cement division of the Company was denied Cenvat Credit pertaining to outward freight under Goods and Transport Agency services aggregating to ₹ 11.44 crores for the years 2004-05 to 2017-18. The matter of a Unit of the Cement Division was decided in favour of the Company. Accordingly, provision recognised earlier has been reversed.

(c) Unit I of Cement division of the Company had been exempted from payment of Sales Tax on purchases made within the State of MP. After Re-organisation of State of MP and Chhattisgarh, the Chhattisgarh Government refused to extend such benefit to the Company. South Eastern Coal Fields Limited ('SECL') imposed 4% CST on Coal supply made from Chhattisgarh which was earlier at NIL rate. The Company had obtained the stay from the Chhattisgarh High Court at that time and accordingly, SECL had not charged the Tax on supply. Amount involved was ₹ 7.56 crores for the years 2000-01 to 2008-09. The decision of the Honourable Supreme Court is in favour of revenue, accordingly, provision was considered necessary.

Previous FY 2018-19 :

(a) Interest of ₹ 14.78 Crores on delayed payment of entry tax in Uttar Pradesh. However, during the previous year, in response to writ petition the Company was asked to deposit 50% of the said amount and stay was granted for the balance amount.

(b) Credit adjustment of ₹ 3.52 Crores on account of refund received of Entry Tax in Madhya Pradesh, which was earlier paid and charged to statement of profit and loss. The Company had lodged an appeal before MP Commercial Tax Tribunal Board, Bhopal for the same.

4.03 LEASES

1. The Company's lease asset primarily consist of leases for Land, Office Space, Furniture, Vehicle and Plant & Machinery having various lease terms. Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
2. The effect of this adoption is insignificant on the profit before tax, profit for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
3. The following is the summary of practical expedients elected on initial application :
   a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
   b. Applied the exemption not to recognise Right of Use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
   c. Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
   d. Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
   e. The Company has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

4. **Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020 :**

₹ Crores

Particulars	Category of ROU					
	Leasehold Land	Plant & Machinery	Leasehold Building	Vehicle	Furniture	Total
Transition impact on account of Ind AS 116 'Leases'	48.43	4.31	34.31	—	18.88	105.93
Reclassified from Property, plant and equipment on account of adoption of Ind AS 116 'Leases' (Refer note 2.01)	—	35.68	—	0.41	—	36.09
Reclassified from Earnest money, Security Deposits and Advance Rentals	2.24	0.32	0.15	—	0.85	3.56
Total Right of Use assets as on date of Transition	**50.67**	**40.31**	**34.46**	**0.41**	**19.73**	**145.58**
Additions during the year	16.23	32.43	12.99	—	5.85	67.50
Deletion during the year	—	—	0.31	—	—	0.31
Depreciation of Right of use assets	11.83	9.24	7.29	0.07	7.82	36.25
Balance as at March 31, 2020	**55.07**	**63.50**	**39.85**	**0.34**	**17.76**	**176.52**

4.03 LEASES (Contd...)

5. The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020 :

₹ Crores

Particulars	Year Ended March 31, 2020
Transition impact on account of Ind AS 116 'Leases'	105.93
Reclassified finance lease obligation under Ind AS 17 to lease liabilities on account of adoption of Ind AS 116 'Leases' (refer note 2.15)	28.75
Additions during the year	66.87
Finance cost accrued during the year	15.39
Payment/Deletion of lease liabilities during the year	46.82
Balance as at March 31, 2020	**170.12**
Current portion of Lease Liability	33.94
Non Current portion of Lease Liability	136.18
Total	**170.12**

6. An explanation to difference between operating lease commitments as per Ind AS 17 and lease liabilities as per Ind AS 116 as on April 1, 2019 is as below :

a. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%.

b. The difference between lease obligation recorded as of March 31, 2019, under Ind AS 17 and the value of lease liability as of April 1, 2019, is on account of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116, reclassification of finance lease obligations as lease liabilities and discounting the lease liabilities to the present value under Ind AS 116.

7. Amounts recognised in the statement of cash flows

₹ Crores

Particulars	2019-2020
Total cash outflow for Leases	46.22

8. Total cash outflow recorded during the year was ₹ 46.44 Crores except for short term lease and low value assets.

9. The maturity analysis of lease liabilities are disclosed in note 4.08. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

10. Future lease payments which will start from April 1, 2020 is ₹ 90.62 Crores.

11. Certain lease agreements are subject to escalation clause and with extension of lease term options. At the expiry of the lease term, in case of lease agreements other than land, the lessee has an option to purchase the assets at Fair Market Value.

4.04 EMPLOYEE BENEFIT PLANS

1. Defined contribution plans

The Company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expenses recognised in the Statement of Profit and Loss of ₹ 21.96 Crores (Previous year : ₹ 18.14 Crores) represents contributions payable to these plans by the Company at rates specified in rules of the plans.

2. Defined Benefits Plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefits plan are administered by separate funds that are legally independent entities. The governing body of the fund is responsible for the investment policy with regard to assets of the funds.

4.04 EMPLOYEE BENEFIT PLANS (Contd...)

These plans typically expose the Company to Actuarial risks such as : investment risk, interest rate risk, longetivity risk and salary risk. No other post-retirement benefit are provided to the employees.

Investment risk	:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	:	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	:	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	:	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

3. Principal assumptions used for the purpose of actuarial valuation

Particulars	Valuation as at	
	March 31, 2020	March 31, 2019
Discount Rate	6.59%	7.48%
Expected Rate(s) of salary increase	3%	5%
Average longetivity at retirement age for current beneficiaries of plans (years)	38 to 43	37 to 43
Average longetivity at retirement age for current employees (future beneficiaries of the plan)	58 & 60	58 & 60
Attrition Rate	10% - 15%	10% - 15%

4. (a) Amounts recognised in Statement of Profit and Loss in respect of defined benefit plans

₹ Crores

Particulars	Leave Encashment		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Service cost :				
Current service cost	1.99	2.91	5.99	6.29
Past service cost and (gain)/loss from settlements	—	0.58	—	—
Net interest expense	1.80	1.80	2.60	2.22
Actuarial(Gain)/Loss	6.86	4.52	(2.01)	(1.75)
Component of defined benefit costs recognised in Statement of profit and loss	**10.65**	**9.81**	**6.58**	**6.76**

(b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans

₹ Crores

Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	1.20	(0.05)
Actuarial (gains)/losses arising from changes in demographic assumptions	1.13	(0.21)
Actuarial (gains)/losses arising from changes in financial assumptions	(2.45)	0.72
Actuarial (gains)/losses arising from experience adjustments	(2.23)	(1.29)
Components of defined benefits cost recognised in Other Comprehensive Income	**(2.35)**	**(0.83)**

4.04 EMPLOYEE BENEFIT PLANS (Contd...)

5. (a) Movements in present value of defined benefit obligation

₹ Crores

Particulars	Leave Encashment		Gratuity	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligations	25.79	30.09	50.91	45.57
Current service cost	1.99	3.49	5.99	6.29
Interest cost	1.80	1.80	3.64	3.42
Remeasurement (Gains)/Losses				
Actuarial (gains)/losses arising from changes in demographic assumptions	0.28	(0.03)	1.13	(0.21)
Actuarial (gains)/losses arising from changes in financial assumptions	(0.78)	0.71	(2.45)	0.72
Actuarial (gains)/losses arising from experience adjustments	7.34	3.84	(2.23)	(1.29)
Benefits paid	(3.63)	(14.11)	(3.93)	(3.59)
Closing defined benefit obligation	**32.79**	**25.79**	**53.06**	**50.91**

(b) Movements in present value in planned assets

₹ Crores

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at beginning of year	34.99	33.25
Interest Income	2.55	2.66
Contributions	0.31	2.62
Return on plan Assets	(1.20)	0.05
Benefits paid	(3.93)	(3.59)
Fair value of plan assets at end of year	**32.72**	**34.99**

6. The category of plan assets as a percentage of total plan are as follows :

Particulars	As at March 31,	
	2020	2019
Equity Shares	14.49%	17.88%
Central and State Government Securities	66.91%	67.36%
Other Fixed Income Securities/Deposits	18.60%	14.76%
Total	**100%**	**100%**

4.04 EMPLOYEE BENEFIT PLANS (Contd...)

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

₹ Crores

Particulars	Leave Encashment		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate + 100 basis points	31.88	24.79	50.88	48.49
Discount Rate - 100 basis points	33.78	26.86	55.48	53.58
Salary Increase Rate +1 %	33.64	26.76	55.27	53.36
Salary Increase Rate -1 %	31.99	24.88	51.04	48.65
Attrition Rate +1%	32.86	25.85	53.47	51.20
Attrition Rate - 1%	32.72	25.70	52.67	50.60

4.05 (a) CONTINGENT LIABILITIES

(i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 82.39 Crores (Previous year : ₹ 47.52 Crores).

(ii) Prepayment charges claimed by banks on amounts prepaid ₹ 1.25 Crores (Previous year : ₹ 2.92 Crores).

(iii) Claims against the Company not acknowledged as debts on account of disputes :

(a) In respect of exemption of Central Sales Tax on coal purchases Nil (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Company.

(b) Energy Development Cess ₹ 9.89 Crores (Previous year : ₹ 9.89 Crores).

(c) Tax on Rural and Road Development is Nil (Previous year : ₹ 14.20 Crores).

(d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 235.11 Crores. (Previous year : ₹ 200.84 Crores).

(b) CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 109.95 Crores (Previous year : ₹ 266.80 Crores) and other commitments includes Outstanding Letters of Credit ₹ 117.14 Crores (Previous year : ₹ 133.57 Crores).

(c) FINANCIAL GUARANTEE

Corporate guarantees issued to the bankers : ₹ 351.75 Crores (Previous year : ₹ 310.25 Crores).

(d) Disclosure of provisions made as per the requirements of Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' are as follows :

₹ Crores

Particulars	As at April 1, 2019	Provisions made during the year	Amounts utilised or reversed during the year	As at March 31, 2020
MPEB Cess on Generation of Electricity	8.33	—	—	8.33
MP Entry Tax/VAT	10.05	—	—	10.05
VAT on Inter Unit transfer	0.68	—	—	0.68
Appeal with AP, Kerala, Punjab, Tamil Nadu, Karnataka and Maharashtra Commercial Tax Department	1.37	0.10	—	1.47
Mines Restoration Expenses	4.42	0.91	—	5.33
Service Tax on Goods Transport Agency	14.50	—	14.50	—
Sales Rebate	0.73	—	—	0.73
Workmen dues	0.07	—	—	0.07

In certain cases, the Company has made payments against the above provisions. In case the disputes are settled in the favour of the Company, there would be refund of ₹ 0.84 Crores (Previous year : ₹ 0.84 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 25.82 Crores (Previous year : ₹ 39.31 Crores).

4.05 (Contd...)

(e) In terms of long-term Gas Supply Agreement ('GSA') with GAIL (India) Limited ('GAIL') having validity till April, 2028, the Company is committed to draw minimum quantity of Re-Liquefied Natural Gas ('RLNG') specified therein. In case of underdrawn quantities, determined on calendar year basis, the Company is liable to deposit purchase price under Take or Pay Obligation clause ('TOP') of the GSA and is allowed to draw such underdrawn quantities in the balance term of the GSA at then prevailing price.

In earlier years, the Company has not been able to draw committed quantity of RLNG. The Company has exhausted its downward flexibility limit available in GSA. In preceding four calendar years, GAIL has waived the TOP obligation. The amount committed under TOP for the underdrawn quantities of RLNG for the quarter ended March 31, 2020, which would be due in December 2020, if it remains undrawn or not waived, is approximately ₹ 9.20 Crores.

As per past trend, RLNG is the most competitively priced natural gas available in the country, non-off take of contracted quantity of RLNG by the company is unlikely to result in any TOP liability. The aforesaid amount, if payable, will only be in the nature of an advance payment for RLNG which can be drawn anytime thereafter up to the end of term of the GSA i.e. April 2028. Accordingly, in view of the management, this contract is not in the nature of onerous contract and hence no provision is required.

(f) The Hon'ble Supreme Court of India by their order dated February 28, 2019, has clarified the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The same has been implemented w.e.f. April 1, 2019. However, pending directions or clarification form the EPFO, the quantification of impact, if any for the period upto March 31, 2019 is not ascertainable and consequently no effect has been given in the accounts.

4.06 Capital work-in-progress includes pre-operative expenses of ₹ 82.41 Crores (Previous year : ₹ 76.58 Crores), the details of which are as under :

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Indirect expenditure incurred during the year and considered as pre-operative expenses		
Salary, Wages and Bonus	1.60	2.41
Contribution to Provident and other funds	0.06	0.06
Rent, Rates and Taxes	0.26	0.29
Travelling and Communication	0.13	0.24
Professional fees	0.17	0.12
Depreciation	2.86	1.61
Miscellaneous expenses	0.75	0.74
Total	**5.83**	**5.47**
Add : Expenditure upto previous year	76.58	71.11
Balance Carried forward	**82.41**	**76.58**
Cost relating to acquisition of assets and related direct expenses	174.24	43.57
Total Capital Work-in-progress	**256.65**	**120.15**

4.07 CAPITAL MANAGEMENT

Risk management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors', creditors' and market confidence and to sustain future development and growth of its business and at the same time, optimise returns to the shareholders. The Company takes appropriate and corrective steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

4.07 CAPITAL MANAGEMENT (Contd...)

Consistent with others in the industry, the Company monitors capital on the basis of the capital gearing ratio computed as under :

Net debt (total Borrowings net of Cash and Cash equivalents) divided by Total Equity (as shown in the Balance Sheet).

The Company's strategy is to maintain a capital gearing ratio within 2 times. The comparative capital gearing ratios are tabulated as hereunder :

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Net Debt	1475.15	1414.38
Total Equity	1123.52	1142.11
Net Debt to Equity Ratio	**1.31**	**1.24**

The Company has complied with all material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements. No lenders have raised any matter that may lead to breach of covenants stipulated in the underlying documents.

4.08 FINANCIAL INSTRUMENTS

(i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are 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.

The following methods and assumptions were used to estimate the fair values :

a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non-current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.

b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of long term security deposits taken, non-current borrowings and remaining non current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Categories of financial instruments

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

Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : inputs which are not based on observable market data.

₹ Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortised cost :				
Trade receivables	678.27	678.27	704.58	704.58
Loans	62.12	62.12	58.16	58.16
Cash and Bank balances	377.74	377.74	55.59	55.59
Other financial assets	79.66	79.66	78.13	78.13
Measured at FVTOCI :				
Investment in other companies	5.18	5.18	21.30	21.30
Total Financial assets	**1,202.97**	**1,202.97**	**917.76**	**917.76**

4.08 FINANCIAL INSTRUMENTS (Contd...)

₹ Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
Financial liabilities				
Measured at amortised cost :				
Borrowings	1,851.74	1,851.74	1,469.85	1,469.85
Lease Liabilities	170.12	170.12	—	—
Trade payables	735.07	735.07	791.29	791.29
Other financial liabilities	751.28	751.28	628.54	628.54
Total Financial liabilities	**3,508.21**	**3,508.21**	**2,889.68**	**2,889.68**

(iii) Level wise disclosure of financial instruments

₹ Crores

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Investment in equity instruments of other companies (B L A Power Private Limited)	5.18	21.30	3	Independent Valuer Certificate
Foreign currency forward contracts - Assets	#	#	2	Quotes from banks or dealers

Amount less than ₹ 50,000/-

The following table shows a reconciliation of significant unobservable inputs from the opening balance to the closing balance for Level 3 recurring fair value measurements.

₹ Crores

Investment in equity instruments of other companies	Amount
Balance as on April 1, 2019	21.30
Less : Adjustment due to Fair valuation	16.12
Balance as on March 31, 2020	**5.18**

(iv) Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board. The details of different types of risk and management policy to address these risks are listed below :

The Company's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows polices set up by the Board of Directors/Management.

(a) Credit Risk

Credit risk arises from the possibility that counter party will cause financial loss to the Company by failing to discharge its obligation as agreed.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Each division of the Company has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors. The Company uses the allowance matrix to measure the expected credit loss of trade receivables from customers.

Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 2 years past due.

4.08 FINANCIAL INSTRUMENTS (Contd...)

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Table showing age of gross trade receivables and movement in expected credit loss allowance :

₹ Crores

Age of receivables	As at March 31, 2020	As at March 31, 2019
Within the credit period	155.01	251.52
1-90 days past due	396.79	343.27
91-180 days past due	67.62	56.41
181-270 days past due	28.36	31.65
More than 270 days past due	171.26	142.86
Total	**819.04**	**825.71**

₹ Crores

Movement in the expected credit loss allowance	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	121.13	107.47
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	19.64	13.66
Balance at the end of the year	**140.77**	**121.13**

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

₹ Crores

As at March 31, 2020	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	418.37	1,261.41	26.08	**1,705.86**
Current borrowings	145.31	—	—	**145.31**
Lease Liability	47.95	121.71	99.13	**268.79**
Fixed Deposits payable	0.57	—	—	**0.57**
Financial Guarantee Obligation	83.25	268.50	—	**351.75**
Trade Payables	735.07	—	—	**735.07**
Other Financial Liabilities	440.46	44.44	266.38	**751.28**

₹ Crores

As at March 31, 2019	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	301.79	1,000.66	—	**1,302.45**
Current borrowings	132.24	—	—	**132.24**
Finance lease obligation	9.13	21.72	11.97	**42.82**
Fixed Deposits payable	6.41	—	—	**6.41**
Financial Guarantee Obligation	174.25	136.00	—	**310.25**
Trade Payables	791.29	—	—	**791.29**
Other Financial Liabilities	316.52	61.62	250.40	**628.54**

4.08 FINANCIAL INSTRUMENTS (Contd...)

Financing arrangements

The Company has sufficient sanctioned line of credit from its bankers/financers; commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at any point of time there is sufficient availability of line of credit to handle peak business cycle.

The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

(c) Market Risk

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

i. Market Risk – Foreign Exchange

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with Forex Consultant and as per polices set by Management.

The Company is also exposed to the foreign currency loans availed from various banks to reduce the overall interest cost.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows :

In Crores

Currencies	Liabilities		Assets	
	As at March 31,		As at March 31,	
	2020	2019	2020	2019
US Dollar (USD)	7.06	0.23	0.08	0.08
EURO	0.15	0.12	0.01	0.02
Japanese Yen (JPY)	0.01	0.01	—	—
British Pound (GBP)	—	—	#	—
Srilankan Rupee (LKR)	0.29	0.27	7.97	12.66

Foreign Currency Exposure

In Crores

Foreign currency exposure as at March 31, 2020	USD	EURO	JPY	LKR	GBP
Trade receivables	0.08	0.01	—	6.53	#
Loans and other receivables	—	—	—	1.44	—
Borrowings	7.00	0.01	—	—	—
Trade payables	0.06	0.14	0.01	0.29	—
Forward contracts for payables	6.66	—	—	—	—

In Crores

Foreign currency exposure As at March 31, 2019	USD	EURO	JPY	LKR	GBP
Trade receivables	0.08	0.02	—	11.65	—
Loans and other receivables	—	—	—	1.01	—
Borrowings	0.12	#	—	—	—
Trade payables	0.11	0.12	0.01	0.27	—
Forward contracts for payables	0.04	0.08	—	—	—

Amount less than 50,000/-

4.08 FINANCIAL INSTRUMENTS (Contd...)

Particulars of un-hedged foreign currency asset/liability as at Balance Sheet date

In Crores

Currency	Nature	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
EURO	Asset	0.01	0.82	0.02	1.43
GBP	Asset	#	0.35	—	—
LKR	Asset	7.97	3.19	12.66	4.99
USD	Asset	0.08	6.34	0.08	5.53
EURO	Liability	0.15	12.73	0.04	3.03
LKR	Liability	0.29	0.12	0.27	0.11
USD	Liability	0.40	30.27	0.19	13.07
JPY	Liability	0.01	#	0.01	#

Amount less than 50,000/-

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and Equity

₹ Crores

Currencies	Impact on Profit after Tax and Equity			
	As at March 31,		As at March 31,	
	2020	2019	2020	2019
	1 % increase	1 % increase	1 % decrease	1 % decrease
USD	(0.24)	(0.08)	0.24	0.08
Euro	(0.12)	(0.02)	0.12	0.02
LKR	0.03	0.05	(0.03)	(0.05)
Total	**(0.33)**	**(0.05)**	**0.33**	**0.05**

ii. **Market Risk – Interest Rate**

The 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 borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

In order to mitigate the interest rate risk the company has borrowed funds in USD.

₹ Crores

Particulars	As at March 31,	
	2020	2019
Variable rate borrowings	946.24	555.47
Fixed rate borrowings	905.50	914.38

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole of the year. A 100 basis point increase or decrease is used for internal review by the key management personnel.

₹ Crores

Particulars	Impact on Profit/Loss and Equity	
	As at March 31,	
	2020	2019
Interest rates - increase by 100 basis points *	(9.46)	(5.55)
Interest rates - decrease by 100 basis points *	9.46	5.55

* Assuming all other variables as constant

4.09 RELATED PARTY DISCLOSURES

Relationships

Particulars	Ownership interest As at March 31, 2020	Ownership interest As at March 31, 2019
Subsidiaries		
Raheja QBE General Insurance Company Limited	51%	51%
H. & R. Johnson (India) TBK Limited	100%	100%
Silica Ceramica Private Limited	100%	99.93%
Milano Bathroom Fittings Private Limited	100%	100%
TBK Venkataramiah Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited)	100%	100%
TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited)	100%	100%
TBK Samiyaz Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited)	100%	69.88%
RMC Readymix Porselano (India) Limited	100%	100%
Sentini Cermica Private Limited	50%	50%
Antique Marbonite Private Limited	50%	50%
Spectrum Johnson Tiles Private Limited	50%	50%
Small Johnson Floor Tiles Private Limited	50%	50%
Coral Gold Tiles Private Limited	50%	50%
Antique Minerals Private Limited (Subsidiary of Antique Marbonite Private Limited)	25.50%	25.50%
Sanskar Ceramics Private Limited (Subsidiary of Small Johnson Floor Tiles Private Limited) (including direct holding of 15%)	32.50%	25%
Joint Venture		
Ardex Endura (India) Private Limited	50%	50%
Joint Venture of Subsidiary		
TBK Deziner's Home Private Limited (Joint venture upto 24.06.2019)	—	50%
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	50%	50%
TBK P B Shah Tile Bath Kitchen Private Limited (Joint venture upto 21.03.2020)	—	50%
TBK Deepgiri Tile Bath Kitchen Private Limited	50%	50%
TBK Prathap Tile Bath Kitchen Private Limited	50%	50%
TBK Rathi Sales Agencies Private Limited (Joint venture upto 14.11.2019)	—	50%
TBK Florance Ceramics Private Limited	50%	50%
TBK Sanitary Sales Private Limited	50%	50%
TBK Krishna Tile Bath Kitchen Private Limited (Joint venture upto 21.06.2019)	—	50%
TBK Rishi Ceramics Private Limited (Joint venture upto 23.10.2019)	—	50%
TBK Aishwarya Tile Bath Kitchen Private Limited (Joint venture upto 24.10.2019)	—	50%
TBK Raj Kamal Tile Bath Kitchen Private Limited (Joint venture upto 24.06.2019)	—	50%
TBK Shree Ganesh Traders Private Limited (Joint venture upto 14.11.2019)	—	50%
TBK Home Trends Private Limited (Joint venture upto 19.10.2019)	—	50%
TBK Solan Ceramics Private Limited (Joint venture upto 23.08.2019)	—	50%

4.09 RELATED PARTY DISCLOSURES (Contd...)

Particulars	Ownership interest	
	As at March 31,	
	2020	2019
Associates		
Prism Power & Infrastructure Private Limited	49%	49%
CSE Solar Parks Satna Private Limited	27%	27%
Sunspring Solar Private Limited	27%	—

Companies in which Directors and/or their relatives have significant influence

Peninsula Estates Private Limited

Varahagiri Investments & Finance Private Limited

Others-Significant Influence

Countrywide Exports Private Limited

Key Management Personnel ('KMP')

Executive Directors

Mr. Vijay Aggarwal, Managing Director

Mr. Vivek K. Agnihotri, Executive Director & CEO - Cement

Mr. Sarat Chandak, Executive Director & CEO - HRJ *(w.e.f. March 03, 2019)*

Mr. Atul R. Desai, Executive Director & CEO - RMC

Mr. Joydeep Mukherjee, Executive Director & CEO - HRJ *(upto March 02, 2019)*

Non-executive Directors

Non-independent

Mr. Rajan B. Raheja, Director

Independent

Mr. Shobhan M. Thakore, Chairman

Ms. Ameeta A. Parpia, Director

Dr. Raveendra Chittoor, Director

₹ Crores

Name	Relationship	Nature of transaction	Amount of transaction in FY2019-20	Amount outstanding as on March 31, 2020 (Payable)/ Receivable	Amount of transaction in FY2018-19	Amount outstanding as on March 31, 2019 (Payable)/ Receivable
Peninsula Estates Private Limited	Companies in which Directors and/or their relatives have significant influence	Rent expense	0.15	—	0.14	
		Deposit given	—	0.03	—	0.03
Varahagiri Investments & Finance Private Limited	Companies in which Directors and/or their relatives have significant influence	Rent expense	0.60	—	0.58	
		Deposit given	—	0.11	—	0.11
CSE Solar Parks Satna Private Limited	Associate	Investment made	5.23	NA	0.27	NA
		Purchase	2.22	(0.29)	—	—
		Incentive paid	1.00	(0.70)	—	—
Sunspring Solar Private Limited	Associate	Investment made	1.48	NA	—	—
		Purchase	0.31	(0.27)	—	—
		Incentive paid	0.63	(0.63)	—	—

4.09 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

Name	Relationship	Nature of transaction	Amount of transaction in FY2019-20	Amount outstanding as on March 31, 2020 (Payable)/ Receivable	Amount of transaction in FY2018-19	Amount outstanding as on March 31, 2019 (Payable)/ Receivable
Payable to KMP on account of Managerial Remuneration		Refer table below (*)	17.50	(1.28)	19.80	(1.41)
Mr. Atul R. Desai	Executive Director & CEO - RMC	Deposit given	—	0.06	—	0.06
		Rent expense	0.13	—	0.13	—
H. & R. Johnson (India) TBK Limited	Subsidiary	Sales	23.82	0.21	20.41	2.29
		ICD given/ (repaid)	—	4.00	—	4.00
		Interest income	0.36	0.08	0.36	0.86
Silica Ceramica Private Limited	Subsidiary	Purchase and services	121.62	(7.88)	151.12	(25.98)
		Interest income	0.72	—	1.08	—
		Reimbursement of services received	2.15	—	1.95	—
		Commission income	1.12	—	0.33	—
		Purchase of assets	—	—	3.80	—
		Sales	2.48	(0.01)	0.28	—
		Rent expense	0.05	—	0.01	—
		Investment made	35.16	—	25.00	—
Milano Bathroom Fittings Private Limited	Subsidiary	Interest expense	0.40	—	0.21	
		Dividend income	0.02	—	0.04	—
		Buy back of shares	—	—	1.88	—
		Reimbursement of services received	0.45	—	0.46	—
Antique Marbonite Private Limited	Subsidiary	Purchase and services	234.80	(36.65)	260.58	(60.16)
Sanskar Ceramics Private Limited	Subsidiary	Purchase and services	82.79	(14.60)	103.17	(24.05)
		Reimbursement of Services paid	0.18	—	0.20	—
Small Johnson Floor Tiles Private Limited	Subsidiary	Investment Purchased	5.25	NA	—	—
		Interest income	1.26	—	1.03	—
Sentini Cermica Private Limited	Subsidiary	Buy back of shares	6.76	—	—	—
		Purchase and services	86.73	(16.66)	103.88	(19.40)

4.09 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

Name	Relationship	Nature of transaction	Amount of transaction in FY2019-20	Amount outstanding as on March 31, 2020 (Payable)/ Receivable	Amount of transaction in FY2018-19	Amount outstanding as on March 31, 2019 (Payable)/ Receivable
Spectrum Johnson Tiles Private Limited	Subsidiary	Purchase and services	96.19	(3.10)	97.97	(9.35)
		Interest income	1.61	—	1.16	—
		Reimbursement of Services paid	0.48	—	0.06	—
		Rent expense	0.04	—	0.04	—
TBK Florance Ceramics Private Limited	Joint Venture	Sales	12.39	0.32	11.08	1.31
		Selling and Distribution expenses	0.68	—	0.70	—
TBK Sanitary Sales Private Limited	Joint Venture of Subsidiary	Selling and Distribution expenses	0.99	—	0.27	—
TBK Rangoli Tile Bath Kitchen Private Limited	Step down Subsidiary	Rent income	0.03	—	0.03	—
TBK Rishi Ceramics Private Limited	Joint Venture of Subsidiary	Selling and Distribution expenses	0.55	—	0.44	—
TBK Rathi Sales Agencies Private Limited	Joint Venture of Subsidiary	Selling and Distribution expenses	0.55	—	0.02	—
TBK Deepgiri Tile Bath Kitchen Private Limited	Step down Subsidiary	Selling and Distribution expenses	0.42	—	0.23	—
Coral Gold Tiles Private Limited	Subsidiary	Reimbursement of Services paid	0.12	—	0.02	—
Countrywide Exports Private Limited	Significant influence	Rent expense	0.07	—	0.07	—
Raheja QBE General Insurance Company Limited	Subsidiary	Insurance premium	0.27	—	0.35	0.08
		Rent income	0.02	—	0.03	—
		Advance given	0.02	0.02	—	—
		Security deposit received	—	(0.02)	—	(0.02)

4.09 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

Name	Relationship	Nature of transaction	Amount of transaction in FY2019-20	Amount outstanding as on March 31, 2020 (Payable)/ Receivable	Amount of transaction in FY2018-19	Amount outstanding as on March 31, 2019 (Payable)/ Receivable
Others		Interest income/ (waived-off)	0.12	—	0.10	—
		Interest expense	#	—	#	—
		Purchase and services	182.14	(35.95)	195.21	(47.09)
		Sales	55.89	10.17	89.95	19.73
		Selling and Distribution expenses	0.93	—	1.60	—
		Reimbursement of services received	1.57	—	1.78	—
		Reimbursement of services paid	0.27	—	0.35	—
		Deposit received	—	—	0.01	—
		Rent expense	#	—	#	—
		Dividend income	#	—	#	—

Amount less than ₹ 50,000/-

Note : In addition to the above, the Company has extended aggregate loan of ₹ 46.15 Crores (Previous year : ₹ 46.15 Crores) to H. & R. Johnson (India) TBK Limited, out of which loan of ₹ 42.15 Crores (Previous year : ₹ 42.15 Crores) is interest free. The Company had invested in 0.01% Non-cumulative Optionally Convertible Preference Shares issued by Small Johnson Floor Tiles Private Limited aggregating to ₹ 4.00 Crores (Previous year : ₹ 4.00 Crores) and 1% Non-cumulative Redeemable Preference Shares issued by Milano Bathroom Fittings Private Limited aggregating to ₹ 2.00 Crores (Previous year : ₹ 2.00 Crores) . The Company has also given financial guarantee to commercial banks for ₹ 351.75 Crores (Previous year : ₹ 310.25 Crores) who have extended loans to Silica Ceramica Private Limited.

*** Compensation to KMP**

₹ Crores

Particulars	Amount of transaction in FY 2019-20	Amount of transaction in FY 2018-19
Short-term employee benefits	16.75	18.88
Post-employment benefits	—	—
Other long-term benefits	—	—
Commission to Independent Directors	0.45	0.68
Sitting Fees	0.30	0.24
Total Compensation to KMP	**17.50**	**19.80**

Notes :

a) As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to KMP is not ascertainable and therefore not included above.

b) The value of related party transaction & balances reported are based on actual transaction and without giving effect to notional Ind AS adjustment entries.

c) Transactions disclosed against 'Others' in the above table are those transactions with related party which are of the amount not in excess of 10% of the total related party transactions of the same nature.

4.10 SEGMENT INFORMATION

In accordance with Ind AS 108 on 'Operating segments' information has been given in the Consolidated Financial Statement of the Company and therefore no separate disclosure on segment information is given in the Standalone financial Statements.

4.11 GOVERNMENT GRANTS BY WAY OF TAX SUBSIDY/EXEMPTION SCHEMES :

a) As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme (2004), the second Cement Unit at Satna was entitled for subsidy at the rate of 75% of VAT/CST paid on sales till December 31, 2017, subject to prescribed limits. For the period July 1, 2017 to December 31, 2017, in absence of clarity, the Company had recognised subsidy under the scheme as a percentage of State Goods and Services Tax. In the previous year, Government of Madhya Pradesh had issued an order for extension of support under the GST regime and therefore, the differential subsidy of ₹ 2.89 Crores for the above period was recognised in the statement of profit and loss.

b) As per Industrial promotion policy 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT/CST paid on sales above the normal production capacity achieved. Subsidy recognised in the statement of profit and loss receivable for the year is ₹ 0.16 Crores (Previous year : ₹ 0.98 Crores).

c) As part of fiscal incentives to North East Region, the Ministry of Commerce & Industry had provided capital investment incentives under 'North East Industrial and Investment Promotion Policy (NEIIPP), 2007'. The RMC division of the Company had invested ₹ 1.56 Crores in plant and machinery in FY 2012-13 and lodged claim for capital subsidy. During the FY 2018-19, the Government had approved Company's claim against NEIIPP 2007 and sanctioned capital subsidy of ₹ 0.47 Crores. The Company had recognised this as unearned income, to be recognised in the statement of profit and loss over the balance useful life of the assets.

4.12 Details of Loans given, security provided and investment made during the year 2019-20 as per section 186 (4) of the Companies Act, 2013

₹ Crores

Nature of transaction	Name of the recipient	Amount of loan/security/ acquisition/guarantee		Interest Rate	Purpose of loan/security/ acquisition/ guarantee	Period
		2019-20	2018-19			
Security acquisition	Silica Ceramica Private Limited (unlisted) - Narayanpuram	35.16	25.00	—	Investment in Equity shares	—
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	105.00	—	—	Given to ICICI Bank Limited	For the period of loan
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	—	61.00	—	Given to Axis Trustees Services Limited	For the period of loan
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	27.50	—	—	Given to Aditya Birla Finance Limited	For the period of loan
Security acquisition	Sunspring Solar Private Limited (unlisted) - Mumbai	1.48	—	—	Investment in Equity shares	—
Security acquisition	CSE Solar Parks Satna Private Limited (unlisted) - Mumbai	5.23	0.27	—	Investment in Equity shares	—
Security acquisition	Sanskar Ceramics Private Limited (unlisted) - Rajkot	5.25	—	—	Investment in Equity shares	—

4.13 Disclosure under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ Crores

Name of Subsidiary	Amount outstanding		Maximum Balance outstanding during the Year	
	As at March 31,		As at March 31,	
	2020	2019	2020	2019
H. & R. Johnson (India) TBK Limited	46.15	46.15	46.15	46.15

4.14 CORPORATE SOCIAL RESPONSIBILITY

a) As per section 135 of the Companies Act, 2013, gross amount required to be spent by the Company during the year 2019-20 was ₹ 2.74 Crores (Previous year : ₹ 0.64 Crores).

b) Details of amount spent by the Company are as follows :

₹ Crores

Particulars	2019-20			2018-19		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	0.86	0.17	1.03	0.28	0.08	0.36
On purposes other than above	1.56	0.21	1.77	0.32	0.05	0.37
Total			**2.80**			**0.73**

4.15 PAYMENT TO STATUTORY AUDITORS

₹ Crores

Particulars	Year ended March 31,	
	2020	2019
For Statutory Audit	1.04	1.00
For Tax Audit	0.10	0.10
For Company law matters and Taxation Services	0.14	0.22
For Certification	0.01	0.01
For Reimbursement of Expenses	0.01	0.01
Total	**1.30**	**1.34**

4.16 Pursuant to Order of the Hon'ble Supreme Court dated September 24, 2014, Sial Ghogri Coal mine of the Company was de-allocated and put to auction by the Ministry of Coal through Nominated Authority. The Nominated Authority had determined compensation of ₹ 32.49 Crores for the said Coal Block as against expenses and book value of assets amounting to ₹ 47.58 Crores.

Till date, a sum of ₹ 32.34 Crores has been disbursed by the Nominated Authority. The Company had inter-alia disputed the quantum of compensation before the Hon'ble High Court of Judicature, Delhi. As per the directions of the said High Court, the Company had filed its claim for an additional compensation of ₹ 53.03 Crores before the Coal Tribunal at Singrauli, duly appointed under Coal Bearing Areas (Acquisition and Development) Act, 1957.

The Coal Tribunal however, has declined to entertain claim of the Company being of the view that the same has to be heard by the Nominated Authority. Aggrieved by the decision of the Coal Tribunal, the Company has filed an appeal before the High Court of Madhya Pradesh to restore the claim before the Coal Tribunal.

Pending final disposal of the matter, the Company has not recognised excess of compensation claimed over the book value as income as well as loss that may have to be incurred in the event compensation is denied. Accordingly, the balance amount appears under the head Other Financial Assets (note 2.05) and Freehold Land (note 2.01) ₹ 13.93 Crores and ₹ 1.31 Crores respectively. The Freehold Land continues to be in possession of the Company as it was not part of the vesting order. Based on the legal opinion, the Company has more than reasonable chances of succeeding in the matter.

4.17 Insurance claim of the year 2012 relating to collapse of blending silo and consequential damages was rejected by New India Assurance Co. Ltd. The Company had recognised a sum of ₹ 58.94 Crores as receivable. Against the rejection of the claim, the Company has filed a money suit against New India Assurance Company Limited for recovery of ₹ 150.27 Crores. The same is pending before the District Judge and Special Commercial Court at Rewa. The Company is pursuing arbitration proceedings with the party responsible for construction of blending silo for recovery of damages. Based on legal opinion and judicial precedents, the Company has more than reasonable chance of succeeding in the matter.

4.18 (a) In the course of normal business operation, the Company has settled certain receivables by acquiring residential and commercial properties. The process of disposing these properties is in progress. Impairment loss recognised in Statement of profit and loss under the head Other expenses to write down the value of such properties to its fair value is Nil (Previous year : ₹ 1.10 Crores). The reportable segment, in which the Non-Current Asset held for sale is presented, is RMC in accordance with Ind AS 108.

(b) In the year 2018-19, the Company has decided to discontinue its operations at its Cement packing unit and dispose off certain assets located there such as buildings, land, plant & machinery, etc. During the year, the Company has disposed of all assets other than land and building thereon. The Company is in the process of discussion with potential buyers and expects the same to be disposed off in near future. The reportable segment, in which the Non-current Asset held for sale is presented, is Cement in accordance with Ind AS 108.

4.19 The Board of Directors has approved the Composite Scheme of Arrangement and Amalgamation as under :

a. Demerger of retail/trading business undertakings of TBK Rangoli Tile Bath Kitchen Private Limited, TBK Venkataramiah Tile Bath Kitchen Private Limited and TBK Samiyaz Tile Bath Kitchen Private Limited, into its holding company H. & R. Johnson (India) TBK Limited ('HRJ TBK') and subsequent demerger of retail/trading business undertaking of HRJ TBK into the Company.

b. Subsequent amalgamation of Milano Bathroom Fittings Private Limited and Silica Ceramica Private Limited, with the Company. The application is pending before the NCLT, Hyderabad. The appointed date for the said scheme is April 1, 2018 and the accounting effect in the financial statements will be given once the Scheme is approved.

4.20 As per the directives of both the Central and State Governments in the wake of Covid-19 pandemic, the Company had suspended operations across various locations, which has adversely impacted the business. The Company has considered the possible effects that may result due to the lockdown announced consequent to outbreak of Covid-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity would be available as and when required to fund the business operations. A definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving. The Company is continuously monitoring material changes in such information and economic forecasts. The Company has started operating its manufacturing facilities and operations in a phased manner from the last week of April 2020.

4.21 The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company intends to opt for lower tax regime. No tax provision has been made for the year as the Company would be entitled to set-off brought forward losses and no tax would be required to be paid on book profits. The Company has recognised consequential impact by reversing deferred tax assets.

4.22 According to the information available with the management, on the basis of intimation received from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2020 as follows :

₹ Crores

Particulars		As at March 31,	
		2020	2019
a)	Principal amount due	13.70	8.09
b)	Interest due on above	—	—
c)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—
d)	Amount of interest due and payable for the period of delay	—	—
e)	Amount of interest accrued and remaining unpaid as at year end	—	—
f)	Amount of further remaining due and payable in the succeeding year	—	—

4.23 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

As per our report of even date
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place : Mumbai
Date : May 28, 2020

For and on behalf of the Board
Shobhan M. Thakore
(Chairman)

Vijay Aggarwal
(Managing Director)

Atul R. Desai
(Executive Director & CEO - RMC)

Manish Bhatia
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director & CEO - Cement)

Sarat Chandak
(Executive Director & CEO - HRJ)

Aneeta S. Kulkarni
(Company Secretary)