

# KANODIA CEMENT LIMITED ANNUAL REPORT 2021-2022

## Contact Info

📍 Registered Office: D-19 UPSIDC Land Industrial Area, Sikandrabad, Bulandshahr, UP- 203205.

📍 Corporate Office: A-21, Sector-16, Noida, Gautam Buddha Nagar, U.P- 201301.

☎ (0120) 4561670

CIN: U36912UP2009PLC037903

Email: [compliance@kanodiagroup.co.in](mailto:compliance@kanodiagroup.co.in)

## **NOTICE**

**SHORTER NOTICE** is hereby given that the **13<sup>th</sup> Annual General Meeting of Kanodia Cement Limited** will be held on **Friday, 30<sup>th</sup> September, 2022 at 04.00 P.M. (IST)** at its Registered Office of the company situated at D-19 UPSIDC Land Industrial Area, Sikandrabad, Bulandshahr, Uttar Pradesh – 203205, to transact the items of business mentioned below:

### **ORDINARY BUSINESS**

#### **ITEM NO. 1**

#### **Adoption of Audited Financial Statements of Company for F.Y 2021-22**

To receive, consider and adopt:

- the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with Reports of the Directors and the Auditors thereon.
- the Audited Consolidated Financial Statements for the financial year ended 31st March, 2022 and the Reports of Auditors' thereon.

#### **ITEM NO. 2**

#### **Re-appointment of Director liable to retire by rotation**

To re-appoint Mr. Manoj Kedia (DIN: 03526814) who retires by rotation as a director and, being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manoj Kedia (DIN: 03526814), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director of the company."

#### **ITEM NO. 3**

#### **Appointment of M/s. Singhi & Co., Chartered Accountants as Statutory Auditor of Company**

To appoint M/s. Singhi & Co., Chartered Accountants (FRN- 302049E) as Statutory Auditors of the Company to hold office for a period of 1 (One) consecutive financial year, from the conclusion of the 13th Annual General Meeting of the Company until the conclusion of the 14th

### **KANODIA CEMENT LIMITED**

CIN -U36912UP2009PLC037903

Registered Office: D-19, UPSIDC Land Industrial Area, Sikandrabad, Bulandshahr, Uttar Pradesh - 203205

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Email: [compliance@kanodiagroup.co.in](mailto:compliance@kanodiagroup.co.in) | Contact Details: 0120-4561670 | Website: [www.kanodiacement.co.in](http://www.kanodiacement.co.in)

Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Singhi & Co. Chartered Accountants, (Firm Registration No.: 140190W) be and are hereby appointed as Statutory Auditor of the Company, (Firm Registration No. 108069W), to hold the office from the conclusion of the 13th Annual General Meeting until the conclusion of the 14th Annual General Meeting of the Company to be held in the year 2023 at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the Board of Directors of the Company and the Auditors.

BY ORDER OF THE BOARD OF DIRECTORS  
KANODIA CEMENT LIMITED

  
VISHAL KANODIA  
(CHAIRMAN & MANAGING DIRECTOR)  
DIN- 00946204

PLACE: NOIDA  
DATED: 29/09/2022



## NOTES:

(i) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business (if any) to be transacted at this Annual General Meeting ('AGM'), is annexed;

(ii) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting, Attendance Slip, Proxy Form & Route Map are being annexed to this Notice;

(iii) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder;

(iv) Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorising their representatives to attend this AGM, pursuant to Section 113 of the Act, through e-mail at [compliance@kanodiagroup.co.in](mailto:compliance@kanodiagroup.co.in);

(v) In view of the prevailing circumstances due to the COVID-19 pandemic, and also in conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2021 are being sent through electronic mode also to those Members who have registered their e-mail addresses with the Company or with the Depositories;

(vi) Members who hold shares in the certificate form or who have not registered their e-mail addresses with the Company and wish to receive the AGM Notice and the Report and Accounts 2021, or participate in the AGM are required to register their e-mail addresses with the Company's. Alternatively, Members may send a letter requesting for registration of their e-mail addresses, mentioning their name and DP ID & Client ID / folio number, by post to A-21 Sector-16, Noida, UP- 201301, or scanned copy thereof through e-mail at [compliance@kanodiagroup.co.in](mailto:compliance@kanodiagroup.co.in);

(vii) Members who would like to express their views or ask questions with respect to the agenda items of the meeting or accounts of the company will be required to register themselves as speaker by sending e-mail to the Director & Company Secretary at [compliance@kanodiagroup.co.in](mailto:compliance@kanodiagroup.co.in) from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number;

(viii) The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act and other relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open



for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting;

BY ORDER OF THE BOARD OF DIRECTORS  
KANODIA CEMENT LIMITED



VISHAL KANODIA  
CHAIRMAN & MANAGING DIRECTOR  
DIN- 00946204

PLACE: NOIDA  
DATED: 29/09/2022

**ANNEXTURE TO THE AGM NOTICE**

Information Regarding Appointment/Re-appointment of a Director:

Name of the Director	Mr. Manoj Kedia
DIN	03526814
Date of Birth	01/10/1982
Date of Appointment	01/01/2020
Qualification	High School passed
Directorship of other Limited Co as on 31.03.2022	01
Chairman/Member of Committees of other Limited company as on 31.03.2022	Nil
Shareholding	Nil

## **BOARD REPORT**

**Dear Members,**

Your Directors have immense pleasure in presenting the **13<sup>th</sup> Annual Report** on the affairs of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 ("year under review").

**1) FINANCIAL RESULTS/SUMMARY**

The Financials Results of the Company for the year April 01, 2021 to March 31, 2022 are given below:

PARTICULARS	2021-22		2020-21	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	31,075.77	48,863.78	19,533.61	-
Other Income	200.70	290.04	37.25	-
<b>Total Revenue</b>	<b>31276.47</b>	<b>49,153.82</b>	<b>19,570.86</b>	<b>-</b>
Less: Expenses	29,379.94	43,470.81	19184.45	-
<b>Profit before Exceptional, Extraordinary Items &amp; Taxation</b>	<b>1,896.53</b>	<b>5,683.01</b>	<b>386.42</b>	<b>-</b>
Extraordinary Items	110	110	-	-
<b>Profit Before Tax</b>	<b>1786.53</b>	<b>5,573.01</b>	<b>386.42</b>	<b>-</b>
Less: Current tax	514.47	1407.22	64.78	-
Deferred Tax (Liability)/ Asset	277.53	1,149.08	51.57	-
MAT Credit	-	-	(16.48)	-
<b>Profit (Loss) for the year</b>	<b>994.52</b>	<b>1,997.92</b>	<b>286.55</b>	<b>-</b>

**2) PERFORMANCE REVIEW**

Your Company is primarily engaged in the business of grinding and manufacturing of Cement.

The Company is in the midst of expansion and your Directors are of a strong belief that future plans of the Company will improve and will enhance the present position of growth rate of the Company.

During the year, revenue from operations for the Financial Year 2021-22 is Rs. 31075.77/- (In Lakhs) which is more as compared to the previous year which was Rs. 19533.61/- (In Lakhs) Profit before Tax (PBT) for the financial year 2021-22 is amounted to Rs. 1786.53/- (In Lakhs) as compared to Rs. 386.42/- (In Lakhs) in the year 2020-21. Profit after Tax (PAT) for the



year 2021-22 is Rs.994.52 /- (In Lakhs) whereas it was profit of Rs.286.55/- (In Lakhs) for the year 2020-21.

There were no any changes in the nature of business of the company during the year under review.

### **3) SHARE CAPITAL OF THE COMPANY**

As on 01<sup>st</sup> April, 2021, the Authorised Share Capital of the Company was Rs 84,96,66,100 (Rupees Eighty Four Crores Ninety Six Lakhs Sixty Six Thousand One Hundred Only) divided into 84,96,661 (Eighty Four Lakh Ninety Six Thousand Six Hundred sixty one only) Equity Shares of Rs. 100/- (Rupee Hundred) each and the Paid-up Share Capital of the Company was Rs. 74,56,96,500 (Rupees Seventy Four Crores Fifty Six Lakhs Ninety Six Thousand Five Hundred Only) divided into 74,56,965 (Seventy Four Lakhs Fifty Six Thousand Nine Hundred sixty five only) Equity Shares of Rs. 100/- (Rupees Hundred) each.

However, during the year under, the face value of Equity shares of Company were splitted from Rs.100/- to Rs. 10/- w.e.f 12<sup>th</sup> March, 2022. Thus, increasing the number of shares authorised/allotted by the company.

Accordingly, the Authorised Share Capital of the Company was Rs 84,96,66,100 (Rupees Eighty Four Crores Ninety Six Lakhs Sixty Six Thousand One Hundred Only) divided into 8,49,66,610 (Eight Crore Forty Nine Lakhs Sixty Six Thousand Six Hundred ten only) Equity Shares of Rs. 10/- (Rupee Ten) each and the Paid-up Share Capital of the Company was Rs. 74,56,96,500 (Rupees Seventy Four Crores Fifty Six Lakhs Ninety Six Thousand Five Hundred Only) divided into 7,45,69,650 (Seven Crore Forty Five Lakhs Sixty Nine Thousand Six Hundred fifty only) Equity Shares of Rs. 10/- (Rupees Ten) each, as on 31<sup>st</sup> March 2022.

### **4) TRANSFER TO RESERVES**

During the Financial Year ended 31st March 2022, no amount has been transferred to General Reserves of the Company.

### **5) MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates to the date of this report.

### **6) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE.**

There were no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations.

### **7) DIVIDEND**

Since your Company is rapidly making efforts for its overall growth & expansion. Towards attainment of this goal, your Company is incurring capital expenditure on an on-going basis for

up gradation of its existing facilities. The internal accruals are ploughed back to partly fund the ongoing expansion and investment projects.

In view of this, the Directors do not recommend any dividend for the financial year under review and do not propose to carry any amount to reserves.

**8) REGISTRAR AND TRANSFER AGENT OF THE COMPANY**

During the year under review, M/s Orbis Financial Corporation Limited having its office at 4A, Octus Technopolis, Golf Course Road, Sector- 54, Gurugram, Haryana-122002, was the Registrar & Transfer Agent (RTA) of Company.

However, the Company has changed its Registrar & Transfer Agent (RTA) from M/s Orbis Financial Corporation Limited to M/s Link Intime India Private Limited, from the end of financial year to the date of this report.

**9) WEBSITE OF COMPANY:**

The Company has maintained a functional website viz- "[www.kanodiacement.co.in](http://www.kanodiacement.co.in)" containing basic information about the Company. The website of the Company is containing information like Policies, Financial information and other information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

**10) WEBLINK OF ANNUAL RETURNS**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, the Annual Return of the Company for the financial year 2021-22 is placed on the website of the Company and may be accessed on the Company's website at [www.kanodiacement.co.in](http://www.kanodiacement.co.in).

**11) CHANGE IN THE NATURE OF BUSINESS & MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE BOARD REPORT**

During the year under review, Company has adopted New Set of Memorandum and Article of Association as per the provisions of Companies Act 2013 and has also made addition/modification to the existing Object Clauses of Memorandum of Association of Company.

Apart from this, there is no change in the nature of business & material changes between the end of financial year and date of the board report.

**12) DEPOSITS**

During the year under review, your Company has neither accepted any deposit nor there were any amounts outstanding at the beginning of the year which were classified as Deposits as per the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Further, there were no remaining unclaimed deposits as on 31<sup>st</sup> March, 2022.



**13) DETAILS OF SUBSIDIARY COMPANY/JOINT VENTURE COMPANY/ AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY**

A separate statement containing the salient features of financial statements of all subsidiaries of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. Your Company has Two Subsidiary Companies as on March 31, 2022. Further the Report on the performance and financial position of each the subsidiary company and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this Report as **Annexure-I**.

CIN	NAME OF COMPANIES	RELATIONSHIP	% of HOLDING
U74900UP2010PLC 039750	Kanodia Infratech Limited	Subsidiary	99%
U26999UP2019PTC 122527	Kanodia Cem Private Limited	Subsidiary	99%

Further, Kanodia Infratech Limited & Kanodia Cem Private Limited have become the wholly owned Subsidiary Companies of your company on 1<sup>st</sup> July 2022.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statement and related information of the Company and the audited accounts of each of its subsidiaries, is available on the website of Company at [www.kanodiacement.co.in](http://www.kanodiacement.co.in).

**14) ADEQUACY OF INTERNAL FINANCIAL CONTROL**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. In this regard, the Board has also adopted such policies and procedures including Internal Control System for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.

**15) COMPOSITION OF BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP) AND CHANGES AMONG THEM DURING THE YEAR UNDER REVIEW**

***Directors:***

As on 31st March, 2022, following directors were on the Board of the Company:

S. No.	Name of Director(s)	DIN	Designation
1.	Mr. Vishal Kanodia	00946204	Chairman & Managing Director
2.	Mr. Saurabh Lohia	03087080	Executive Director
3.	Mr. Manoj Kedia	03526814	Executive Director

4.	Mr. Sanjay Banthia	08120707	Non-Executive Independent Director
5	Mrs. Anju Kumari	08487746	Non-Executive Independent Women Director
6	Mr. Santosh Ramanuj	09545839	Non-Executive Independent Director

During the year under review, Mr. Sandeep Kumar Khemka (DIN: 07494797) and Mr. Santosh Kumar (DIN: 07185571) resigned from the post of Independent director(s) of Company wef 03<sup>rd</sup> March 2022 and Mr. Sanjay Banthia (DIN: 08120707), Mr. Santosh Ramanuj (DIN: 09545839) & Ms. Anju Kumari (DIN: 08487746) were appointed as Non-Executive Independent Director(s) in the Extra-ordinary General Meeting held on 12<sup>th</sup> March 2022 to fill the vacancy so aroused on the Board.

Further, in accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Manoj Kedia (DIN: 03526814) retires by rotation at the ensuing Annual General Meeting of Company. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Board of Directors recommends his re-appointment on the Board.

There being no other change apart from mentioned above from the end of financial year to the date of notice.

#### **Key Managerial Personnel:**

In accordance with Section 203 of the Companies Act, 2013, the Company, on its Board has following as KMP of the Company as on 31<sup>st</sup> March, 2022.

S. No.	Name of Director(s)	DIN/PAN	Designation
1.	Mr. Vishal Kanodia	00946204	Chairman & Managing Director
2.	Mr. Abhishek Saxena	BSFPS7560D	Company Secretary & Compliance Officer
3.	Mr. Anup Kumar Singh	LFBPS9068H	Chief Financial Officer

There was no change in the KMPs of the Company during the year under review.

However, Mr. Abhishek Saxena resigned from the post of Company Secretary & Compliance Officer of Company on 30/06/2022 and Mrs. Shikha Mehra Chawla (PAN: CMOPM0152P) was appointed at his place on 30/06/2022, upon per the recommendation of Nomination & Remuneration Committee (NRC).

There being no other change apart from mentioned above from the end of financial year to the date of notice.

#### **16) NUMBER OF MEETINGS OF THE BOARD**



The Board meets at regular intervals to discuss and decide on Company business policies and strategy apart from other Board business.

However, in case of a special and urgent business need, the Board's approval is taken by passing resolution through circulation, as permitted by law, which are confirmed in the subsequent Board Meeting.

During the year under review, Board met 24 times viz:

<b>S.No</b>	<b>Date of Board Meeting</b>
1	02.04.2021
2	26.04.2021
3	29.04.2021
4	04.05.2021
5	20.05.2021
6	12.06.2021
7	01.07.2021
8	26.07.2021
9	03.08.2021
10	03.09.2021
11	06.09.2021
12	10.09.2021
13	17.09.2021
14	25.09.2021
15	07.10.2021
16	08.11.2021
17	11.11.2021
18	18.12.2021
19	20.01.2022
20	01.02.2022
21	02.02.2022
22	02.03.2022
23	04.03.2022

24	10.03.2022
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The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

<b>Name of Director</b>	Mr. Vishal Kanodia	Mr. Saurabh Lohia	Mr. Manoj Kedia	Mr. Santosh Kumar (till 03/03/2022)	Mr. Sandeep Kumar Khemka (till 03/03/2022)	Mr. Sanjay Banthia (since 12/03/2022)	Mr. Santosh Ramanuj (since 12/03/2022)	Ms. Anju Kumari (since 12/03/2022)
<b>No. of Board Meeting eligible to attend</b>	24	24	24	23	23	-	-	-
<b>No. of Board Meeting attended</b>	24	24	24	23	23	-	-	-
<b>Presence at the previous AGM</b>	Yes	Yes	Yes	Yes	Yes	-	-	-

#### 17) GENERAL MEETING OF COMPANY

12th Annual General Meeting (AGM) of Company for F.Y 2020-21 was held on 30<sup>th</sup> November 2021.

Further, the Company has convened 07 Extra-ordinary General meetings (EGM) in FY 2021-22 on following mentioned dates as:

<b>S. No</b>	<b>Date of EGM</b>
1	28.04.2021
2	01.05.2021
3	17.05.2021
4	14.09.2021
5.	28.09.2021



6.	02.03.2022
7.	12.03.2022

#### 18) COMMITTEES OF THE BOARD

The Committees of our Board include the following committees constituted in accordance with the Companies Act, 2013:

##### (a) Audit Committee

The composition of the Committee and number of meetings attended by the Members during the financial year 2021-22 are given below:

Name of the Director	Designation	Meetings held during FY 2021-22	Number of meetings attended
Mr. Sandeep Kumar Khemka	Chairman	4	4
Mr. Santosh Kumar	Member	4	4
Mr. Vishal Kanodia	Member	4	4

Mr. Abhishek Saxena, Company Secretary & Compliance officer of Company acted as the Secretary of the Committee.

During F.Y 2021-22, members of Audit Committee met 04 times on 07/04/2021, 15/07/2021, 09/11/2021 and 24/02/2022.

However, the Audit Committee was re-constituted from the end of financial year to the date of report by the way of resolution passed by circulation on 23<sup>rd</sup> May 2022.

##### Functions of Audit Committee:

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity and review & monitor the auditor's independence, performance and effectiveness of audit process;
- 3) reviewing with the management, the half yearly & annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;

- c) major accounting entries involving estimates based on the exercise of judgment by management & significant adjustments made in the financial statements arising out of audit findings and modified opinion(s) in the draft audit report;
  - d) compliance with listing and other legal requirements relating to financial statements;
  - e) disclosure of any related party transactions & approval or any subsequent modification of transactions of the listed entity with related parties;
- 4) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - 5) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - 6) scrutiny of inter-corporate loans and investments and evaluation of risk management systems and valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - 7) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal audit functions, internal control systems, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 8) discussion with internal auditors of any significant findings and follow up there on;
  - 9) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - 10) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 11) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 12) to review the functioning of the whistle blower mechanism;
  - 13) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - 14) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**Powers of Committee:**

The Audit Committee shall be authorised to investigate any matter in relation to above term of reference and shall have power to:

1. To seek information from any employee.
2. To obtain outside legal or other professional advice.
3. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **(b) Nomination & Remuneration Committee**

The present composition of the Committee and number of meetings attended by the Members during the year are given below:

<b>Name of the Director</b>	<b>Designation</b>	<b>Meetings held during FY 2021-22/ Tenure of members</b>	<b>Number of meetings attended</b>
Mr. Sandeep Kumar Khemka	Chairman	4	4
Mr. Santosh Kumar	Member	4	4
Mr. Manoj Kedia	Member	4	4

Mr. Abhishek Saxena, Company Secretary & Compliance officer of Company acted as the Secretary of the Committee.

During F.Y 2021-22, members of Nomination & Remuneration Committee met 04 times on 08/04/2021, 11/11/2021, 01/02/2022 and 23/02/2022.

However, the Nomination & Remuneration Committee was re-constituted from the end of financial year to the date of report by the way of resolution passed by circulation on 23<sup>rd</sup> May 2022.

#### **Functions of Nomination & Remuneration Committee:**

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

### **19) ANNUAL RETURN**

In accordance with the provisions of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022 in the prescribed form is available on the website of the Company at [www.kanodiacement.co.in](http://www.kanodiacement.co.in).

### **20) REMUNERATION OF DIRECTOR**

The details of remuneration paid during the financial year 2021-22 to Directors & KMPs of the Company is provided in the financial statement of the Company & is also published in Annual return of Company.



## 21) FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The financial statements of the company have been prepared in terms of provisions of the Companies Act, 2013 by following the applicable Accounting Standards notified by the Ministry of Corporate Affairs and forms part of this annual report along with the auditor's report.

The Auditor's Report to the shareholders does not contain any qualification, reservation or adverse remark

## 22) AUDITORS

### A. STATUTORY AUDITORS

M/s Dwivedi Gupta & Co, Chartered Accountants were appointed as Statutory Auditors of Company at the 11<sup>th</sup> Annual General Meeting of Company for a period of 3 years, i.e. until the conclusion of 13<sup>th</sup> Annual General Meeting of Company. However, they rendered their resignation from the designation of Statutory Auditor on 29<sup>th</sup> July 2022.

Therefore, after conducting a detailed evaluation and based on the recommendation of Audit Committee, the Board approved the proposal of Audit committee for appointment of a Peer Review Firm M/s Singhi & Co., Chartered Accountants, (Firm Registration No. - 302049E) as Statutory auditors of the Company for F.Y 2021-22, to fill the casual vacancy so aroused, on such terms and conditions and remuneration as may be decided by the Board of directors.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory. There are no qualifications or reservations, or adverse remarks or disclaimers given by Statutory Auditors of the Company and therefore do not call for any comments under Section 134 of the Act. The Auditors' Report is enclosed with the financial statements in this Annual Report.

### B. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, upon the recommendation of Audit Committee, has appointed M/s Arun Singh & Associates, Company Secretaries, a firm of Company Secretaries in Practice, to conduct Secretarial Audit of the Company for F.Y 2021-22.

The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2022 is enclosed as Annexure-II to this Report.

### C. INTERNAL AUDITORS

In accordance with the provisions of Section 138 of the Companies Act, 2013 and Rules framed thereunder & on the recommendation of Audit Committee, your Company has appointed M/s. K. Venkatachalam Aiyer & Co., Chartered Accountants, as the Internal Auditors of the Company for Financial year 2021-22 and takes their suggestions and recommendations to improve and strengthen the internal control systems.

#### **D. COST AUDITORS**

Pursuant to Section 148(1) of the Companies Act, 2013, cost accounts and records are duly Compiled and maintained by the Company. During the financial year under review, the Board of Directors, per the recommendation of the Audit Committee, appointed M/s Yogendra & Associates, Cost Accountants ("Cost Auditors") to audit the cost records of the Company for the financial year 2021-22. However, the Board, on the recommendation of the Audit Committee, re-appointed the Cost Auditors for the financial year 2022-23 in its meeting held on 30th June 2022.

#### **23) COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with all the applicable Secretarial Standards in the Financial Year 2021-22.

#### **24) INSURANCE**

Adequate insurance cover has been taken for the properties of the company.

#### **25) DISCLOSURE OF FRAUDS AGAINST THE COMPANY**

In terms of the provisions of Section 134(3) (ca) of the Companies Act, 2013, there were no fraud committed against the Company which are reportable frauds under Section 141 of Companies Act, 2013 given by the Auditors to the Central Government as well as non-reportable frauds during the year 2021-22.

#### **26) DECLARATION BY INDEPENDENT DIRECTORS**

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has three Independent Directors in line with the Companies Act, 2013. The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

As determined by the Board, the Independent Directors of the Company have complied with the Code of Independent Directors as prescribed by Schedule IV of the Companies Act, 2013. In the opinion of the Board, the Independent Directors possess immense experience and expertise to effectively contribute to and guide the Company. The Independent Directors are duly registered with the Indian Institute of Corporate Affairs as required.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transaction with the Company, other than payment of sitting fees.

During the year, a separate meeting of the Independent Directors of the Company was held on February 25, 2022.

#### **27) DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:



- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 2022, and of the profit of the Company for that period;
- we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- we have prepared the annual accounts on a going concern basis;
- we have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

## 28) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors/Board/ Committees was carried out and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and on self-evaluation basis.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

A separate meeting of the Independent directors ("Annual Independent Directors meeting") was convened, which reviewed the performance of the Board (as a whole), the Non-Independent directors and the Chairman. After convening the Annual Independent director meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board Chairman.

## 29) NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, formulated criteria for Determining, Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy is available on the company's website. *link*.



### 30) RISK MANAGEMENT POLICY

The Company has laid down the procedures to inform Board Members about risk assessment and minimization procedures. The Board of Directors of the Company has also framed risk management policy which is adopted across all the departments of the Company in an inclusive manner.

The aim of this policy is not to eliminate risks, rather to manage the risks involved in the Company activities to maximize opportunities and minimize adversity by considering the following:-

- Identification of risk, define ownership with clearly defined roles and responsibilities;
- Balance between the cost of managing risk and the anticipated benefits;
- Contributing to more efficient use/allocation of capital and resources;
- To encourage and promote an pro-active approach towards risk management;
- Identifying any unmitigated risks and formulating action plans for its treatment through regular review.

### 31) PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE & GUARANTEES GIVEN

Complete details of loan(s) given, investment(s) made & Guarantees given along with the purpose are provided in the financial statement.

### 32) RELATED PARTY TRANSACTIONS

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 & rules made thereunder, the Board has approved a policy on related party transactions. Policy on related party transactions has been placed on the Company's website.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in **Form AOC-2** is provided as **Annexure-III** to this Report.

### 33) TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### 34) COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178 OF THE COMPANIES ACT, 2013

The Company, upon recommendation of Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their

remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. The policy covering these requirements available on website of the company accessible at [www.kanodiacement.co.in](http://www.kanodiacement.co.in).

Further, information about elements of remuneration package of individual directors is provided in Annual Return of Company.

### **35) VIGIL MECHANISM**

The Company has established a Vigil Mechanism cum Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Policy.

During the year under review, no such instances has been reported under unethical and prohibited context. Vigil Mechanism Policy is placed on the website of the Company, accessible at [www.kanodiacement.co.in](http://www.kanodiacement.co.in).

### **36) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION, FOREIGN EXCHANGE EARNING AND OUTGO**

Conservation of energy is of utmost significance to the Company. Constant efforts are made to ensure optimum use of energy by energy efficient computers/laptops, processes and other office equipment, regular maintenance and up keeping of existing electrical equipments to minimize breakdowns and loss of energy. Further, the company has taken all the relevant measures for conservation of energy, utilization of alternate source of energy & for capital investment on energy conservation equipments.

Further, Company has no Foreign exchange earnings and outgo during the year under review.

### **37) HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS**

The Company believes that the development of employees is one of the most important enablers for an organization. This is being done at both individual and team levels. Sustained development of its employees, both professional and personal, is the hallmark of human resource policies. The Company value its Human Resources and is committed to ensure employee satisfaction, development and growth.

The Company is working towards developing a culture of nurturing leaders, encouraging creativity and openness. Cordial industrial relations and improvements in productivity were maintained at all of the Company's Offices during the year under review.

### **38) ENVIRONMENT, HEALTH AND SAFETY PROTECTION**

Company's Health and Safety Policy commits to comply with applicable legal and other requirements concerned to occupational Health, Safety and Environment matters. Your Company has due system for environmental issues, health and safety issues concerned with the employees and the same is reviewed at regular intervals.



### 39) DISCLOSURE REQUIREMENTS

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules 2014 and other applicable provisions of the act to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act;
- b) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- d) Annual Report and other compliances on Corporate Social Responsibility;
- e) There is no revision in the Board Report or Financial Statement;
- f) Application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016
- g) One time settlement of loan obtained from the Banks or Financial Institutions.
- h) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### 40) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. However, no complaint was received during the year under review.

### 41) ACKNOWLEDGEMENT

Your Directors wishes to place on record its thanks and gratitude to the shareholders, dealers, customers, Central and State Government Departments, Organizations, Agencies and other business partners for their continued trust and co-operation extended by them. Your Directors further takes this opportunity to express its sincere appreciation for all the efforts put in by the employees of the Company at all levels in achieving the results and hope that they would continue their sincere and dedicated endeavour towards attainment of better working results during the current year.

For and on behalf of the Board  
KANODIA CEMENT LIMITED

*Vishal Kanodia*

Vishal Kanodia  
(Chairman & Managing Director)  
DIN: 00946204  
Address: APH-3, Aditya Mega City,  
Indirapuram, Ghaziabad, UP-201014



*Manoj Kedia*

Manoj Kedia  
Director  
DIN: 03526814  
Address: 421, Khatriwara 3  
Sikandrabad, Bulandshahr  
Uttar Pradesh-203205



## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part A - Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S.NO	PARTICULARS	1	2
1.	Name of the subsidiary	KANODIA INFRATECH LIMITED	KANODIA CEM PRIVATE LIMITED
2.	The date since when subsidiary was acquired	29/09/2021	04/05/2021
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A	N.A
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees (INR)	Indian Rupees (INR)
5.	Share Capital	14,12,50,700	15,00,000
6.	Reserves and Surplus	58,23,31,000	(6,14,000)
7.	Total Assets	1,61,26,38,000	2,03,47,48,000
8.	Total Liabilities	88,90,56,000	2,03,38,63,000
9.	Investments	NIL	NIL
10.	Turnover	1,82,23,37,000	NIL
11.	Profit before Taxation	38,08,71,000	(6,70,000)
12.	Provision for Taxation	892,75,000	NIL
13.	Profit after taxation	20,44,43,000	(6,70,000)
14.	Proposed Dividend	NIL	NIL
15.	Extent of shareholding (in percentage)	99%	99%

**Part B - Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates or Joint Ventures</b>	<b>NOT APPLICABLE</b>
<b>1. Latest audited Balance Sheet Date</b>	-
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	-
<b>3. Shares of Associate or Joint Ventures held by the company on the year end</b>	-
<b>No.</b>	-
<b>Amount of Investment in Associates or Joint Venture</b>	-
<b>Extent of Holding (in percentage)</b>	-
<b>4. Description of how there is significant influence</b>	-
<b>5. Reason why the associate/joint venture is not consolidated</b>	-
<b>6. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	-
<b>7. Profit or Loss for the year</b>	-
<b>i. Considered in Consolidation</b>	-
<b>ii. Not Considered in Consolidation</b>	-

1. Names of associates or joint ventures which are yet to commence operations. N.A
2. Names of associates or joint ventures which have been liquidated or sold during the year. N.A

For and on behalf of the Board

*Vishal Kanodia*  
**Vishal Kanodia**  
(Chairman & Managing  
Director)  
[DIN: 00946204]



*Manoj Kedia*  
**Manoj Kedia**  
(Director)

[DIN: 03526814]

Place: Noida  
Date: 29.09.2022

*Anup Singh*  
**Anup Kumar Singh**  
(Chief Financial Officer)  
[PAN: LFBPS9068H]

*Shikha M Chawla*  
**Shikha M Chawla**  
(Company Secretary)  
[M.No: A34986]



**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the Related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

<b>S.No</b>	<b>Name (s) of the related party &amp; nature of relationship</b>	<b>Nature of contracts/arrangements/transaction</b>	<b>Duration of the contracts/arrangements/transaction</b>	<b>Salient terms of the contracts or arrangements or transaction including the value, if any</b>	<b>Date of approval by the Board</b>	<b>Amount paid as advances, if any</b>

1.	M/s. Kanodia Infratech Limited Relationship: Subsidiary Company	Sale & purchase of goods, Loan Received	In ordinary course of business	As mutually agreed by the parties	N.A.	NIL
2.	M/s. Kanodia Cem Private Limited Relationship: Subsidiary Company	Supply of goods & services	In ordinary course of business	As mutually agreed by the parties	N.A.	NIL
3.	M/s. Sapnasudhansh Infosystem Private Limited Relationship: Significant influence of the promoter	Rent Paid	In ordinary course of business	As mutually agreed by the parties	N.A.	NIL
4.	Khushboo Kanodia	Rent Paid	In ordinary course of business	As mutually agreed by the parties	N.A.	NIL

For and on behalf of the Board  
KANODIA CEMENT LIMITED

Vishal Kanodia

Vishal Kanodia  
(Chairman & Managing Director)  
DIN: 00946204  
Address: APH-3, Aditya Mega City,  
Indirapuram, Ghaziabad, UP-201014



Manoj Kedia

Manoj Kedia  
Director  
DIN: 03526814  
Address: 421, Khatriwara 3  
Sikandrabad, Bulandshahr  
Uttar Pradesh-203205

Place: Noida  
Date: 29.09.2022

Form No-MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED AS ON MARCH 31,2022**

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

**To,  
The Members,  
KANODIA CEMENT LIMITED**

D-19, UPSIDC Land Industrial Area,  
Sikandrabad, Bulandshahr,  
Uttar Pradesh – 203205

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Kanodia Cement Limited**" (CIN-**U36912UP2009PLC037903**) (hereinafter called the "**Company**") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification, Kanodia Cement Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made there under, as amended from time to time.

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under. **Not Applicable to the Company during the Period under the Review**
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws are framed there under.



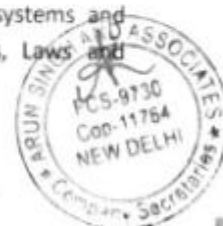


- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **Not Applicable to the Company during the Period under the Review;**
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **Not Applicable to the Company during the Period under the Review;**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the securities and exchange board of India (Prohibition of Insider Trading) Regulation, 2016 **Not Applicable to the Company during the Period under the Review;**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **Not Applicable to the Company during the Period under the Review;**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **Not Applicable to the Company during the period under the review;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 . **Not Applicable to the Company during the period under the review;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **Not Applicable as the Company as it is not registered as Registrar and Transfer Agents with SEBI;**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **Not Applicable to the Company during Period under the review; and**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **Not Applicable to the Company during the Audit Period;**

The management has identified and complied with the following laws applicable specifically to the Company:

- (1) Cement (Quality Control) Order 2003
- (2) Bureau of Indian Standards Rules, 1987

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company as provided in **Annexure I.**



We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Meetings of The Board of Directors (SS-1) and General Meetings (SS-2).
- b) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into by the company with BSE Limited and/or NSE Limited. **Not Applicable to the Company during the Period under the Review;**

**We further report that**

The compliances by the company of applicable financial laws such as Direct and Indirect Tax Laws, has not been reviewed in this audit since the same has been subject to review of statutory financial auditor and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

FOR ARUN SINGH & ASSOCIATES

COMPANY SECRETARIES

CS Arun Kumar Singh

FCS-9730

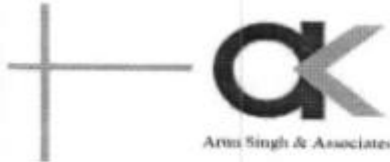
COP-11764

UDIN: F009730D000969018



DATE:14/09/2022

PLACE: New Delhi



**Arun Singh & Associates**

Company Secretaries

To,  
The Members,  
**KANODIA CEMENT LIMITED**  
D-19, UPSIDC Land Industrial Area,  
Sikandrabad, Bulandshahr,  
Uttar Pradesh - 203205

This report is to be read with my letter of even date which is annexed as Annexure-II and forms an integral part of this report.

**Annexure I**

Major General Acts, Laws and Regulations as applicable to the Company

1. Factories Act, 1948
2. Direct and Indirect Tax Laws
3. Laws relating to Employees, Contract Labour, Child Labour, Wages, Gratuity, Provident Fund, Bonus, Compensation, Employees State Insurance etc.
4. Environment Protection Laws
5. Laws relating to prevention and control of Pollution.
6. Laws relating to Trade Marks, Copyright, Design etc.





**Annexure- II**

To,  
The Members,  
KANODIA CEMENT LIMITED  
D-19, UPSIDC Land Industrial Area,  
Sikandrabad, Bulandshahr,  
Uttar Pradesh - 203205

**Our report of even date is to be read along with this letter:**

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have tried to verify the physical records, to the extent possible, for the period under review in order to verify the compliances, however, reliance was also placed on electronic records for verification.

**DATE:14/09/2022**

**PLACE: New Delhi**

**FOR ARUN SINGH & ASSOCIATES**

**COMPANY SECRETARIES**

CS Arun Kumar Singh  
FCS-9730  
COP-11764

**UDIN: F009730D000969018**



## INDEPENDENT AUDITOR'S REPORT

To the Members of Kanodia Cement Limited

### Report on the Audit of the standalone financial statements

#### Opinion

We have audited the accompanying standalone financial statements of Kanodia Cement Limited ("the Company"), which comprise the Standalone Balance sheet as at March 31 2022, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## **Other Matter**

The standalone financial statements for the year ended March 31, 2021, included in the accompanying financial statements have been audited by predecessor auditor whose audit report dated November 11, 2021 expressed unmodified opinion. Our opinion is not modified in respect of this matter.

## **Responsibilities of Management for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the standalone financial statements**

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



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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion and according to the information and explanations given to us, the managerial remuneration paid/ provided by the company for the year ended March 31, 2022 is in accordance with the provisions of section 197 read with schedule V to the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 30 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.





- iv. a. The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E



  
Bimal Kumar Sipani  
Partner

Date: September 29, 2022

Place: Noida (Delhi – NCR)

Membership No. 088926

UDIN : 22088926AWWMGN1780



**Annexure A to Independent Auditor's Report of even date to the members of Kanodia Cement Limited on the standalone financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)**

(i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment except in cases of certain assets where the same is in process of updation.

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

b. The property, plant and equipment were not physically verified during the year by the management. In our opinion all property, plant and equipment should be physically verified over a period of three years.

c. Based on the records examined by us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) and included in property, plant & equipment [note no. 7 to the standalone financial statements] are held in the name of the Company except the followings :

Description of property	Gross carrying value (₹ Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)	Reason for not being held in the name of the Company
Leasehold Land	71.98	Bluestar Cement Limited	No	January 13, 2021	These immovable properties acquired from erstwhile companies that were amalgamated with the company pursuant to National Company Law Tribunal Order dated January 13, 2021 (Refer note 37 to financial statements). The name change in the favor of company is pending.
	208.99	Durgashree Brick Private Limited	No	January 13, 2021	
Freehold Land	152.92	Durgashree Brick Private Limited	No	January 13, 2021	

d. On the basis of our examination of the record of the Company, the Company has not revalued its property, plant and equipment during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.

e. According to information and explanations given to us, no proceeding has been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.

(ii) a. The management has not conducted physical verification of inventories during the year.

b. As per the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and others. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements (including revision thereof) filed by the Company with such banks are materially in agreement with the books of accounts of the Company.

(iii) a. Based on the books of account examined by us and according to information and explanation given to us, the Company has granted loans or provided advances in the nature of loans, or stood guarantee, or provided security during the year to the followings:

Particulars	Guarantees (₹ in Lakhs)	Security (₹ in Lakhs)	Loans (₹ in Lakhs)	Advance in nature of loans (₹ in Lakhs)
<b>Aggregate amount granted/provided during the year:</b>				
- Subsidiaries	-	-	11937.88	-
- Joint Ventures / Associates	-	-	-	-
- Others	3200.00	-	5466.01	-
<b>Balance outstanding as at balance sheet date :</b>				
- Subsidiaries	-	-	6550.86	-
- Joint Ventures / Associates	-	-	-	-
- Others	3700.00	-	1420.54	-

- b. In our opinion and according to the information and explanation given to us, the terms and conditions of the loan granted and investment made, during the year are, prima facie, not prejudicial to the Company's interest. However, the company has given guarantee on the behalf two entities for availing loan facility for which guarantee commission have not been charged which is prima facie, prejudicial to the Company's interest.
- c. The schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount was regular. The Company has waived interest of ₹ 509.24 Lakhs on loan granted to related parties.
- d. Based on the books of accounts and other relevant records examined by us, there is no overdue amount remaining outstanding for more than ninety days as on the balance sheet date.
- e. According to the information and explanation given to us and record examined by us we have not come across any case where the loan granted by the Company which was fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. According the information and explanation given to us and records examined by us, no loans or advances in the nature of loans have been granted during the year which was either repayable on demand or without specifying any terms or period of repayment. Therefore, the provisions of clause 3(iii) (f) of the Order are not applicable to the Company.
- (iv) According to information and explanation given to us and based on audit procedure performed by us, the Company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect to loan granted, investment made and guarantee given during the year except filing of relevant resolution with the Registrar of the Companies. No security under section 185 and no guarantee and security under section 186 of the Companies Act, 2013 have been given during the year.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. However, the Company has taken advances of ₹ 162.25 lakhs towards for sale of its properties during 2020-2021 which were repaid during the year after expiry of one year but before expiry of agreed term of the agreement.



- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products i.e., Cement to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities except delay in payment of Goods and Service Tax, Provident fund and Tax deducted at source. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable except advance Income-tax of ₹ 177.48 Lakhs.
- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings where amount has been quantified by the relevant authorities.

The Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount related	Forum where matter is pending
Income tax Act, 1961	Income-tax demand, interest and penalty	822.04	AY 2011-12	Hon'ble High Court of Delhi
Income tax Act, 1961	Income-tax demand, interest and penalty	428.45	AY 2010-11 to AY 2020-21	Commissioner of Income Tax

- (viii) According to the information and explanation given to us, there was no transactions which have not recorded in the books of account, but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company
- b. According to information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c. Based on books of accounts examined by us, term loans were applied for the purpose for which the loans were obtained during the year.
- d. According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.





- e. According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f. According to the information and explanations given to us, the Company has not raised any loan during the year on pledge of securities held in its subsidiaries. The company has no associates or joint venture.
- (x) a. During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed and the considering the principles of materiality outline in Standards on Auditing for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b. During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanation given to us, no whistle-blower complaints received by the Company during the year.
- (xii) In our opinion and according the information and explanation given to us, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable except that the company has given guarantee on the behalf two entities for availing loan facility without charging guarantee commission and details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.
- (xiv) a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transaction with its directors or persons connected with them as referred to in section 192 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.



- (xvi) a. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, the Group has no CIC as part of the Group .
- (xvii) The Company has not incurred cash loss in the current financial year and in the immediately preceding financial year. Therefore, the provision of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There has been resignation of statutory auditors during the year and no issue, objection or concern was raised by the outgoing auditor.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Companies Act, 2013 towards Corporate Social Responsibility is not applicable to the Company. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

Date: September 29, 2022

Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani

Partner

Membership No. 088926

UDIN : 22088926AWWMGN1780



**Annexure B to Independent Auditor's Report of even date to the members of Kanodia Cement Limited on the standalone financial statements for the year ended March 31, 2022 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to standalone financial statements of Kanodia Cement Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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



## **Meaning of Internal Financial Controls with reference to standalone financial statements**

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

## **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

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

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however the same needs to be further strengthened.

## **Emphasis of Matter**

We draw attention that the Company has defined risk control matrix of various process basis Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India but the same is required to be further strengthened by incorporating more controls related to entity level controls, process level controls and controls related to financial statements review and closure process.

Our opinion under Section 143(3)(i) of the Act is not modified in respect of above matter.



## Explanatory Statement

The weakness in operating effectiveness of internal financial control system as stated in 'Emphasis of Matter', was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 standalone financial statements of the Company and this report does not affect our report dated September 29, 2022, which expressed an unqualified opinion on those standalone financial statements.

Date: September 29, 2022

Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani

Partner

Membership No. 088926

UDIN : 22088926AWWMGN1780

M/S KANODIA CEMENT LIMITED  
CIN NO.: U36912UP2009PLC037903  
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	1	7,456.97	7,456.97
(b) Reserves and surplus	2	9,841.15	8,846.63
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	3	654.54	2,257.22
(b) Deferred tax liabilities (net)	4	638.08	360.54
(c) Other long term liabilities	5	1,606.08	482.99
(d) Long term provisions	6	8.16	-
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	7	1,085.55	535.04
(b) Trade payables	8		
total outstanding due to micro and small enterprises		2.36	-
total outstanding due to other than micro and small enterprises		1,974.34	1,849.32
(c) Other current liabilities	9	715.81	755.50
(d) Short-term provisions	10	426.18	18.28
<b>Total</b>		<b>24,409.22</b>	<b>22,562.49</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment and intangible assets			
(i) Property, plant and equipment	11A	7,286.71	7,837.31
(ii) Intangible assets	11B	0.52	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	2,202.70	521.69
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	13	7,971.40	4,119.27
(e) Other non-current assets	14	905.60	846.24
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	15	504.07	794.42
(c) Trade receivables	16	2,865.55	2,418.67
(d) Cash and bank balances	17	873.69	3,119.81
(e) Short-term loans and advances	18	1,789.26	2,862.17
(f) Other current assets	19	9.72	42.91
<b>Total</b>		<b>24,409.22</b>	<b>22,562.49</b>
Contingent Liabilities and Commitments	30		

Significant accounting policies and other notes to the standalone financial statements 1-54

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

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Bimal Kumar Sipani

Partner

Membership Number: 088926

Place: Noida (Delhi-NCR)

Date: September 29, 2022



For and on behalf of Board of Directors

Vishal Kanodia  
Managing Director

DIN: 00946204

Shikha Mehra Chawla  
Company Secretary

Manoj Kedia  
Director

DIN: 03526814

Anup Kumar Singh  
Chief Financial Officer



M/S KANODIA CEMENT LIMITED  
CIN NO.: U36912UP2009PLC037903

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs, except EPS)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from Operations	20	31,075.77	19,533.61
II Other Income	21	200.70	37.25
III Total Revenue (I+II)		31,276.47	19,570.86
IV EXPENSES:			
Cost of materials consumed	22	19,083.68	11,602.65
Purchase of stock-in-trade	23	3,927.53	4,626.43
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(16.46)	(6.62)
Employee benefits expense	25	197.72	78.69
Finance costs	26	127.61	195.31
Depreciation and amortisation expense	11A	451.42	380.63
Other expenses	27	5,608.44	2,307.35
Total Expenses		29,379.94	19,184.45
V Profit before exception items and tax (III-IV)		1,896.53	386.42
VI Exception items [expense/(income)]	28	110.00	-
VII Profit before tax (III-IV)		1,786.53	386.42
VIII Tax expense:			
(1) Current tax			
- Current year		505.51	64.63
- Related to earlier years		8.96	0.15
(2) Deferred tax charge/(credit) (net)			
- Current year	4	60.40	51.57
- Related to earlier years		217.13	-
(3) Mat credit		-	(16.48)
IX Profit for the year (VII-VIII)		994.52	286.55
X Earning Per Equity Share [having face value of ₹ 10 (Previous year ₹ 100) each]	31		
- Basic and diluted		1.33	11.92
XI Adjusted Earning Per Equity Share [having face value of ₹ 10 (Previous year ₹ 10) each]	31		
- Basic and diluted		1.33	1.19

Significant accounting policies and other notes to the standalone financial statements

1-42

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

As per our report of even date attached  
For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Bimal Kumar Sipani  
Partner

Membership Number: 088926

Place: Noida (Delhi-NCR)

Date: September 29, 2022



For and on behalf of Board of Directors

Vishal Kanodia  
Managing Director  
DIN: 00946204

Shikha Mehra Chawla  
Company Secretary

Manoj Kedia  
Director  
DIN: 03526814

Anup Kumar Singh  
Chief Financial Officer

## M/S KANODIA CEMENT LIMITED

CIN NO.: U36912UP2009PLC037903

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash Flow From Operating Activities</b>		
Profit before tax	1,786.53	386.42
Profit for the period April 1, 2020 to January 13, 2021 of amalgamating companies		234.28
<b>Adjustments for:</b>		
Depreciation and amortisation expense	451.42	380.63
Net loss / (profit) on sale of property, plant and equipment	(15.53)	7.93
Finance costs	127.61	195.31
Bad debts	560.92	-
Advances written off	126.37	-
Net profit on sale of Non Current Investments	(5.40)	-
Interest Income	(47.53)	(32.51)
Dividend Income	(0.20)	(0.11)
<b>Operating profit before working capital changes</b>	<b>2,984.19</b>	<b>1,171.95</b>
<b>Adjustments for :</b>		
Trade and other receivables	(87.44)	2,037.58
Inventories	290.34	230.95
Trade and other payables	221.65	(149.02)
<b>Cash generated from operations</b>	<b>3,408.75</b>	<b>3,291.46</b>
Direct taxes paid	(106.51)	(122.89)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>3,302.23</b>	<b>3,168.57</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipments	(58.05)	(138.42)
Sale of property, plant and equipments	172.25	1,405.43
Investments in equity shares	(677.48)	(287.57)
Loan given	(17,403.89)	(12,199.68)
Loan received back	13,551.76	12,470.75
Net (increase) / decrease in fixed deposits	2,024.17	(2,028.96)
Interest received	46.87	32.51
<b>Net Cash Inflow / (Outflow) from investing activities</b>	<b>(2,344.37)</b>	<b>(745.94)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from long term borrowings	11,453.03	12,124.26
Repayment of long term borrowings	(13,391.65)	(12,912.40)
Net proceeds / (repayment) of short term borrowings	886.44	(1,281.90)
Finance costs paid	(127.61)	(195.31)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(1,179.79)</b>	<b>(2,265.35)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(221.93)</b>	<b>167.28</b>
<b>Opening balance of cash and cash equivalents</b>	<b>388.94</b>	<b>231.66</b>
<b>Closing balance of cash and cash equivalents</b>	<b>167.01</b>	<b>388.94</b>
<b>Cash and cash equivalents comprise :</b>		
Cash on hand	36.51	206.20
<b>Balance with schedule banks :</b>		
In current accounts	116.72	170.94
In cash credit account	13.78	11.80

Note : (1) The above Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statement.

(2) Previous Year's figures have been regrouped / rearranged wherever necessary

As per our report of even date attached  
For Singhi & Co.  
Chartered Accountants  
Firm Registration No: 302049E

Bimal Kumar Sipani  
Partner  
Membership Number: 088926



For and on behalf of Board of Directors

Vishal Kanodia  
Managing Director  
DIN: 00946204

Shikha Mehra Chawla  
Company Secretary

Manoj Kedia  
Director  
DIN: 03526814

Anup Kumar Singh  
Chief Financial Officer

Place: Noida (Delhi-NCR)  
Date: September 29, 2022

**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**1 Share Capital**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>			
8,49,66,610 (Previous year 84,96,661) Equity Shares of ₹ 10/- each (Previous Year ₹ 100/- each)*		8,496.66	8,496.66
		<b>8,496.66</b>	<b>8,496.66</b>
<b>Issued, subscribed and fully paid up</b>			
7,45,69,650 (Previous year 74,56,965) Equity Shares of ₹ 10/- each fully paid-up (Previous Year ₹ 100/- each fully paid-up)*		7,456.97	7,456.97
		<b>7,456.97</b>	<b>7,456.97</b>
<b>a) Reconciliation of number of Equity Shares Outstanding</b>			
		<b>Nos</b>	<b>Nos</b>
Number of shares at the beginning of the year		74,56,965	10,30,400
Add : Issued during the year [as per scheme of arrangement (Refer note 37) ]		-	64,26,565
Add : Adjustment due to split of shares [face value ₹ 100 to ₹ 10]*		6,71,12,685	-
<b>Number of shares at the end of the year</b>		<b>7,45,69,650</b>	<b>74,56,965</b>

\* Pursuant to the special resolution passed in the extra-ordinary general meeting held on March 12, 2022, the face value of equity shares of the Company has been split from ₹100 to ₹10 per share with effect from March 12, 2022.

**b) Rights, preferences and restrictions attached with Equity Shares**

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 100 each). Each holder of equity shares is entitled to one vote per share. The dividend except interim dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the company (as per shareholders' register maintained by the Company)\***

Shareholders' Name	As at March 31, 2022 \$		As at March 31, 2021	
	No. of Shares held (Nos)	Percentage of Holding	No. of Shares held (Nos)	Percentage of Holding
Nupoor Kanodia Beneficiary Trust	3,09,30,200	41.48%	30,93,020	41.48%
Trish Kanodia Beneficiary Trust	2,99,60,200	40.18%	29,96,020	40.18%
Vishal Kanodia	46,14,540	6.19%	4,61,454	6.19%
Gautam Kanodia	44,77,370	6.00%	4,47,737	6.00%

**d) Details of promoters' shareholder holding**

Shareholders' Name	As at March 31, 2022 \$			As at March 31, 2021		
	No. of Shares held (Nos)	Percentage of Holding	% Change during the year	No. of Shares held (Nos)	Percentage of Holding	% Change during the year
Nupoor Kanodia Beneficiary Trust	3,09,30,200	41.48%	-	30,93,020	41.48%	34.20%
Trish Kanodia Beneficiary trust	2,99,60,200	40.18%	-	29,96,020	40.18%	40.18%
Vishal Kanodia	46,14,540	6.19%	-	4,61,454	6.19%	-28.52%
Gautam Kanodia	44,77,370	6.00%	-	4,47,737	6.00%	-29.09%
Swati Kanodia	22,42,660	3.01%	-	2,24,266	3.01%	-13.89%
Khushboo Kanodia	8,24,180	1.11%	-	82,418	1.11%	-0.01%
Vishal Kanodia HUF	7,50,140	1.01%	-	75,014	1.01%	-1.85%
Manju Devi Kanodia	7,61,130	1.02%	-	76,113	1.02%	-1.03%
Saurabh Lohia	6,500	0.01%	-	650	0.01%	0.01%
Gautam Kanodia HUF	2,730	0.00%	-	273	0.00%	0.00%

\$ There has been no change in the percentage holding of shares, however the absolute numbers has increased in comparison to previous year as the total number of shares outstanding as at year-end increased due to split of 1 Equity Share of ₹ 100 each into 10 Equity Shares of ₹ 10 Each in FY 2021-22.

**e) Bonus, buy back, cancellation and issue of shares**

In preceding five (5) years, there was no issue of bonus, buy back, cancellation and issue of shares for other than cash consideration other than following :

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
<b>(i) Aggregate number and class of shares allotted as fully paid up</b>						
- Pursuant to Scheme of Arrangement (Refer note 37) without payment being received in cash (equity shares having face value of ₹ 100 each)	NIL	64,26,565	NIL	NIL	NIL	NIL
<b>(ii) Aggregate number and class of shares allotted as fully paid up by way of Split of Shares.</b>						
- Equity shares having face value of ₹ 10 each	6,71,12,685	NIL	NIL	NIL	NIL	NIL





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**2 Reserves and Surplus**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>(i) Securities Premium</b>			
Balance as per last audited financial statements		12,051.27	257.60
Add: Transfer as per Scheme of Arrangement (Refer note 37)		-	11,793.67
<b>Balance at the end of the year</b>		<b>12,051.27</b>	<b>12,051.27</b>
<b>(ii) Surplus in the Statement of Profit and Loss</b>			
Balance brought forward from previous year		(3,204.64)	1,099.79
Add: Transfer as per Scheme of Arrangement (Refer note 37)		-	(5,378.55)
Add: Profit for the period April 1, 2019 to January 13, 2021 of amalgamating companies (Refer note 37)		-	787.67
Add: Profit for the year		994.52	286.55
<b>Balance as at the end of the year</b>		<b>(2,210.12)</b>	<b>(3,204.64)</b>
<b>Total Reserves and Surplus (i to ii)</b>		<b>9,841.15</b>	<b>8,846.63</b>

**3 Long-term Borrowings**

		Non Current Portion	
Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>			
(i) Vehicle loans from a bank	3.1	-	138.33
(ii) Term loans from Government	3.2	654.54	695.27
<b>Total (A)</b>		<b>654.54</b>	<b>833.60</b>
<b>Unsecured</b>			
(i) Loan from companies (related party) (Interest free)		-	80.00
(ii) Loan from companies (Interest free)		-	1,336.81
(iii) Loan from directors (Interest free)		-	6.81
<b>Total (B)</b>		<b>-</b>	<b>1,423.62</b>
<b>Net Total</b>		<b>654.54</b>	<b>2,257.22</b>

Security	Name of Lender	Repayment Terms	Rate of interest (Current year)	Rate of interest (Previous year)	As at March 31, 2022	As at March 31, 2021
Hypothecation in favour of HDFC bank limited against vehicle finance scheme.	HDFC Bank Limited	Truck Chassis and Body - starting from February 5, 2018 and October 20, 2018 - to be repaid in 47 equal monthly instalments. Other Vehicles - starting from April 2019 - to be repaid in 48 equal monthly instalments	8.71 to 9.75%	8.11 to 9.75%	102.42	379.37

Security	Name of Lender	Repayment Terms	Rate of interest (Current year)	Rate of interest (Previous year)	As at March 31, 2022	As at March 31, 2021
Secured by bank guarantee of equal amount of loan and charge on Plot No. D-19, Gate No. 130 & 131, Industrial area Sikandrabad, District Bulandshahr.	Uttar Pradesh Government under "Audyogik Nivesh Protsahan Yojana 2012"	on or before 11/11/27	Interest free loan	Interest free loan	453.01	453.01
Secured by bank guarantee of equal amount of loan.		on or before 28/09/27	Interest free loan	Interest free loan	125.36	125.36
Secured by bank guarantee of equal amount of loan and second charge on entire fixed assets viz. Land, Building, Plant & machinery & other fixed assets installed at Unit - II of the Company.		on or before 32/04/23			76.17	76.17
		on or before 09/06/22			40.73	40.73

**4 Deferred Tax Liabilities/(Assets) (Net)**

The Company has recognised following deferred tax assets and liabilities determined on account of timing differences in accordance with Accounting Standard 22 "Accounting of Taxes on Income".

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liabilities on account of:</b>			
Depreciation and amortisation expenses	4.1	641.84	361.04
<b>Deferred Tax Assets on account of:</b>			
Expenses allowed on payment basis	4.1	3.76	0.50
<b>Net deferred tax Liabilities/(Assets) ((a)-(b))</b>		<b>638.08</b>	<b>360.54</b>

4.1 The Company has recomputed deferred tax for earlier years and error for ₹ 217.14 Lakhs in determination of deferred tax liability on depreciation and amortisation has been shown separately in Statement of Profit and Loss of current year.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**5 Other Long Term Liabilities**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Security deposits from customers	5.1	706.08	482.99
Amount payable to related parties for purchases of shares	5.2	997.94	-
Less : Current Maturities of amount payable to related parties for purchases of shares	9	(97.94)	-
<b>Total</b>		<b>1,606.08</b>	<b>482.99</b>

- 5.1 Securities deposits received from customers are unsecured and refundable at the time of termination of contract with agents.  
5.2 The Company has purchased equity shares of Subsidiaries from related parties for which amount is repayable in next 5 years.

**6 Long Term Provisions**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Employees Benefits	35	8.16	-
<b>Total</b>		<b>8.16</b>	<b>-</b>

**7 Short term borrowings**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>			
Loan repayable on demand from a bank	7.1	886.44	-
Current maturity of long term loans			
(i) Vehicle loans from a bank	3	102.42	241.04
(ii) Term loans from Government	3	40.73	-
<b>Unsecured</b>			
Current maturity of long term loans			
(i) Loan from companies		-	294.00
(ii) Loan from companies (related party) (interest free)		6.10	-
(iii) Loan from a subsidiary company		49.86	-
<b>Total</b>		<b>1,085.55</b>	<b>535.04</b>

- 7.1 Exclusive charge in favour of the Bank by way of hypothecation of inventories and other moveables including trade and other receivables, both present and future, in a form and manner satisfactory to the Bank, and also secured by personal guarantees of two directors.  
The loan is further secured by collateral by way of mortgage on the properties located at A 21, Sector 16, Noida, Uttar Pradesh (India).

**8 Trade Payable**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>For Goods &amp; Services</b>	8.1		
Total outstanding due to Micro and Small Enterprises	8.2	2.36	-
Total outstanding due to other than Micro and Small Enterprises			
- to a related party	35	63.90	6.01
- to others		1,510.44	1,843.31
<b>Total</b>		<b>1,576.70</b>	<b>1,849.32</b>

- 8.1 Certain trade payables are subject to reconciliation and confirmations.  
8.2 Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Disclosures relating to dues of Micro and Small enterprises under section 22 of MSMED Act, are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Principal amount and interest remained unpaid to any supplier as on		
- Principal amount remained unpaid to any supplier as on	2.36	-
- Interest remained unpaid to any supplier as on	-	-
(b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(d) the amount of interest accrued and remaining unpaid.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**8.3 Trade payable ageing as at March 31, 2022**

Particulars	Outstanding for following periods from accounting date					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.36	-	-	-	-	2.36
(ii) Others	599.93	1,314.54	57.89	-	1.98	1,974.34
(iii) Disputed- MSME	-	-	-	-	-	-
(iv) Disputed- Others	-	-	-	-	-	-

**Trade payable ageing as at March 31, 2021**

Particulars	Outstanding for following periods from accounting date					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	184.87	1,650.90	0.61	12.94	-	1,849.32
(iii) Disputed- MSME	-	-	-	-	-	-
(iv) Disputed- Others	-	-	-	-	-	-

**9 Other current liabilities**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Employee emoluments		14.72	2.40
Advances from customers		146.88	377.37
Advances from customers (related parties)	35	26.40	162.25
Statutory dues payable		429.76	213.48
Current maturities of amount payable to related parties			
for purchases of shares	5	97.94	-
Other payables		0.11	-
<b>Total</b>		<b>715.81</b>	<b>755.50</b>

**10 Short term provisions**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Employees benefits	36	0.62	-
Provision for tax (net)		425.56	18.28
<b>Total</b>		<b>426.18</b>	<b>18.28</b>





**M/S KANODIA CEMENT LIMITED**  
NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

**Note 11- Property, Plant & Equipments and Intangible Assets**

S. NO	DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 31-03-2021	Additions/ Adjustments	Deduction/ Adjustments	As at 31-03-2022	As at 31-03-2021	for the year	Deduction/ Adjustments	As at 31-03-2022	As at 31-03-2022
11A	<b>Property, Plant and Equipment</b>									
	Land (Freehold)	555.85	-	155.72	400.13	-	-	-	400.13	555.85
	Land (Leasehold)	335.95	-	-	335.95	-	35.01	-	35.01	390.94
	Buildings	1,643.43	-	-	1,643.43	345.67	80.44	-	426.11	1,217.33
	Plant and Equipments	5,709.44	37.63	1.80	5,746.06	867.65	157.77	-	1,025.42	4,720.60
	Electrical Installations & Equipments	196.07	-	-	196.07	118.85	13.91	-	132.76	63.31
	Computers	30.61	13.22	-	43.83	12.06	6.71	-	20.77	23.06
	Furniture and fixtures	3.75	-	-	3.75	1.91	0.14	-	1.35	2.40
	Vehicles	1,095.42	-	-	1,095.42	600.55	153.53	-	754.09	543.34
	Office Equipments	14.08	5.45	-	20.53	2.30	1.68	-	3.98	16.55
	<b>Sub Total (11A)</b>	<b>9,585.60</b>	<b>57.29</b>	<b>156.72</b>	<b>9,486.17</b>	<b>1,748.28</b>	<b>451.18</b>	<b>-</b>	<b>2,199.47</b>	<b>7,286.71</b>
11B	<b>Intangible Assets</b>									
	Computer Software	-	0.76	-	0.76	-	0.24	-	0.24	0.52
	<b>Sub Total (11B)</b>	<b>-</b>	<b>0.76</b>	<b>-</b>	<b>0.76</b>	<b>-</b>	<b>0.24</b>	<b>-</b>	<b>0.24</b>	<b>0.52</b>
	<b>TOTAL (11A+11B)</b>	<b>9,585.60</b>	<b>58.05</b>	<b>156.72</b>	<b>9,486.94</b>	<b>1,748.28</b>	<b>451.42</b>	<b>-</b>	<b>2,199.71</b>	<b>7,287.23</b>

S. NO	DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 31-03-2020	Additions/ Adjustments	Deduction/ Adjustments	As at 31-03-2021	As at 31-03-2020	for the year	Deduction/ Adjustments	As at 31-03-2021	As at 31-03-2020
11A	<b>Property, Plant and Equipment</b>									
	Land Freehold	247.21	308.64	-	555.85	-	-	-	555.85	247.21
	Land Leasehold	54.98	280.97	-	335.95	-	-	-	335.95	54.98
	Buildings	1,091.42	552.01	-	1,643.43	307.56	38.11	-	345.67	1,297.75
	Plant and Equipments	3,993.78	1,722.24	12.57	5,709.44	701.06	166.59	-	867.65	4,841.79
	Electrical Installations & Equipments	148.86	47.22	-	196.07	104.37	14.48	-	118.85	77.22
	Computer	15.49	15.12	-	30.61	7.04	5.02	-	12.06	18.55
	Furniture and Fixtures	1.47	2.28	-	3.75	1.03	0.38	-	1.21	2.54
	Vehicles	2,530.85	205.70	1,649.13	1,095.42	403.62	155.25	348.33	400.55	695.87
	Office Equipments	3.23	10.80	-	14.08	1.30	1.00	-	2.30	11.79
	<b>Sub Total (11A)</b>	<b>8,102.34</b>	<b>3,144.97</b>	<b>1,661.89</b>	<b>9,585.60</b>	<b>1,815.98</b>	<b>380.63</b>	<b>348.33</b>	<b>1,748.28</b>	<b>7,837.31</b>
11B	<b>Intangible Assets</b>									
	Computer Software	-	-	-	-	-	-	-	-	-
	<b>Sub Total (11B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL (11A+11B)</b>	<b>8,102.34</b>	<b>3,144.97</b>	<b>1,661.89</b>	<b>9,585.60</b>	<b>1,815.98</b>	<b>380.63</b>	<b>348.33</b>	<b>1,748.28</b>	<b>7,837.31</b>

**Note :**

- (i) There were no revaluation carried out by the company during the year.  
(ii) Property, plant and equipment acquired under the Scheme of Arrangement (refer note no 37). In above additions are net block as on January 13, 2021 of amalgamated company.  
(iii) Assets pledged and hypothecated against borrowings. Refer Note 3, 7 and 38.  
(iv) The title deeds of immovable properties are held in the name of the Company, except for the following :

Description of property	Held in the name of	Gross carrying value (₹ Lakhs)	Net carrying value (₹ Lakhs)	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation)	Reason for not being held in the name of the Company
Leasehold Land	Bluestar Cement Limited	71.98	51.10	No	January 13, 2021	These immovable properties acquired from erstwhile companies that were amalgamated with the company pursuant to National Company Law Tribunal Order dated January 13, 2021 (Refer note 37 to financial statements). The name change in the favour of company is pending.
Land	Durgashree Brick Private Limited	208.99	188.14	No	January 13, 2021	
Freehold Land	Durgashree Brick Private Limited	152.90	152.90	No	January 13, 2021	



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**12 Non -Current Investments**

Particulars	Note	As at		As at	
		As at March 31, 2022		As at March 31, 2021	
		Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
<b>I Investments in Subsidiaries</b>					
Equity shares of Kanodia Infratech Limited having face value of ₹ 100 each		13,98,461	1,834.31	-	-
Equity shares of Kanodia Cem Private Limited having face value of ₹ 100 each		14,850	14.85	-	-
<b>II Investments in Equity shares (unquoted) (Trade) at cost</b>					
Equity shares of Kanodia Infratech Limited having face value of ₹ 100 each (converted into subsidiary during the year)		-	-	2,20,500	220.50
<b>III Investments in Preference instruments (unquoted) (Trade) at cost</b>					
Preference Shares of Eudible Technologies Private Limited having face value of ₹ 10		155	25.11	-	-
0.01% Compulsorily Convertible Preference Shares of M/s Stark Enterprises Private Limited having face value ₹ 10 each		125	25.00	-	-
<b>IV Investments in PMS</b>					
Investment in PMS	Face value				
Ajanta Pharma Ltd	2	18	0.29	34	0.50
Apollo Hospitals Enterprise Limited	5	21	0.28	25	0.34
Bajaj Electricals Ltd	2	-	-	79	0.35
Bata India Ltd	5	67	0.54	67	0.54
APL Apollo Tubes Limited	2	140	0.20	90	0.30
Caplin Point Laboratories Limited	2	112	0.39	112	0.39
Easy Trip Planners Limited	1	438	0.43	197	0.41
Emami Ltd	1	161	0.44	161	0.44
The Federal Bank Limited	2	1,167	0.71	806	0.39
Gateway Distriparks Ltd	10	1,640	0.56	529	0.47
Johnson Controls-Hitachi Air Conditioning India Ltd	10	46	1.03	22	0.49
Happiest Minds Technologies Limited	2	-	-	133	0.46
ICICI Bank Ltd	2	209	0.78	258	0.95
IIFL Wealth Management Limited	1	78	1.02	44	0.82
ION Exchange (India) Limited	10	47	0.49	54	0.56
Jamna Auto Industries Limited	1	777	0.51	777	0.51
Just Dial Limited	10	-	-	89	0.54
JK Cements Ltd	10	26	0.30	33	0.38
Jubilant Foodworks Ltd	2	37	0.84	22	0.29
Lumax Industries Ltd	10	76	1.14	60	0.96
Mayur Uniquoters Ltd	5	233	0.51	233	0.51
Oberoi Realty Ltd	10	104	0.50	104	0.50
Page Industries Ltd	10	3	0.66	3	0.66
PI Industries Ltd	1	39	0.58	56	0.80
PNC Infratech Limited	2	277	0.55	295	0.55
Navin Fluorine International Ltd	2	24	0.34	29	0.41
Persistent Systems Ltd	10	38	0.29	48	0.36
RBL Bank Limited	10	-	-	206	0.71
Shriram Transport Finance Company Ltd	10	54	0.38	54	0.38
Spandana Sphoorty Financial Limited	10	126	0.73	126	0.73
JK Lakshmi Cement Ltd	5	186	0.49	237	0.60
Honeywell Automation India Ltd	10	1	0.30	1	0.30
Axis Bank Ltd	2	-	-	25	0.18
Varroc Engineering Limited	1	24	0.10	101	0.39
Garware Hi-Tech Films Limited	10	107	0.97	-	-
JK Paper Limited	10	262	0.38	-	-
Polycab India Limited	10	46	1.10	-	-
SBI Cards and Payment Services Limited	10	100	1.05	-	-
Triveni Turbine Ltd	1	408	0.53	-	-
<b>Total investments in equity instruments</b>			<b>1,918.68</b>		<b>237.67</b>



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**12 Non -Current Investments**

Particulars	Note	As at		As at	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Gross Block	Net Block	Gross Block	Net Block
<b>V Investment Property</b>					
Freehold Land		284.02	284.02	284.02	284.02
<b>Total</b>			<b>284.02</b>		<b>284.02</b>
<b>Total (I+II+III +IV+V)</b>			<b>2,202.70</b>		<b>521.69</b>
<b>Other disclosures :</b>					
Aggregate amount of Unquoted Investments			2,183.29		504.52
Aggregate amount of Quoted Investments			19.42		17.17
Market Value of Quoted Investments			30.97		25.64
Aggregate Provision for Diminution in the value of Investments			-		-

(iv) The title deeds of immovable properties are held in the name of the Company, except for the following :

Description of property	Held in the name of	Gross carrying value (₹ Lakhs)	Net carrying value (₹ Lakhs)	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)	Remarks
Freehold Land	Rinam Trading Private Limited through Saurabh Lohia	284.02	284.02	No	January 13, 2021	These immovable properties acquired from erstwhile companies that were amalgamated with the company pursuant to National Company Law Tribunal Order dated January 13, 2021 (Refer note 37 to financial statements). The name change in the favour of company is pending.

**13 Long Term Loans and Advances**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered Good)</b>			
Loan to companies - related parties	35	7,971.40	4,119.27
<b>Total</b>		<b>7,971.40</b>	<b>4,119.27</b>

13.1 Pledged and hypothecated against borrowings. Refer Note 7.

13.2 No Loans or other receivables are due from directors or other officers of the company either severally or jointly with any other person. However, Loans to companies are due from private companies in which director is a partner, or director or member.

13.3 Interest aggregating ₹ 480.49 Lakhs (net of recoveries ₹ 23.19 lakhs) accrued on loans granted have been waived off during the year.

**14 Other Non Current assets**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>			
Security Deposits - related parties	35	564.81	534.73
Security Deposits		340.79	311.51
<b>Total</b>		<b>905.60</b>	<b>846.24</b>

14.1 Pledged and hypothecated against borrowings. Refer Note 7.

**15 Inventories**

(Valued at cost or net realisable value, whichever is lower)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Raw materials		461.25	572.10
Work-in-progress		30.44	13.98
Stores and spares		12.38	208.34
<b>Total</b>		<b>504.07</b>	<b>794.42</b>

15.1 Inventories were not physically verified during the year and at end of the year and same have been considered on the basis of book quantity identified from derived method. The management do not expects any major deviation with the books records and physical stock.

15.2 Pledged and hypothecated against borrowings. Refer Note 7.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**16 Trade Receivables**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)			
- Receivable from related parties	35	216.61	1,152.88
- Receivable from others	16.1	2,648.94	1,295.79
<b>Total</b>		<b>2,865.55</b>	<b>2,418.67</b>

16.1 Certain trade receivables are subject to reconciliation and confirmations.

16.2 Assets pledged and hypothecated against borrowings. Refer Note 7.

**16.3 Trade receivables ageing schedule as at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 year - 2 year	2 year - 3 year	More than 3 years	
Undisputed - considered good	-	2,766.03	57.09	42.43	-	-	2,865.55
Undisputed - considered doubtful	-	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-	-

**Trade receivables ageing schedule as at March 31, 2021**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 year - 2 year	2 year - 3 year	More than 3 years	
Undisputed - considered good	-	2,047.05	193.84	177.88	-	-	2,418.67
Undisputed - considered doubtful	-	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-	-

**17 CASH AND BANK BALANCES**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Cash and Cash Equivalents</b>			
Cash on hand		36.51	206.20
<b>Balances with Scheduled banks:</b>			
In current accounts	17.1	116.72	170.94
In cash credit account	17.1	13.78	11.80
<b>Total (A)</b>		<b>167.01</b>	<b>388.94</b>
<b>Other bank balances</b>			
Fixed deposits with original maturity beyond 3 months but less than 12 months		2.64	1,895.43
<b>Earmarked Balances</b>			
Fixed deposits with maturity beyond 3 months but less than 12 months	17.1	704.85	845.44
<b>Total (B)</b>		<b>706.68</b>	<b>2,730.87</b>
<b>Total (A+B)</b>		<b>873.69</b>	<b>3,119.81</b>

17.3 The Company is in the process of transferring following bank accounts and fixed deposits in the name of Kanodia Cement Limited from respective amalgamating companies.

<b>Balances with Scheduled banks:</b>			
In current accounts		20.31	18.56
In cash credit account		13.78	11.80
<b>Earmarked Balances</b>			
Fixed deposits with original maturity beyond 3 months but less than 12 months		180.58	173.09

**18 Short Term Loans and Advances**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)			
Advance receivable in cash or kind		230.62	687.15
Advance receivable in cash or kind - related parties	35	1.88	1,962.66
Advance to suppliers		1,221.04	775.08
Income-tax refund		1.88	2.28
MAT credit entitlement		335.99	335.00
<b>Total</b>		<b>1,789.26</b>	<b>2,862.17</b>

18.1 No Loans or other receivables are due from directors or other officers of the company either severally or jointly with any other person and are due from private companies in which director is a partner, or director or member except reported as "Advance receivable in Cash or Kind - Related parties" above.

18.2 Pledged and hypothecated against borrowings. Refer Note 7.

18.3 Interest aggregating ₹ 0.95 Lakhs (net of recoveries ₹ 4.17 lakhs) accrued on loans granted have been waived off during the year.

**19 Other Current Assets**

Particulars	Note	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)			
Accrued interest		0.66	-
Prepaid expenses		4.82	12.32
Others		4.24	38.59
<b>Total</b>		<b>9.72</b>	<b>42.91</b>

19.1 Pledged and hypothecated against borrowings. Refer Note 7.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**20 Revenue from operations**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Cement)	20.1	30,667.68	18,881.35
Other Operating Income			
- Services income from transportation	20.1	408.09	652.26
<b>Net Revenue from Operations</b>		<b>31,075.77</b>	<b>19,533.61</b>

20.1 Refer Note 35 - Related Party Disclosure

**21 Other Income**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		47.53	32.51
Dividend Income		0.20	0.11
Net profit on sale of property, plant and equipment		15.53	-
Net profit on sale of non-current investments		5.40	-
Sundry balances written back		129.33	-
Insurance claim received		2.71	4.63
<b>Total</b>		<b>200.70</b>	<b>37.25</b>

**22 Cost of materials consumed @**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Clinker		16,088.38	10,710.27
Others		1,556.34	254.42
Packing materials		1,438.95	637.96
<b>Total</b>		<b>19,083.68</b>	<b>11,602.65</b>

@ identified from derived method.

**23 Purchase Of Stock-In-Trade:**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock-In-Trade (Clinker and Fly Ash)		3,927.53	4,626.43
<b>Total</b>		<b>3,927.53</b>	<b>4,626.43</b>

**24 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Inventories as at March 31, 2022</b>			
Work-in-Progress		30.44	13.98
<b>Inventories as at March 31, 2021</b>			
Work-in-Progress		13.98	7.36
<b>(Increase) / Decrease in Inventories</b>		<b>(16.46)</b>	<b>(6.62)</b>



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**25 Employees benefit expenses**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus		188.60	75.17
Gratuity		4.60	-
Contribution to provident and other funds		4.52	3.45
Staff welfare		-	0.07
<b>Total</b>		<b>197.72</b>	<b>78.69</b>

**26 Finance Costs**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest		83.92	194.45
Interest on statutory dues		42.49	0.86
Other borrowing costs		1.20	-
<b>Total</b>		<b>127.61</b>	<b>195.31</b>

**27 Other Expenses**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores and spare parts consumed		734.59	106.72
Power and fuel		2,269.14	1,654.44
Repair and maintenance			
- Plant and machinery		173.34	161.58
- Others		38.33	33.18
Rent		144.73	100.54
Rates and taxes		3.52	2.97
Insurance		28.36	57.20
Legal and professional*		85.88	19.54
Director remuneration		27.00	20.25
Auditors Remuneration			
- For audit fee		7.50	0.55
- For tax audit		-	0.15
- For company law matter		-	0.10
- For income-tax matter		-	0.15
Freight outward		1,058.00	32.01
Advertisement and business promotion		125.61	-
Selling and distribution		164.61	31.14
Net loss on sales of property, plant and equipment		-	7.93
Bad debts		560.92	-
Advances written off		16.37	-
Miscellaneous		170.57	78.92
<b>Total</b>		<b>5,608.44</b>	<b>2,307.35</b>

\* Includes following payments made to previous auditor

For statutory audit	1.95	-
For income tax matters	0.65	-
For certification and others	0.99	-

**28 Exception Items**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Advances written off*		110.00	-
<b>Total</b>		<b>110.00</b>	<b>-</b>

\* Advance given to a vendor against purchase of property in earlier years has been written off during the year.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**29.1 Company Information**

Kanodia Cement Limited ('KCL' or 'the Company') is a public limited company domiciled and incorporated in India. The registered office of the company is at D-19, UPSIDC Industrial Area, Sikandrabad, Bulandshahr, Uttar Pradesh. The Company has Cement grinding facilities at Sikandrabad, Bulandshahr, India. The Company is principally engaged in the manufacturing of Cement in India.

During the previous year, pursuant to the Scheme of Arrangement with effect from April 01, 2019 (appointed date), M/s Sargam Dealers Pvt Ltd, M/s Rinam Trading Pvt Ltd, M/s Rinam Dealmark Pvt Ltd, M/s Maharaj Retailers Pvt Ltd, M/s Vevant Cement Works Pvt Ltd. (Plant located at D-22, UPSIDC Industrial Area, Sikandrabad, Bulandshahr, Uttar Pradesh) and M/s Bluestar Cement Limited is located (Plant located at C-57, UPSIDC Industrial Area, Sikandrabad, Bulandshahr, Uttar Pradesh) were amalgamated with the Company.

**29.2 Significant Accounting Policies**

**a. Basis of Preparation**

The standalone financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 read with the Companies (Accounting Standard) Rules, 2021, as amended and the relevant provisions of the Companies Act, 2013 under historical cost convention on accrual basis. Accounting policies not referred to otherwise are in accordance with generally accepted accounting principles in India.

The accounting policies adopted in the preparation of the standalone financial statements are consistent with those of previous year unless otherwise stated.

**b. Use of Estimates**

The preparation of the standalone financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of The standalone financial statements and the results of operations during the reporting period. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of property, plant and equipment, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

**c. Classification of Assets and Liabilities as Current and Non Current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

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

All the other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**d. Property, plant and equipment and investment properties**

Property, plant and equipment and investment properties are stated at cost, less accumulated depreciation and impairment loss (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on property, plant and equipment and investment properties after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits and the expenditure can be measure and attributed to the asset reliably.

The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**e. Intangible Assets**

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Subsequent expenditure on intangible asset after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits and the expenditure can be measure and attributed to the asset reliably. The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

**f. Impairment of Assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. Reversal of impairment losses recognized in prior periods is recorded when there is an indication that the impairment losses, recognized for the assets, no longer exists or have decreased.

**g. Depreciation and amortization**

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation,

SN Assets	Useful life as per technical assessment/ management estimate	Useful life as per Companies Act
1 Plant and Machinery	25 years [on double shift]	15 years [on single shift]
2 Roads	10 years	3 years

Depreciation on addition to or on disposal of property, plant and equipments are calculated on pro rata basis. Addition to property, plant and equipments costing less than or equal to ₹ 5,000 are depreciated fully in the year of purchase. Leasehold land has been amortised over the lease period.

Amortisation of Intangible assets is allocated on a systematic basis over the best estimate of their useful life and accordingly software is amortised on straight line basis over useful life or five years, whichever is lower. Subsequent expenditure on intangible asset after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measure and attributed to the asset reliably.

**h. Borrowing Costs**

Borrowing costs relating to acquisitions/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**i. Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are valued at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. The Company provides for diminution other than temporary in the value of Non-Current Investments.

**j. Inventories**

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and work-in-progress is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of materials are computed on FIFO basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods 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.

**k. Revenue Recognition**

**(i) Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and to the extent that it is probable that economic benefit will flow to the Company and it can be reliably measured and is recognized when reasonable certainty about its realisation exists. Revenue is reported net of trade discount, sales returns and taxes on sales and in accordance with the terms of contracts entered into with the customers, if any. Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

**(ii) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(iii) Dividend**

Dividend income on investments is accounted, when the right to receive the payment is established.

**(iv) Others**

Other incomes are recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Accordingly service income from transportation are recognized to the extent it relates to services are completed during the year.

**l. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

**m. Leases**

**Where the Company is the Lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**n. Change in Accounting Policy**

**Employee Benefits**

Till previous year, liability for gratuity and leave encashment were recognized at the time of payment. From current year the Company has changed its accounting policy to recognize liability for gratuity and leave encashment from payment basis to accrual basis in compliance with AS 15(R) "Employee Benefit". This has resulted into increase in employee benefit expense and provision for employee benefit by ₹ 8.78 lakhs and decrease in profit before tax for the year by ₹ 8.78 lakhs.

**o. Employee Benefits**

(i) All employee benefits payable wholly within 12 months of rendering service are classified as short term employee benefits. Benefits such as salaries, allowances, short term compensated absences are recognized in the period in which the employee renders the related service.

(ii) Contributions paid/payable to defined contribution plan comprising of provident fund is charged on accrual basis. The company makes monthly contribution and has no further obligations under the plan beyond it's contributions.

(iii) Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The defined benefit/obligation is calculated at each balance sheet date by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iv) As per leave policy of the Company, the accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is defined benefit scheme, is provided based on actuarial valuation at each balance sheet date, based on Projected Unit Credit, carried out by an independent actuary.

**p. Taxation**

Tax expense comprises Current Tax and Deferred Tax. Current Tax are measured at the amount expected to be paid in accordance with Income tax Act, 1961. Deferred Taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets on items other than unabsorbed depreciation and carry forward tax losses, are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income. At each balance sheet date the Company re-assesses deferred tax assets.

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**q. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated..



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**r. Foreign Exchange transactions**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Outstanding foreign currency monetary items at year end are reported using the closing rate.

**(iii) Exchange Difference**

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous the standalone financial statements, are recognized as income or as expenses in the year in which they arise.

**s. Government Grant/Subsidy**

Subsidies from the Government are recognized when there is a reasonable assurance that (i) the Company will comply with the conditions attached to them and (ii) when there is no uncertainty on ultimate collection of such grant/ subsidy. Where a grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related assets. Other government grants or subsidies are credited to Statement of Profit and Loss or adjusted from related expenses.

**t. Provisions, Contingent Liability and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to The standalone financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in The standalone financial statements. Contingent assets are neither recognised nor disclosed in The standalone financial statements.

**u. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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



**M/S KANODIA CEMENT LIMITED**  
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(₹ in Lakhs)

**30 Contingent liabilities & Commitments [to the extent identified by the management]**

	As at March 31, 2022	As at March 31, 2021
<b>A. Contingent Liabilities not provided for in respect of :</b>		
- Demand for income tax, being contested by the Company ^	1,250.49	1,114.40
<b>Note :</b> The Company has reviewed all its pending litigations and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statement. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.		
<b>B.</b> In earlier years, the Vevant Cement Works Pvt Ltd. (amalgamated company) has given corporate guarantee to a bank for loan to the extent of ₹ 500 Lakhs obtained by a relative of director against which the balance outstanding as on March 31, 2022 ₹ 411.42 lakhs (Previous year ₹ 523.64 lakhs).		
<b>C.</b> During the year, the Company has given corporate guarantee to a bank for credit facility of ₹ 3200 Lakhs availed by a related party namely M/s Hygiene Plus Private Limited against which the balance outstanding as on March 31, 2022 was ₹ 1542.03 lakhs.		
<b>D. Capital Commitment</b>	-	-

**31 Earnings Per Share (EPS)**

		As at March 31, 2022	As at March 31, 2021
<b>A Earnings Per Share (EPS)</b>			
Profit attributable to Equity Shareholders	₹ in Lakhs	994.52	286.55
No of shares at the beginning of the year	Numbers	74,56,965	10,30,400
Add: Issued during the year	Numbers	6,71,12,685	64,26,565
No of shares at the end of the year	Numbers	7,45,69,650	74,56,965
Weighted Average Number of Equity Shares\$	Numbers	7,45,69,650	24,03,748
Basic Earnings Per Share of ₹ 10 each (previous year ₹ 100 each ).	₹	1.33	11.92
Diluted Earnings Per Share of ₹ 10 each (previous year ₹ 100 each ).	₹	1.33	11.92
<b>B Adjusted Earnings Per Share (EPS)</b>			
Profit attributable to Equity Shareholders	₹ in Lakhs	994.52	286.55
Adjusted weighted Average Number of Equity Shares \$	Numbers	7,45,69,650	2,40,37,481
Adjusted Basic Earnings Per Share of ₹ 100 each (Previous year ₹ 10)	₹	1.33	1.19
Adjusted Diluted Earnings Per Share of ₹ 100 each (Previous year ₹ 10)	₹	1.33	1.19

\$ Weighted average number of equity shares has been calculated considering the impact of merger in FY 20-21 and split of 1 equity share of ₹ 100 each into 10 equity shares of ₹ 10 each in financial year 21-22.

**32** In the opinion of the Board of directors, any of the assets other than property, plant and equipments, intangible assets and non current investments do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

**33 Assets taken under Operating leases:**

Office premise was obtained on operating lease. There is no contingent rent in the lease agreements. The lease term is for 11 months and are renewable at the mutual agreement of both the parties. The aggregate lease rentals accounted are charged as "Rent" in Note No. 27 of The standalone financial statements.

**34 Segment Reporting**

The Company's activities falls with a single primary business segment viz "Cement". The business activity of the Company falls within one geographical segment which is within the country. Hence, the disclosure requirement of 'Segment Reporting' is not considered applicable.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

Related Party and Nature of Transactions	As at March 31, 2022	As at March 31, 2021
<b>(d) Blossom Realcon Private Limited</b>		
Loan given	13.50	-
Loan received back	-	1.95
Apart from above, interest ₹ 20.12 Lakhs (previous year ₹ 19.55 Lakhs) accrued on loan given has been waived off during the year.		
<b>(e) Anadi Infotainment Private Limited</b>		
Loan given	20.10	-
Loan received back	20.10	-
Apart from above, interest ₹ 0.35 Lakhs accrued on loan given has been waived off during the year.		
<b>(f) Fair Hygiene Private Limited</b>		
Loan given	1.20	29.60
Loan received back	-	81.82
Loan borrowed	-	150.00
Loan repaid	-	150.00
Apart from above, interest ₹ 2.50 Lakhs accrued on loan given has been waived off during the year. In previous year, ₹ 3.42 Lakhs (net of interest payable ₹ 2.55 Lakhs) accrued on loan borrowed has been waived off by M/s Fair Hygiene Private Limited.		
<b>(g) Trends Advisory Private Limited</b> Loan repaid	73.90	-
<b>(h) Kanodia Business Private Limited</b> Loan given	288.10	61.55
Loan received back ^	472.45	32.60
^ Since the following Companies were merged with the Company therefore during the current year Net outstanding amounts aggregating ₹ 171.46 Lakh which were outstanding as on January 13, 2021 (effective date of merger), received back to the Company. - Rinam Trading Pvt Ltd. - ₹ 140.66 Lakhs (Receivable) - Maharaj Retailers Pvt Ltd - ₹ 30.80 Lakhs (Receivable)		
Apart from above, interest ₹ 0.95 Lakhs (net of payable ₹ 4.17 Lakhs) (previous year ₹ 3.90 Lakhs (net of payable ₹ 0.68 Lakhs)) accrued on loan given has been waived off during the year.		
<b>(i) Sapna Sudhansh Info System Private Limited</b>		
Rent paid	24.00	
Security deposit given	180.18	137.25
Security refunded received	144.10	-
<b>(j) Kanodia Cement Industries Private Limited</b>		
Loan received back ^		259.60
^ Since the following Company was merged with the Company therefore during the previous year Net outstanding amounts aggregating ₹ 54.50 Lakh which were outstanding as on January 13, 2021 (effective date of merger), received back to the Company. - Sargam Dealer Pvt Ltd. - ₹ 54.50 Lakhs (Receivable)		
Apart from above, interest ₹ 0.09 Lakhs (previous year ₹ 9.29 Lakhs) accrued on loan given has been waived off during the year.		



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

Related Party and Nature of Transactions		As at March 31, 2022	As at March 31, 2021
(k) <b>Mr. Vishal Kanodia</b>	Remuneration paid	18.00	18.00
	Amount received against outstanding balances in amalgamating companies ^	123.70	-
	Purchases of equity shares of subsidiary companies ^	386.09	-
	Loan received	-	12.49
	Loan repaid ^	6.81	12.49
	Guarantee given for loan availed by the company	refer note 7.1	
^ Since the following Companies were merged with the Company therefore during the current year, ₹ 123.70 Lakhs out of outstanding amounts aggregating ₹ 334.51 Lakhs which were outstanding as on January 13, 2021 (effective date of merger), received back by the Company. Balance amount of ₹ 204.00 Lakhs and ₹ 6.81 Lakhs were adjusted against payable for purchase of equity shares of subsidiary companies and loan payable respectively. - Sargam Dealer Pvt Ltd- ₹ 175.13 Lakhs (Receivable) - Maharaj Retailer Pvt Ltd. - ₹ 159.38 Lakhs (Receivable)			
(l) <b>Mr. Manoj Kedia</b>	Remuneration paid	3.00	4.37
	Remuneration paid in advance	1.85	-
	Refund received against old outstanding	1.25	-
(m) <b>Saurabh Lohia</b>	Remuneration paid	9.00	2.25
	Purchases of equity shares of a subsidiary company	0.15	-
	Guarantee given for loan availed by the company	refer note 7.1	
(n) <b>Gautam Kanodia</b>	Purchases of equity shares of a subsidiary company ^	292.91	
^ Since the following Companies were merged with the Company therefore Net outstanding amounts aggregating ₹ 345.46 (net of receivables ₹ 15.00 Lakhs) Lakh which were outstanding as on January 13, 2021 (effective date of merger), ₹ 246.31 lakhs received back by the Company in previous year and balance ₹ 99.15 lakhs were adjusted against purchase of equity shares of a subsidiary company in current year. - Sargam Dealer Pvt Ltd- ₹ 151.08 Lakhs (Receivable) - Maharaj Retailer Pvt Ltd. - ₹ 159.38 Lakhs (Receivable) - Rinam Trading Pvt Ltd. - ₹ 50 Lakhs (Receivable) - Vevant Cement Works Pvt Ltd. ₹ 15 Lakhs (payable)			
(o) <b>Swati Kanodia</b>	Purchases of equity shares of a subsidiary company	204.61	-
	Advance against purchase of land refunded ^	15.65	46.10
	Advance against purchase of land		21.00

^ Since the following Companies were merged with the Company therefore during the financial year 2020-21 Net outstanding amounts aggregating ₹ 24.90 Lakh which were outstanding as on January 13, 2021 (effective date of merger) adjusted against advance received for sale of land.

- Sargam Dealer Pvt Ltd- ₹ 16.70 Lakhs (Receivable)
- Maharaj Retailer Pvt Ltd. - ₹ 8.20 Lakhs (Receivable)



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(₹ in Lakhs)

Related Party and Nature of Transactions		As at March 31, 2022	As at March 31, 2021
(p) <b>Khushboo Kanodia and Shree Shyam Services</b>	Rent paid	120.00	84.00
	Purchases of equity shares of a subsidiary company	214.20	-
	Security deposit refunded back	6.00	-
	Advance against purchases of equity shares of a subsidiary company	-	25.00
	Security deposit given	-	6.00
	^ Since the following Companies were merged with the Company therefore during the year Net outstanding amounts aggregating ₹ 68.60 Lakh which were outstanding as on January 13, 2021 (effective date of merger), adjusted against purchase of equity shares of a subsidiary company.		
- Sargam Dealer Pvt Ltd- ₹ 18.60 Lakhs (Receivable)			
- Rinam Trading Pvt Ltd. - ₹ 50 Lakhs (Receivable)			
(q) <b>Vishal Kanodia HUF</b>	Purchases of equity shares of a subsidiary company	369.36	-
	Amount refunded ^	25.05	24.95
^ Since the following Companies were merged with the Company therefore during the financial year 2020-21 Net outstanding amounts aggregating ₹ 50 Lakh which were outstanding as on January 13, 2021 (effective date of merger) refunded back by the Company.			
- Rinam Trading Pvt Ltd. - ₹ 50 Lakhs (Receivable)			
(r) <b>Manju Devi Kanodia</b>	Purchases of equity shares of a subsidiary company	161.34	-
	Advance received against purchases of property, plant and equipments	-	24.60
	Interest paid on advance received against property, plant and equipments	-	12.22
	Advance against purchases of property, plant and equipments refunded	136.00	210.00
(s) <b>Gautam Kanodia HUF*</b>	Advance received against sale of land	26.40	10.60
	Refund of advance received against sale of land	10.60	-

**III Closing Balances :**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Kanodia Infratech Limited</b>		
-Loan receivable	-	342.10
-Trade receivable	66.26	1,152.88
-Loan payable	49.86	-
<b>Kanodia Cem Private Limited</b>		
-Loan receivable	6,550.86	379.68
-Trade receivable	150.34	-
<b>Hygiene Plus Private Limited</b>		
-Loan receivable	1,141.19	3,472.99

-Also refer note 30(C) of the financial statements.





**M/S KANODIA CEMENT LIMITED**  
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Particulars	As at March 31, 2022	As at March 31, 2021
<b>Blossom realcon Private Limited</b>		
-Loan receivable	248.55	237.00
<b>Fair Hygiene Private Limited</b>		
-Loan receivable	30.80	29.60
<b>Sapnasudhansh Info System Private Limited</b>		
-Security deposits receivable	371.66	335.58
<b>Trends Advisory Private Limited</b>		
-Loan payable	6.10	80.00
<b>Kanodia Business Private Limited</b>		
-Loan receivable	-	184.35
<b>Kanodia Cement Industries Private Limited</b>		
-Loan receivable	-	1.10
<b>Mr. Vishal Kanodia</b>		
-Receivable against advance given for purchases of equity shares of a subsidiary company	-	322.36
-Payable against purchases of equity shares of subsidiary companies	144.12	-
-Loan payable	-	6.81
-For guarantees, refer note 7.1 of the financial statements.		
<b>Manoj Kedia</b>		
-Advance salary paid	1.85	0.50
-Advance for supply	-	1.25
<b>Saurabh Lohia</b>		
-Salary Payable	1.29	0.75
-For guarantees, refer note 7.1 of the financial statements.		
<b>Gautam Kanodia*</b>		
-Receivable against advance given for purchases of equity shares of a subsidiary company	-	99.15
-Payable against purchases of equity shares of a subsidiary company	105.51	-
<b>Swati Kanodia</b>		
-Payable against advance received for sale of land	-	15.65
-Payable against purchases of equity shares of a subsidiary company	204.61	-
<b>Khushboo Kanodia / Shree Shyam Services</b>		
-Receivable against advance given for purchases of equity shares of a subsidiary company	-	87.60
-Trade payable (Shree Shyam Services)	63.90	6.01
-Payable against purchases of equity shares of a subsidiary company	13.00	-
-Security deposits receivable	193.15	199.15
-Also refer note 30(B) of the financial statements.		
<b>Vishal Kanodia HUF*</b>		
- Amount receivable against amalgamation	-	25.05
-Payable against purchases of equity shares of a subsidiary company	359.36	-
<b>Manju Devi Kanodia*</b>		
-Payable against advance received for sale of land	-	136.00
-Payable against purchases of equity shares of a subsidiary company	161.34	-
<b>Gautam Kanodia HUF*</b>		
-Payable against advance received for sale of land	26.40	10.60



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(Rs. in Lakhs)

**36 Employment Benefit**

As per Accounting Standard 15 (R) "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

**(a) Defined Contribution Plan**

The Company makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards Provident Fund which is a defined contribution plan. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards such contribution to Provident Fund for the year is included in "Employee benefits expense".

The Company has recognised the following amounts in the Statement of Profit and Loss :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to Provident and Other funds	4.52	3.45

**(b) Defined Benefit Plan (also refer note 29.2(n))**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables summaries the components of net benefit expense recognised in the Profit and Loss Statement and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) :-

**a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):**

	For the year ended March 31, 2022
Opening defined benefit obligation	3.18
Current service cost	1.95
Interest cost	0.22
Benefits paid	-
Actuarial (gains) / losses on obligation	(0.75)
<b>Closing defined benefit obligation</b>	<b>4.60</b>

**b) The Company has no plan assets.**

**c) A reconciliation of the present value of the DBO and the fair value of the plan assets to the assets recognised in the balance sheet:**

	For the year ended March 31, 2022
Present value of defined benefit obligation at the end of the period	4.60
Fair value of the plan assets at the end of the year	-
<b>Asset/(Liability) recognized in the balance sheet</b>	<b>(4.60)</b>

**d) The total expense recognised in the Statement of Profit and Loss:**

	For the year ended March 31, 2022
Current service cost	1.95
Interest cost	0.22
Expected return on plan assets	-
Actuarial (gains)/loss	(0.75)
<b>Net benefit expense</b>	<b>1.42</b>
Actual return on plan assets	NIL



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

	For the year ended March 31, 2022
Investments with insurer	Not Applicable

**f) Following are the Principal Actuarial Assumptions used as at the balance sheet date:**

	For the year ended March 31, 2022
Discount rate	7.29% per annum
Expected rates of return on any plan assets	Not Applicable
Average Salary escalation rate	8.00% per annum
Average remaining working life of the employees(years)	23.69 Years
The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant	

**g) Disclosure under para 120(n) amounts for the current and previous four periods are as follows:**

	For the year ended March 31, 2022
Present Value of obligation at the end of the year	4.60
Fair value of plan assets at the end of the year	-
Funded Status	(4.60)
Actuarial (Gain)/loss in PBO	(0.75)
Actuarial (gain)/loss for the year-Plan Assets	Not Applicable

**h) Expected contributions for the next financial year :**

	For the year ended March 31, 2022
Expected contributions for the next financial year	-

**i) Actuarial Valuation Assumptions**

The Principal actuarial assumptions considered in the valuation were :

**Economic Assumptions :** The discount rate and salary increase rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

**Discount Rate :** The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The term of the risk free investments has to be consistent with the estimated term of benefit obligations.

**Salary Escalation Rate :** The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again, a long-term view as to the trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

**Attrition Rate / Withdrawal Rate :** Past experience indicates the current level of attrition. The assumption may incorporate the company's policy towards retention of employees, historical data & industry outlook.

**Mortality Rate :** Mortality Table (IALM) 2012-2014, as issued by Institute of Actuaries of India, for the valuation.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**37 Scheme of Arrangement - Amalgamation of the following companies with the Company**

National Company Law Tribunal (NCLT) of Judicature at Allahabad Bench vide their order dated January 13, 2021 sanctioned the Scheme of Arrangement between Sargam Dealers Private Limited, Maharaja Retailers Private Limited, Rinam Trading Private Limited, Bluestar Cement Limited, Vevant Cement works Private Limited and Rinam Dealmark private Limited (All together "Transferor Company") with Kanodia Cement Limited ("Transferee Company") and their respective shareholders and creditors, pursuant to the provisions of section 230 to 232 and other provisions of the Companies Act, 2013 ("the Scheme") for the amalgamation of the transferor with the transferee. The Scheme became effective upon filing of certified copies of the Orders of the National Company Law Tribunal of Judicature at Allahabad Bench to Registrar of Companies, on January 13, 2021 with effect from appointed date i.e. April 1, 2019.

The Scheme has appointed date i.e. April 1, 2019 which, inter alia, provides for the amalgamation of Transferor Company and Transferee Company and upon the Scheme becoming effective, the business of the transferor stand transferred to and vested in the Transferee Company with effect from appointed date as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein, subject to any existing lien or its penders, which shall be deemed to be modified subject to the provisions of the Scheme.

In terms of the scheme, with effect from the appointed date till the effective date, the business of the transferor company has been carried out by the transferee company.

The accounting effect of this Arrangement in the standalone financial statements has been given as under:

(a) The Company has issued and allotted 64,25,565 equity shares of ₹ 100/- each to members existing as on the record date, in the ratio of share exchange ratio decided at the time of scheme of arrangement.

(b) The Company has recorded all assets and liabilities of the transferor company vested in it pursuant to the scheme.

(c) Further figures of transferor company have been regrouped and/or rearranged wherever required to align with disclosure parameters of the Company.

**(a) Summary of Assets, Liabilities and Reserve acquired**

A summary of the assets and liabilities duly adjusted and transferred to the company as at appointed date (i.e. April 1, 2019) is as follows:

Particulars	Sargam Dealers Pvt Ltd	Rinam Trading Pvt Ltd	Rinam Dealmark Pvt Ltd	Maharaja Retailers Pvt Ltd	Bluestar Cement Limited	Vevant Cement Works Pvt Ltd.	Total
<b>I. EQUITY AND LIABILITIES</b>							
<b>(1) Shareholders' Funds</b>							
(a) Share Capital	28.88	49.89	44.97	34.88	408.40	495.04	1,061.85
(b) Reserves & Surplus	896.96	4,942.34	4,457.25	1,150.69	207.15	577.46	12,231.86
<b>(2) Non-Current Liabilities</b>							
(a) Long-term Borrowings	-	-	-	-	394.88	664.37	1,059.25
(b) Deferred tax Liabilities(Net)	-	-	-	-	43.92	66.06	109.97
<b>(3) Current Liabilities</b>							
(a) Short-term Borrowings	-	-	-	-	352.71	302.93	655.64
(b) Trade Payables							
Total outstanding due to Micro and Small Enterprises	-	-	-	-	-	-	-
Total outstanding due to other than Micro and Small Enterprises	-	-	1.26	-	38.05	424.33	463.64
(c) Other Current Liabilities	347.70	58.33	-	9.33	258.22	532.38	1,205.96
(d) Short-term Provisions	0.60	0.15	0.22	-	11.69	78.62	91.25
<b>Total Liabilities (A)</b>	<b>1,274.14</b>	<b>5,050.71</b>	<b>4,503.71</b>	<b>1,194.70</b>	<b>1,714.99</b>	<b>3,141.18</b>	<b>16,879.42</b>
<b>II. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and Equipment	-	284.02	-	43.33	1,136.63	1,894.35	3,358.34
(b) Non Current Investments	302.50	-	92.04	198.00	45.58	90.12	728.24
(c) Deferred Tax assets (net)	-	-	-	1.08	-	-	1.08
(d) Long Term Loans and Advances	-	4,669.19	-	-	-	-	4,669.19
<b>(2) Current assets</b>							
(a) Current Investments	-	58.00	-	-	-	-	58.00
(b) Inventories	-	-	-	-	77.80	300.54	378.35
(c) Trade Receivables	-	-	1.43	666.20	237.22	485.69	1,390.54
(d) Cash and Bank Balances	62.11	32.50	11.73	1.77	7.51	7.09	122.71
(e) Short-term Loans & Advances	909.28	-	4,388.50	263.11	187.18	383.40	6,121.47
(f) Other Current Assets	0.25	7.00	-	21.20	23.06	-	51.51
<b>Total Assets (B)</b>	<b>1,274.14</b>	<b>5,050.71</b>	<b>4,503.71</b>	<b>1,194.70</b>	<b>1,714.99</b>	<b>3,141.18</b>	<b>16,879.42</b>
<b>Net Assets and Liabilities acquired</b>	<b>925.84</b>	<b>4,992.23</b>	<b>4,502.22</b>	<b>1,185.37</b>	<b>615.55</b>	<b>1,072.50</b>	<b>13,293.71</b>

**Contingent liabilities**

(a) Demand for Income tax, being contested by the Company	-	0.02	0.40	0.61	-	0.10	1.13
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(b) In earlier years, Vevant Cement Works Pvt. Ltd. has given corporate guarantee to a bank for loan to the extent of ₹ 500 Lakhs obtained by a relative of director against which the balance outstanding as on March 31, 2019 ₹ 584.60 lakhs.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**(b) Consideration**

The Company shall, in consideration of the amalgamation, issue and allot to the Equity Shareholders of merging companies in the ratio as detailed below:

- (1) 2 equity shares of ₹ 100 each of the Company for every 100 equity shares held by equity shareholders of Sargam Dealers Pvt Ltd.;
- (2) 2 equity shares of ₹ 100 each of the Company for every 100 equity shares held by equity shareholders of Maharaj Retailers Pvt Ltd.; and
- (3) 0.5 equity shares of ₹ 100 each of the Company for every 100 equity shares held by equity shareholders of Rinam Trading Pvt Ltd.; and
- (4) 0.5 equity shares of ₹ 100 each of the Company for every 100 equity shares held by equity shareholders of Rinam Dealmark Pvt Ltd.; and
- (5) 1 equity shares of ₹ 100 each of the Company for every 100 equity shares held by equity shareholders of Bluestar Cement Ltd; and
- (6) 0.09 equity shares of ₹ 100 each of the Company for every 100 equity shares held by equity shareholders of Vevant Cement Works Pvt. Ltd.

(c) All assets, liabilities and provisions of each of the amalgamating companies have been transferred to and vested in the company w.e.f. 01.04.2019 and have been recorded at book value of respective assets/liabilities under the "Pooling of Interest" method of accounting as per Accounting Standard on Accounting for Amalgamations (AS-14).

(d) Loans, advances and other obligations/liabilities due including Equity Shares held between the company and the amalgamating companies and vice versa and between the amalgamating companies inter se have been cancelled. Accordingly, 5,60,000 equity shares of Vevant Cement Works Pvt Ltd held by Kanodia Cement Limited, 1,98,000 equity shares in Bluestar Cement Ltd held by Maharaj Retailers Pvt Ltd and 1,97,000 equity shares in Bluestar Cement Ltd held by Sargam Dealers Pvt Ltd (amalgamating companies) have been cancelled in the capital of the Company.

(e) Consequent to and as part of the amalgamation of the Sargam Dealers Pvt Ltd, Rinam Trading Pvt Ltd, Rinam Dealmark Pvt Ltd, Maharaj Retailers Pvt Ltd, Bluestar Cement Limited, Vevant Cement Works Pvt Ltd (Transferor Companies) with the Company, the respective Authorised Share Capital of the Transferor Companies shall stand merged into and combined with the Authorised Share Capital of the Company pursuant to the Scheme, without any further act or deed, and without payment of any registration or filing fee on such combined Authorised Share Capital, the Transferor Companies and the Transferee Company having already paid such fees. Accordingly, Authorised Capital of the Company under the Scheme is to 74,56,965 equity shares of ₹ 100 each.

(f) The necessary steps and formalities in respect of transfer of assets and investments in favour of the Company are under implementation.

(g) All business activities carried on by the Sargam Dealers Pvt Ltd, Rinam Trading Pvt Ltd, Rinam Dealmark Pvt Ltd, Maharaj Retailers Pvt Ltd, Bluestar Cement Limited, Vevant Cement Works Pvt Ltd (Transferor Companies) w.e.f. 01.04.2019 till January 13, 2021 in the ordinary course of business were deemed to have been carried on for and on behalf of and in trust for the Company and consequently all profits and losses and related taxes paid were deemed to be the profits, losses and taxes of the Company, as the case may be.

**(h) Reserve and Surplus reconciliation :**

Particulars	Amount (₹ Lakhs)
<b>Opening Reserves as on 1st April 2019</b>	834.74
Credit balance of profit and loss account as on 01.04.2019 of the amalgamating companies	(4,926.53)
Adjustment for : Cross Holding of Subsidiary Companies	(452.12)
Profit for the financial year 2019-20 of Kanodia Cement Limited	265.02
<b>Reserves and surplus as on 31st April 2020</b>	<b>(4,278.88)</b>
Profit for the financial year 2020-21 of Kanodia Cement Limited	286.57
Add: Profit for the period April 1, 2019 to January 13, 2021	787.67
<b>Closing Balance of Surplus in the Statement of Profit and Loss as on 31.03.2021</b>	<b>(3,204.64)</b>



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**38 Disclosure u/s 186(4) of the Companies Act 2013**

Details pursuant to disclosure requirements of section 186(4) of the Companies Act 2013 relating to loans/guarantee given or security provided or investment made by the Company:

SN	Particulars	Loan Given / Security Provided during the year ended 31st March 2022	Balance of Loan Given / Security Provided as on 31st March 2022	Loan Given / Security Provided during the year ended 31st March 2021	Balance of Loan Given / Security Provided as on 31st March 2021	Rate of Interest (Per Annum)	Purpose	Maturity Period
(i)	Hygiene Plus Private Limited	5143.11	1141.19	4,620.64	3,472.99	8.25%	Business	Repayable 5 years from date of disbursement.
(ii)	Kanodia Cem Private Limited	7365.64	6550.86	2,319.96	379.68	8.25%	Business	Repayable 5 years from date of disbursement.
(iii)	Kanodia Infratech limited	4572.24	-	5,167.93	342.10	8.25%	Business	Repayable 5 years from date of disbursement.
(iv)	Fair Hygiene Private Limited	1.20	30.80	29.60	29.60	8.25%	Business	Repayable 5 years from date of disbursement.
(v)	Blossom realcon Pvt. Ltd.	13.50	248.55	-	237.00	8.25%	Business	Repayable 5 years from date of disbursement.
(vi)	Anadi Infotainment Private Limited	20.10	-	-	-	8.25%	Business	Repayable 5 years from date of disbursement.
(vii)	Kanodia Cement Industries Private Limited	-	-	-	1.10	8.25%	Business	Not Beyond 31.03.2023
(viii)	Kanodia Business Private Limited	18.75	-	-	184.35	8.25%	Business	Repayable 5 years from date of disbursement.

**39 Other disclosures**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Expenditure in foreign currency (accrual basis)	-	-
b. Earnings in foreign currency (accrual basis)	-	-
c. Value of imports calculated on CIF basis	-	-
d. Derivative instruments and unhedged foreign currency exposure	-	-

**40 Imported and indigenous raw materials, components and spare parts consumed**

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹ in Lakhs	% of total consumption	₹ in Lakhs	% of total consumption
<b>a. Raw Materials and Packing Materials</b>				
Imported	-	-	-	-
Indigenous	19,083.68	100.00%	11,602.65	100.00%
	<b>19,083.68</b>	<b>100.00%</b>	<b>11,602.65</b>	<b>100.00%</b>
<b>b. Stores and spares</b>				
Imported	2.98	0.41%	4.67	4.19%
Indigenous	731.61	99.59%	106.72	95.81%
	<b>734.59</b>	<b>100.00%</b>	<b>111.38</b>	<b>100.00%</b>





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**41 Ratios and their Elements as per the requirements of Schedule III to Companies Act 2013**

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Reason of Change (% change beyond 25%)
a) Current Ratio (Times)	Current Asset	Current Liability	1.44	2.93	-50.87%	Due to decrease in current assets
b) Debt-Equity Ratio (Times)	Total Debt	Shareholder Equity	0.10	0.17	-41.26%	Due to decrease in borrowings.
c) Debt Service Coverage Ratio (Times)	EBITDA	Debt Service	1.36	0.34	294.44%	Decrease due to increase in EBITDA
d) Return on Equity Ratio	Profit after tax	Average Shareholder Equity	5.75%	1.76%	227.12%	Due to increase in profit
e) Inventory turnover ratio (Times)	Cost of material consumed	Average Inventory	35.42	25.63	38.19%	Due to increase in turnover and profitability
f) Trade Receivables turnover ratio (Times)	Net Credit Sales	Average Trade Receivables	11.76	12.05	-2.39%	
g) Trade payables turnover ratio (Times)	Net Credit Purchases	Average Trade Payables	11.97	12.29	-2.63%	
h) Net capital turnover ratio (Times)	Net Sales	Average Working Capital	16.91	3.21	426.23%	Due to increase in net sales
i) Net profit ratio	Net Profit after Tax	Net Sales	3.20%	1.47%	118.16%	Due to increase in profit
j) Return on Capital employed	Earning before interest and tax	Capital Employed	9.73%	2.99%	225.37%	Due to increase in profit
k) Return on investment	Income received on Loans, FDRs and investments	Average of loans, FDRs and investments	0.57%	0.41%	37.03%	Due to interest income waiver in previous year

**42 Corporate Social Responsibility (CSR)-**

The provisions of section 135 of the Companies Act, 2013 towards Corporate Social Responsibility is not applicable to the Company.

**43 Registration of Charges or satisfaction with Registrar of Companies (ROC)**

- a. The company does not have any charges or satisfactions yet to be registered with the registrar of the companies beyond the statutory period except following :

Assets under charge	Banker Name	Date of Creation	Date of Modification	Amount (₹ Lakhs)	Remarks
Floating charge; Creation of Lien on Deposit	HDFC Bank Limited	11/12/17	11/12/17	239.68	This charge is in the process of satisfaction with HDFC Bank Limited.

- b. The Company has not filed charge for corporate guarantee given by M/s Vevant Cement Works Pvt Ltd. (amalgamated company) to a bank for loan to the extent of ₹ 500 Lakhs obtained by a relative of director against which the balance outstanding as on March 31, 2022 ₹ 411.42 lakhs.

**44 Compliance with approved Scheme(s) of Arrangements**

There was no scheme of arrangement were filed during the year and the Company has complied with Scheme of arrangement approved in previous year (Refer Note 37).

**45 Details of Benami Property held**

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Properties Transactions Act, 1988 and rules made thereunder.

**46 Wilful Defaulter**

The Company has not been declared as wilful defaulter by any bank or financial institution or other Lender.

**47 Relationship with Struck off Companies**

During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.

**48 Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**49 Utilisation of Borrowed funds and share premium**

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**50 Undisclosed Income**

The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

**51 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**52 Capital work in progress (CWIP) and Intangible asset**

i. The Company does not have any Intangible asset under development.

ii. The Company has not revalued its intangible assets during the year as well as in previous year.

iii. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group has no CIC as part of the Group.

**53** The Company has passed various special resolutions to increase limits u/s 180(1)(a), 180(1)(c), 185 and 186 of the Companies Act, 2013 during the year. However these special resolutions were not filed with Registrar of Companies till September 28, 2022. The Company will regularise these delays in due course.

**54** Previous year figures and opening balances have been considered as per accounts audited by previous year auditor. Previous year figures have been regrouped / rearranged wherever necessary to conform current year's figure.

For and on behalf of Board of Directors

As per our report of even date attached  
For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

  
Bimal Kumar Sipani  
Partner

Membership Number: 088926



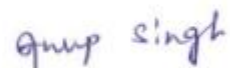
*Vishal Kanodia*

Vishal Kanodia  
Managing Director  
DIN: 00946804

  
Shikha Mehra Chawla  
Company Secretary



*Manoj Kedia*  
Manoj Kedia  
Director  
DIN: 03526814

  
Anup Kumar Singh  
Chief Financial Officer

Place : Noida (Delhi-NCR)  
Date: September 29, 2022



## INDEPENDENT AUDITOR'S REPORT

To the Members of Kanodia Cement Limited

### Report on the Audit of the consolidated financial statements

#### Opinion

We have audited the accompanying consolidated financial statements of Kanodia Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to note no. 28.1 of the consolidated financial statements regarding a case filed by a customer against the Subsidiary Company for alleged breach of contractual terms which has been disputed by the Subsidiary Company before the Hon'ble High Court of Delhi. Based on the Hon'ble High Court of Delhi instruction matter was referred for arbitration. Arbitrator has held the Subsidiary Company liable to pay principal sum of ₹ 4,983.87 Lakhs and interest thereon. The Subsidiary Company has challenged the aforesaid arbitration award before the Single Judge bench of the Hon'ble High Court which has been decided partly in the favor of the Subsidiary Company by set aside the award of ₹ 400 Lakhs. The Subsidiary Company has further challenged the matter before the Double





bench of Hon'ble High Court of Delhi. The Double bench of Hon'ble High Court has granted stay on the operation of the award till the matter is finally disposed off by the Court. The Subsidiary Company has accounted for liability for principal amount aggregating ₹ 4,559.88 Lakhs (including ₹ 94 lakhs towards arbitration costs) in earlier years. Principal amount of ₹ 118 lakhs and interest of ₹ 4,883.04 lakhs have not been accounted for and shown as contingent liability in the consolidated financial statements. The Subsidiary Company's legal counsel has given opinion that there are high probabilities of favorable decision.

Our opinion is not qualified in respect of above matter.

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

### Other Matter

As relationship of Holding and Subsidiary Company came into existence during the year. Therefore, previous year comparable figures has not given in consolidated financial statements. Our opinion is not modified in respect of this matter.

### Responsibilities of Management for the Consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The Board of Directors of the Company and of its subsidiaries are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the consolidated financial statements**

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

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

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



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;





- (f) With respect to the adequacy of the internal financial controls with reference to financial reporting of the Group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and according to the information and explanations given to us, remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements- Refer Note 28.1 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Group.
  - iv.
    - a. The management of respective companies in the group have represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Companies within the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Companies within the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The management of respective companies in the group have represented, that, to the best of it's knowledge and belief, no funds have been received by the Companies within the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. The Holding Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Holding Company.

Date: September 29, 2022

Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AWWRJM4516

Annexure A to Independent Auditor's Report of even date to the members of Kanodia Cement Limited on the consolidated financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)

There have been adverse remarks in the following clause by respective auditors in the Companies (Auditor's Report) Order (CARO) Report.

S.no.	Name	CIN	Holding/ Subsidiary	Clause no. of the CARO report which is qualified or adverse
1.	Kanodia Infratech Limited	U74900UP2010PLC039750	Subsidiary	(i)(a)(A), (i)(b), (i)(c), (ii)(a), (iii)(a), (iii)(c), (iv), (vii)(a), (xi)(a)
2.	Kanodia Cem Private Limited	U26999UP2019PTC122527	Subsidiary	(i)(a)(A), (i)(b), (ii)(a), (iii)(a), (iii)(c), (iv), (xi)(a), (xvii)

Date: September 29, 2022

Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 22088926AWWRJM4516



**Annexure B to Independent Auditor's Report of even date to the members of Kanodia Cement Limited on the consolidated financial statements for the year ended March 31, 2022 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to consolidated financial statements of Kanodia Cement Limited ("the Holding Company") and its subsidiaries as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

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

## **Auditor's Responsibility**

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

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

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



## **Meaning of Internal Financial Controls with reference to consolidated financial statements**

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

## **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

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

## **Opinion**

In our opinion, the Group has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however the same needs to be further strengthened.

## **Emphasis of Matter**

We draw attention that the Companies within the Group has defined risk control matrix of various process basis Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India but the same is required to be further strengthened by incorporating more controls related to entity level controls, process level controls and controls related to financial statements review and closure process.

Our opinion under Section 143(3)(i) of the Act is not modified in respect of above matter.



## Explanatory Statement

The weakness in operating effectiveness of internal financial control system as stated in 'Emphasis of Matter', was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 consolidated financial statements of the Group and this report does not affect our report dated September 29, 2022, which expressed an unqualified opinion on those consolidated financial statements.

Date: September 29, 2022  
Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AWWRJM4516



**M/S KANODIA CEMENT LIMITED**  
**CIN NO.: U36912UP2009PLC037903**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' funds</b>		
(a) Share capital	1	7,456.97
(b) Reserves and surplus	2	15,149.16
<b>(2) Minority interest</b>		72.04
<b>(3) Non-current liabilities</b>		
(a) Long-term borrowings	3	10,805.63
(b) Deferred tax liabilities(net)	4	1,727.57
(c) Other long term liabilities	5	1,606.08
(d) Long term provisions	6	27.56
<b>(4) Current liabilities</b>		
(a) Short-term borrowings	7	1,035.69
(b) Trade payables	8	
total outstanding due to micro and small enterprises		2.93
total outstanding due to other than micro and small enterprises		3,845.65
(c) Other current liabilities	9	7,488.44
(d) Short-term provisions	10	1,290.41
<b>Total</b>		<b>50,508.13</b>
<b>II. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment and intangible assets		
(i) Property, plant and equipment	11A	17,328.46
(ii) Intangible assets	11B	0.56
(iii) Capital work-in-progress	11C	16,615.90
(iii) Intangible assets under development		-
(b) Goodwill on consolidation		0.06
(c) Non-current investments	12	353.55
(d) Long-term loans and advances	13	1,885.58
(e) Other non-current assets	14	1,216.75
<b>(2) Current assets</b>		
(a) Current investments		-
(b) Inventories	15	941.03
(c) Trade receivables	16	5,254.82
(d) Cash and bank balances	17	998.19
(e) Short-term loans and advances	18	3,713.68
(f) Other current assets	19	2,199.55
<b>Total</b>		<b>50,508.13</b>

Contingent liabilities and commitments

28.1

Significant accounting policies and other notes to consolidated financial statements

1-28

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

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No: 3020495

Bimal Kumar Sipani

Partner

Membership Number: 088926



For and on Behalf of the Board

*Vishal Kanodia*

Vishal Kanodia  
Managing Director  
DIN: 00946204

*Shikha Mehra Chawla*  
Shikha Mehra Chawla  
Company Secretary

*Manoj Kedia*

Manoj Kedia  
Director  
DIN: 03526814

*Anup Singh*

Anup Kumar Singh  
Chief Financial Officer

Place: Noida (Delhi-NCR)

Date: September 29, 2022

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs, except EPS)

Particulars	Note	For the year ended March 31, 2022
I Revenue from operations	20	48,863.78
II Other income	21	290.04
III Total revenue (I+II)		49,153.82
IV EXPENSES:		
Cost of materials consumed	22.1	30,599.27
Purchase of stock-in-trade	22.2	3,927.53
Changes in inventories of finished goods, work in progress and stock-in-trade	23	(94.19)
Employee benefits expense	24	646.55
Finance costs	25	175.15
Depreciation and amortisation expense	11A	1,039.51
Other expenses	26.1	7,176.99
Total expenses		43,470.81
V Profit before exception items and tax (III-IV)		5,683.01
VI Exception items [expense/(income)]	26.2	110.00
VII Profit before tax and minority interest(V-VI)		5,573.01
VIII Tax expense:		
(1) Current tax		
- Current year		1,398.26
- Related to earlier years		8.96
(2) Deferred tax charge/(credit) (net)		
- Current year		147.01
- Related to earlier years		1,002.07
IX Profit for the year before pre-acquisition profit and minority interest etc (VII-VIII)		3,016.71
Less: Pre-acquisition profit		
Pre-acquisition profit transferred to capital reserve on consolidation	27.1 (c)	1,009.28
Pre-acquisition loss transferred to goodwill on consolidation	27.1 (c)	(0.62)
Share of Minority Interest on pre-acquisition profit/(loss)		10.13
X Profit for the year		1,997.92
XI Profit attributable to minority interest		10.13
XII Profit attributable to the owners of the parent company (X-XI)		1,987.79
XIII Earning per equity share [having face value of ₹ 10 each] - Basic and diluted	28.2	2.68

Significant accounting policies and other notes to consolidated financial statements

1-28

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

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049

Bimal Kumar Sipani  
Partner

Membership Number: 088926



Vishal Kanodia  
Managing Director  
DIN: 00946204

Shikha Mehra Chawla  
Company Secretary

For and on Behalf of the Board

Manoj Kedia  
Director  
DIN: 03526814

Anup Kumar Singh  
Chief Financial Officer

Place: Noida (Delhi-NCR)

Date: September 29, 2022

Particulars	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>	
Profit before tax	5,573.01
Adjustments for:	
Depreciation and amortisation expense	1,039.51
Finance costs	175.15
Bad debts	560.92
Advances written off	126.37
Net profit on sale of Non Current Investments	(5.40)
Interest income	(72.99)
Government subsidy income	(1,451.72)
Dividend income	(0.20)
<b>Operating profit before working capital changes</b>	<b>5,944.66</b>
Adjustments for :	
Trade and other receivables	(3,643.93)
Inventories	258.90
Trade and other payables	(58.75)
<b>Cash generated from operations</b>	<b>2,500.87</b>
Direct taxes paid	(128.44)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>2,372.43</b>
<b>B. Cash flow from investing activities</b>	
Purchase of property, plant and equipments including payment for capital work in progress	(11,626.17)
Sale of property, plant and equipments	172.25
Investments in equity shares	(677.48)
Loan given	(5,466.01)
Loan received back	7,442.95
Government subsidy received	1,483.82
Net (increase) / decrease in fixed deposits	3,014.69
Interest received	67.44
<b>Net Cash inflow / (outflow) from investing activities</b>	<b>(5,588.50)</b>
<b>C. Cash flow from financing activities</b>	
Proceeds from long term borrowings	4,141.09
Repayment of long term borrowings	(1,975.60)
Net proceeds / (repayment) of short term borrowings	886.44
Finance costs paid	(189.46)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>2,862.46</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(353.61)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>634.00</b>
<b>Closing balance of cash and cash equivalents</b>	<b>280.39</b>
<b>Cash and cash equivalents comprise :</b>	
Cash on hand	60.11
<b>Balance with schedule banks :</b>	
In current accounts	206.50
In cash credit account	13.78

Note : (1) The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard 3- Cash Flow Statement.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No: 305607

Bimal Kumar Sipani  
Partner

Membership Number: 088020



For and on Behalf of the Board

Vishal Kanodia

Vishal Kanodia  
Managing Director  
DIN: 00946204

Shikha Mehra Chawla  
Company Secretary

Manoj Kedia  
Director  
DIN: 03526814

Anup Kumar Singh  
Chief Financial Officer

Place: Noida (Delhi-NCR)

Date: September 29, 2022



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**1 Share capital**

Particulars	Note	As at March 31, 2022
<b>Authorised</b>		
84,96,6610 Equity shares of ₹ 10/- each		8,496.66
		<b>8,496.66</b>
<b>Issued, subscribed and fully paid up</b>		
74,56,9650 Equity shares of ₹ 10/- each fully paid-up		7,456.97
		<b>7,456.97</b>

**a) Reconciliation of number of equity shares outstanding**

	Nos
<b>Number of shares at the beginning of the year</b>	74,56,965
Add : Adjustment due to split of shares [face value ₹ 100 to ₹ 10]*	6,71,12,685
<b>Number of shares at the end of the year</b>	<b>7,45,69,650</b>

\* Pursuant to the special resolution passed in the extra-ordinary general meeting held on March 12, 2022, the face value of equity shares of the Holding Company has been split from ₹100 to ₹10 per share with effect from March 12, 2022.

**b) Rights, preferences and restrictions attached with equity shares**

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend except interim dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the Holding Company (as per shareholders' register maintained by the Holding Company)**

Shareholders' name	As at March 31, 2022 \$	
	No. of shares held (Nos)	Percentage of holding
Nupoor Kanodia Beneficiary Trust	3,09,30,200	41.48%
Trish Kanodia Beneficiary Trust	2,99,60,200	40.18%
Vishal Kanodia	46,14,540	6.19%
Gautam Kanodia	44,77,370	6.00%

**d) Details of promoters' shareholder holding**

Shareholders' name	As at March 31, 2022 \$		
	No. of shares held (Nos)	Percentage of holding	% Change during the year
Nupoor Kanodia Beneficiary Trust	3,09,30,200	41.48%	-
Trish Kanodia Beneficiary trust	2,99,60,200	40.18%	-
Vishal Kanodia	46,14,540	6.19%	-
Gautam Kanodia	44,77,370	6.00%	-
Swati Kanodia	22,42,660	3.01%	-
Khushboo Kanodia	8,24,180	1.11%	-
Vishal Kanodia HUF	7,50,140	1.01%	-
Manju Devi Kanodia	7,61,130	1.02%	-
Saurabh Lohia	6,500	0.01%	-
Gautam Kanodia HUF	2,730	0.00%	-

\$ There has been no change in the percentage holding of shares, however the absolute numbers has increased in comparison to previous year as the total number of shares outstanding as at year end increased due to split of 1 equity share of ₹ 100 each into 10 equity shares of ₹ 10 each in FY 2021-22.

**e) Bonus, buy back, cancellation and issue of shares**

In preceding five (5) years, there was no issue of bonus, buy back, cancellation and issue of shares for other than cash consideration other than following :

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
<b>(i) Aggregate number and class of shares allotted as fully paid up</b>						
- Pursuant to scheme of arrangement (Refer note 28.8) without payment being received in cash. [equity shares having face value of ₹ 100 each]	NIL	64,26,565	NIL	NIL	NIL	NIL
<b>(ii) Aggregate number and class of shares allotted as fully paid up by way of split of shares.</b>						
- Equity shares having face value of ₹ 10 each	6,71,12,685	NIL	NIL	NIL	NIL	NIL



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**2 Reserves and surplus**

Particulars	Note	As at March 31, 2022
<b>(i) Securities premium</b>		
Balance as per last financial statements		12,051.27
Add: Transfer as per scheme of arrangement (Refer note 28.8)		-
<b>Balance at the end of the year</b>		<b>12,051.27</b>
<b>(ii) Capital reserve</b>		
Balance as per last financial statements		-
Add: Reserve acquired on amalgamation		4,314.74
<b>Balance as at the end of the year</b>		<b>4,314.74</b>
<b>(iii) Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements		(3,204.64)
Add: Profit for the year		1,987.79
<b>Balance as at the end of the year</b>		<b>(1,216.85)</b>
<b>Total reserves and surplus (i to iii)</b>		<b>15,149.16</b>

**3 Long-term borrowings**

Particulars	Note	Non-current portion As at March 31, 2022
<b>Secured</b>		
(i) Term loans from government	3.1	654.54
<b>Total (A)</b>		<b>654.54</b>
<b>Unsecured</b>		
(i) Loan from companies (interest free)	3.2	10,151.09
<b>Total (B)</b>		<b>10,151.09</b>
<b>Net Total</b>		<b>10,805.63</b>

Security	Name of lender	Repayment terms	Rate of interest (Current year)	As at March 31, 2022
Secured by bank guarantee of equal amount of loan and charge on Plot No. D-19, Gata No. 130 & 131, Industrial area Sikandrabad, District Bulandshahr.	Uttar Pradesh Government under "Audyogik Nivesh Protsahan Yojana 2012"	on or before 11/11/27	Interest free loan	453.01
Secured by bank guarantee of equal amount of loan.		on or before 28/09/27	Interest free loan	125.36
Secured by bank guarantee of equal amount of loan and second charge on entire fixed assets viz. Land, Building, Plant & machinery & other fixed assets installed at Unit - II of the Holding Company.		on or before 02/04/23		76.17

3.2 Loans are repayable in financial year 2025-26 not beyond March 31, 2026.

**4 Deferred tax liabilities/(assets) (net)**

The Group has recognised following deferred tax assets and liabilities determined on account of timing differences in accordance with Accounting Standard 22 "Accounting of Taxes on Income".

Particulars	Note	As at March 31, 2022
<b>Deferred tax liabilities on account of :</b>		
Depreciation and amortisation expenses	4.1	1,741.44
<b>Deferred tax assets on account of :</b>		
Expenses allowed on payment basis	4.1	13.87
<b>Net deferred tax liabilities/(assets) [(a)-(b)]</b>		<b>1,727.57</b>

4.1 The Group has recomputed deferred tax for earlier years and error for ₹ 1002.97 Lakhs in determination of deferred tax liability on depreciation and amortisation has been shown separately in Statement of Profit and Loss in current year.

**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**5 Other long term liabilities**

Particulars	Note	As at March 31, 2022
Security deposits from customers	5.1	706.08
Amount payable to related parties for purchases of shares	5.2	997.94
Less : Current maturities of amount payable to related parties for purchases of shares	9	(97.94)
<b>Total</b>		<b>1,606.08</b>

5.1 Securities deposits received from customers are unsecured and refundable at the time of termination of contract with agents.

5.2 The Holding Company has purchased equity shares of subsidiaries from related parties for which amount is repayable in next 5 years.

**6 Long term provisions**

Particulars	Note	As at March 31, 2022
Employees benefit	28.7	27.56
<b>Total</b>		<b>27.56</b>

**7 Short term borrowings**

Particulars	Note	As at March 31, 2022
<b>Secured</b>		
Loan repayable on demand from a bank	7.1	886.44
Current maturity of long term loans		
(i) Vehicle loans from a bank	3	102.42
(ii) Term loans from Government	3	40.73
<b>Unsecured</b>		
Current maturity of long term loan		
(i) Loan from companies (related party) (interest free)		6.10
<b>Total</b>		<b>1,035.69</b>

7.1 In case of Holding Company, exclusive charge in favour of the bank by way of hypothecation of inventories and other moveables including trade and other receivables, both present and future, in a form and manner satisfactory to the Bank, and also secured by personal guarantees of two directors.

The loan is further secured by collateral by way of mortgage on the properties located at A 21, Sector 16, Noida, Uttar Pradesh (India).

**8 Trade payable**

Particulars	Note	As at March 31, 2022
<b>For goods &amp; services</b>	8.1	
Total outstanding due to micro and small enterprises	8.2	2.93
Total outstanding due to other than micro and small enterprises		
- to a related party	28.6	63.90
- to others		3,781.75
<b>Total</b>		<b>3,848.58</b>

8.1 Certain trade payables are subject to reconciliation and confirmations.

8.2 Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Disclosures relating to dues of Micro and Small enterprises under section 22 of MSMED Act, are given below:

Particulars	As at March 31, 2022
(a) Principal amount and Interest remained unpaid to any supplier as on	
- Principal amount remained unpaid to any supplier as on	2.36
- Interest remained unpaid to any supplier as on	0.57
(b) Interest paid by the Companies within the Group in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-
(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-
(d) the amount of interest accrued and remaining unpaid during the accounting year.	0.57
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**8.3 Trade payable ageing as at March 31, 2022**

Particulars	Outstanding for following year from accounting date					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.36	0.57	-	-	-	2.93
(ii) Others	1,235.81	2,294.84	271.58	6.85	36.57	3,845.65
(iii) Disputed- MSME	-	-	-	-	-	-
(iv) Disputed- Others	-	-	-	-	-	-

**9 Other current liabilities**

Particulars	Note	As at March 31, 2022
Employee emoluments		52.47
Advances from customers		146.88
Advances from customers (related parties)	28.6	26.40
Statutory dues payable		724.13
Capital creditors		1,880.55
Current maturities of amount payable to related parties		97.94
for purchases of shares		
Claim payable to a customer	28.1	4,559.87
Other payables		0.20
<b>Total</b>		<b>7,488.44</b>

**10 Short term provisions**

Particulars	Note	As at March 31, 2022
Employees benefit	28.7	12.09
Provision for tax (net)		1,278.32
<b>Total</b>		<b>1,290.41</b>



**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**Note 11- Property, plant and equipments and intangible assets**

S. NO	DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		As at 31-03-21	Addition on consolidation	Additions/ adjustments	Deduction/ adjustments	As at 31-03-2022	As at 31-03-21	Addition on consolidation	for the year	Deduction/ adjustments	As at 31-03-22	As at 31-03-2022	
11A	Property, plant and equipment	Land (Freehold)	555.85	828.69	411.27	-	1,795.81	-	-	-	-	1,795.81	
		Land (Leasehold)	335.95	-	-	-	335.95	-	-	35.01	-	35.01	
		Buildings	1,643.43	1,828.06	-	-	3,471.49	345.67	263.87	175.56	-	785.10	
		Plant and equipments	5,709.44	9,412.13	37.62	-	15,159.19	867.65	2,028.52	595.55	-	3,491.72	
		Electrical installations and equipments	196.07	386.74	-	-	582.81	118.85	164.35	50.65	-	333.85	
		Computers	30.61	9.96	13.22	-	53.79	12.06	4.24	12.00	-	28.30	
		Furniture and fixtures	3.75	42.66	-	-	46.41	1.21	11.76	4.19	-	17.16	
		Vehicles	1,096.42	83.56	-	-	1,179.98	400.55	57.39	163.45	-	621.39	
		Office equipments	14.08	-	6.45	-	20.53	2.30	-	1.68	-	3.98	
		Sub Total	9,585.60	12,591.80	468.56	-	22,645.96	1,748.29	2,530.13	1,038.09	-	5,316.51	17,329.45
11B	Intangible assets												
	Computer software	-	2.09	0.76	-	2.85	-	0.87	1.42	-	2.29	0.56	
	Sub Total	-	2.09	0.76	-	2.85	-	0.87	1.42	-	2.29	0.56	
	TOTAL (A+B)	9,585.60	12,593.89	469.32	-	22,648.81	1,748.29	2,531.00	1,039.51	-	5,318.80	17,330.01	

**Note :**

- (i) There were no revaluation carried out by the Group during the year reported above.  
(ii) Assets pledged and hypothecated against borrowings. Refer Note 3, 7 and 28.1.





**M/S KANODIA CEMENT LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**11C Capital work-in-progress**

Particulars	Note	As at March 31, 2022
Opening		4,034.05
Add: Additions		12,581.85
Less: Assets capitalised		-
<b>Closing</b>		<b>16,615.90</b>

**11C.1 Ageing schedule of capital work-in-progress**

Particulars	Note	As at March 31, 2022
Projects in progress		
< 1 year		12,581.85
1-2 years		3,915.85
2-3 years		118.20

**11C.2 Capital work-in-progress - to be completed in**

Particulars	Note	As at March 31, 2022
Less than 1 year		16,615.90
1-2 years		-
2-3 years		-
More than 3 years		-
<b>Closing</b>		<b>16,615.90</b>

**11C.3 Break-up of capital work-in-progress**

Particulars	Note	As at March 31, 2022
Material costs		13,940.39
Labour costs		2,542.34
Other overheads		133.17
Finance costs		-
<b>Closing</b>		<b>16,615.90</b>

**11C.4** The Group does not have any material project which is overdue or has exceeded its cost compared to its original plan.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**12 Non-current investments**

		As at	
Particulars	Note	As at March 31, 2022	
		Nos.	₹ in Lakhs
<b>I Investments in Preference instruments (unquoted) (Trade)</b>			
<b>at cost</b>			
Preference shares of Eudibte Technologies Private Limited having face value of ₹ 10 each		155	25.11
0.01% compulsorily convertivble preference shares of M/s Stark Enterprises Private Limited having face value ₹ 10 each		125	25.00
<b>II Investments in PMS</b>			
Investment in PMS (Quoted)	Face value		
Ajanta Pharma Ltd	2	18	0.29
Apollo Hospitals Enterprise Limited	5	21	0.28
Bata India Ltd	5	67	0.54
APL Apollo Tubes Limited	2	140	0.20
Caplin Point Laboratories Limited	2	112	0.39
Easy Trip Planners Limited	1	438	0.43
Emami Ltd	1	161	0.44
The Federal Bank Limited	2	1,167	0.71
Gateway Distriparks Ltd	10	1,640	0.56
Johnson Controls-Hitachi Air Conditioning India Ltd	10	46	1.03
ICICI Bank Ltd	2	209	0.78
IIFL Wealth Management Limited	1	78	1.02
ION Exchange (India) Limited	10	47	0.49
Jamna Auto Industries Limited	1	777	0.51
JK Cements Ltd	10	26	0.30
Jubilant Foodworks Ltd	2	37	0.84
Lumax Industries Ltd	10	76	1.14
Mayur Uniquoters Ltd	5	233	0.51
Oberoi Realty Ltd	10	104	0.50
Page Industries Ltd	10	3	0.66
PI Industries Ltd	1	39	0.58
PNC Infratech Limited	2	277	0.55
Navin Fluorine International Ltd	2	24	0.34



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(₹ in Lakhs)

Persistent Systems Ltd	10	38	0.29
Shriram Transport Finance Company Ltd	10	54	0.38
Spandana Sphoorty Financial Limited	10	126	0.73
JK Lakshmi Cement Ltd	5	186	0.49
Honeywell Automation India Ltd	10	1	0.30
Varroc Engineering Limited	1	24	0.10
Garware Hi-Tech Films Limited	10	107	0.97
JK Paper Limited	10	262	0.38
Polycab India Limited	10	46	1.10
SBI Cards and Payment Services Limited	10	100	1.05
Triveni Turbine Ltd	1	408	0.54

**III Investment property** 284.02

**Total (I+II+III)** **353.55**

**Other disclosures :**

Aggregate amount of unquoted investments	334.13
Aggregate amount of quoted investments	19.42
Market Value of quoted investments	30.97
Aggregate provision for diminution in the value of investments	-

**13 Long term loans and advances**

Particulars	Note	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Capital advances		465.04
Loans to companies [interest free]		1,420.54
<b>Total</b>		<b>1,885.58</b>

13.1 Pledged and hypothecated against borrowings. Refer Note 7.

13.2 No loans or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. However, loans to companies are due from private companies in which director is a partner, or director or member.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**14 Other non-current assets**

Particulars	Note	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Security deposits - related parties		564.81
Security deposits		651.94
<b>Total</b>		<b>1,216.75</b>

14.1 Pledged and hypothecated against borrowings. Refer note 7.

**15 Inventories**

**(Valued at cost or net realisable value, whichever is lower)**

Particulars	Note	As at March 31, 2022
Raw materials & packing materials		811.20
Work-in-progress		108.17
Stores and spares		21.66
<b>Total</b>		<b>941.03</b>

15.1 Inventories were not physically verified during the year and at end of the year and same have been considered on the basis of book quantity identified from derived method. The management do not expects any major deviation with the books records and physical stock.

15.2 Pledged and hypothecated against borrowings. Refer note 7.

**16 Trade receivables**

Particulars	Note	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
- Receivable from others	16.1	5,254.82
<b>Total</b>		<b>5,254.82</b>

16.1 Certain trade receivables are subject to reconciliation and confirmations.

16.2 Assets pledged and hypothecated against borrowings. Refer note 7.

**Trade receivables ageing schedule as at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 6 months	6 months to 1 year	1 year - 2 year	2 year - 3 year	More than 3 years
Undisputed - considered good	1,284.31	3,867.90	57.09	42.83	2.69	-
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**17 Cash and bank balances**

Particulars	Note	As at March 31, 2022
<b>Cash and cash equivalents</b>		
Cash on hand		60.11
<b>Balances with scheduled bank:</b>		
In current accounts	17.1	206.50
In cash credit accounts	17.1	13.78
<b>Total (A)</b>		<b>280.39</b>
<b>Other bank balances</b>		
Fixed deposit with original maturity beyond 3 months but less than 12 months		2.64
<b>Earmarked Balances</b>		
Fixed deposit with maturity beyond 3 months but less than 12 months	17.1	715.16
<b>Total (B)</b>		<b>717.80</b>
<b>Total (A+B)</b>		<b>998.19</b>

17.1 The Holding Company is in the process of transferring following bank accounts and fixed deposits in the name of Kanodia Cement Limited from respective amalgamating companies.

**Balances with scheduled banks:**

In current accounts	20.31
In cash credit account	13.78

**Earmarked balances**

Fixed deposits with original maturity beyond 3 months but less than 12 months	180.58
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**18 Short term loans and advances**

Particulars	Note	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Advance recoverable in cash or in kind		386.24
Advance receivable in cash or kind - related parties	28.6	1.00
Advance to suppliers		2,265.25
Income-tax refund		145.43
Entry tax recoverable		5.49
Government grant receivable	18.1	575.27
Mat credit entitlement		335.00
<b>Total</b>		<b>3,713.68</b>

18.1 Includes ₹ 74.98 Lakhs recoverable under the Industrial Incentive Policy, 2011 ["IIP"] issued by the Government of Bihar for the period January 2019 to March 2019. The Government of Bihar has amended its IIP with retrospective effect from 01.07.2017 and based on the amendment the claim has been rejected. Kanodia Infratech Limited has filed a writ petition with Hon'ble High Court of Patna, challenging the amendment with retrospective effect. Kanodia Infratech Limited is confident of a favorable decision and therefore the same has been considered good for recovery.

18.2 No loans or other receivables are due from directors or other officers of the Group either severally or jointly with any other person and are due from private companies in which director is a partner, or director or member except reported as "Advance receivable in Cash or Kind - Related parties" above.

18.3 Pledged and hypothecated against borrowings. Refer note 7.

18.4 Interest aggregating ₹ 290.10 lakhs (net of payables ₹ 4.17 lakhs) accrued on loans granted have been waived off during the year.

**19 Other current assets**

Particulars	Note	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Accrued interest		6.97
GST input credit \$		2,144.07
Prepaid expenses		12.31
Others		36.20
<b>Total</b>		<b>2,199.55</b>

19.1 Pledged and hypothecated against borrowings. Refer note 7.

\$ subject to reconciliations with GST portal records. However, management do not expect any material variation with the GST portal records.



**M/S KANODIA CEMENT LIMITED**  
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(₹ in Lakhs)

**20 Revenue from operations**

Particulars	Note	For the year ended March 31, 2022
Sale of products (Cement)	20.1	47,412.06
Other operating income		
- Government subsidy income		1,451.72
<b>Net revenue from operations</b>		<b>48,863.78</b>

20.1 Refer Note 28.6 - Related party disclosure

**21 Other income**

Particulars	Note	For the year ended March 31, 2022
Interest income		72.99
Dividend income		0.20
Net profit on sale of non-current investments		5.40
Sundry balances written back		129.33
Insurance claim received		2.71
Incentive received from a vendor		42.27
Other income (including scrap sales)		37.14
<b>Total</b>		<b>290.04</b>

**22.1 Cost of materials consumed @**

Particulars	Note	For the year ended March 31, 2022
Clinker		25,254.57
Others		3,061.06
Packing materials		2,283.64
<b>Total</b>		<b>30,599.27</b>

@ identified from derived method.

**22.2 Purchase of stock-in-trade:**

Particulars	Note	For the year ended March 31, 2022
Stock-in-trade (clinker and fly ash)		3,927.53
<b>Total</b>		<b>3,927.53</b>

**23 Changes in inventories of finished goods, work in progress and stock-in-trade**

Particulars	Note	For the year ended March 31, 2022
<b>Inventories as at March 31, 2022</b>		
Work-in-progress		108.17
<b>Inventories as at March 31, 2021</b>		
Work-in-progress		13.98
<b>(Increase) / decrease in inventories</b>		<b>(94.19)</b>





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**24 Employees benefit expenses**

Particulars	Note	For the year ended March 31, 2022
Salaries, wages and bonus		604.43
Gratuity		15.42
Contribution to provident and other funds		24.51
Staff welfare		2.19
<b>Total</b>		<b>646.55</b>

**25 Finance costs**

Particulars	Note	For the year ended March 31, 2022
Interest		131.46
Interest on statutory dues		42.49
Other borrowing cost		1.20
<b>Total</b>		<b>175.15</b>

**26.1 Other expenses**

Particulars	Note	For the year ended March 31, 2022
Stores and spare parts consumed		897.64
Power and fuel		3,082.86
Repair and maintenance		
- Plant and machinery		279.06
- Others		45.19
Rent		158.93
Rates and taxes		16.05
Insurance		28.39
Legal and professional*		378.33
Director remuneration		29.16
Auditors remuneration		
- For audit fees		15.00
CSR expenses		30.00
Donations		25.32
Freight outward		1,058.00
Advertisement and business promotion		125.61
Selling and distribution		204.88
Bad debts		560.92
Advances written off		16.37
Miscellaneous		225.28
<b>Total</b>		<b>7,176.99</b>

\* Includes following payments made to previous periods:

For statutory audit	1.95
For income tax matters	0.65
For certification and others	0.99

**26.2 Exception items**

Particulars	Note	For the year ended March 31, 2022
Advances written off*		110.00
<b>Total</b>		<b>110.00</b>

\* Advance given to a vendor against purchase of property in earlier years has been written off during the year.

**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**27.1 Principles of Consolidation**

a. The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards notified under section 133 read with the Companies (Accounting Standard) Rules, 2021, as amended and the relevant provisions of the Companies Act, 2013.

b. The Consolidated Financial Statements comprise financial statements of Kanodia Cement Limited ('KCL' or 'the Holding Company') and its subsidiaries (collectively, 'the Group') for the year ended 31st March, 2022. Its subsidiaries M/s Kanodia Cem Private Limited and Kanodia Infratech Limited incorporated in India, became subsidiary on 4th May, 2021 and 29th September, 2021 respectively. The Holding Company's interest in M/s Kanodia Cem Private Limited is 99.00 % and in Kanodia Infratech Limited is 99.01%.

The Consolidated Financial Statements are in conformity with the AS-21 issued under the Companies (Accounting Standard) Rules, 2021, as amended and prepared on the following basis:

i) The financial statements of the Holding Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating inter company balances and transactions.

ii) The consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iii) Minority interest in the consolidated financial statements is identified and recognised after taking into consideration the amount of equity attributable to minority at date on which investment in subsidiaries is made.

c. M/s Kanodia Cem Private Limited and Kanodia Infratech Limited become the subsidiary of the Holding Company w.e.f. 4th May, 2021 and 29th September, 2021 respectively. It was not practical to prepare separate Statements of Profit and Loss upto 4th May, 2021 and 29th September, 2021. However share of minority interest and subsidiaries's share in profit attributable to period prior to 4th May, 2021 and 29th September, 2021 respectively has been proportionally adjusted.

**27.2 Significant Accounting Policies**

**a. Basis of Preparation**

The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 read with the Companies (Accounting Standard) Rules, 2021, as amended and the relevant provisions of the Companies Act, 2013 under historical cost convention on accrual basis. Accounting policies not referred to otherwise are in accordance with generally accepted accounting principles in India.

**b. Use of Estimates**

The preparation of the consolidated financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of property, plant and equipment, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

**c. Classification of Assets and Liabilities as Current and Non Current**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

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

All the other assets are classified as non-current.

A liability is classified as current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**d. Property, plant and equipment and investment properties**

Property, plant and equipment and investment properties are stated at cost, less accumulated depreciation and impairment loss (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on property, plant and equipment and investment properties after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits and the expenditure can be measure and attributed to the asset reliably.

The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**e. Intangible Assets**

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Subsequent expenditure on intangible asset after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits and the expenditure can be measure and attributed to the asset reliably. The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

**f. Impairment of Assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. Reversal of impairment losses recognized in prior periods is recorded when there is an indication that the impairment losses, recognized for the assets, no longer exists or have decreased.

**g. Depreciation and amortization**

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

SN Assets	Useful life as per technical assessment/ management estimate	Useful life as per Companies Act
1 Plant and Machinery	25 years (on double shift)	15 years (on single shift)
2 Roads	10 years	3 years

Depreciation on addition to or on disposal of property, plant and equipments are calculated on pro rata basis. Addition to property, plant and equipments costing less than or equal to ₹ 5,000 are depreciated fully in the year of purchase. Leasehold land has been amortised over the lease period.

Amortisation of intangible assets is allocated on a systematic basis over the best estimate of their useful life and accordingly software is amortised on straight line basis over useful life or five years, whichever is lower. Subsequent expenditure on intangible asset after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measure and attributed to the asset reliably.

**h. Borrowing Costs**

Borrowing costs relating to acquisitions/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**i. Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are valued at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. The Group provides for diminution other than temporary in the value of Non-Current Investments.

**j. Inventories**

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and work-in-progress is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of materials are computed on FIFO basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods 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.

**k. Revenue Recognition**

**(i) Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and to the extent that it is probable that economic benefit will flow to the Group and it can be reliably measured and is recognized when reasonable certainty about its realisation exists. Revenue is reported net of trade discount, sales returns and taxes on sales and in accordance with the terms of contracts entered into with the customers, if any. Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

**(ii) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(iii) Dividend**

Dividend income on investments is accounted, when the right to receive the payment is established.

**(iv) Others**

Other incomes are recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Accordingly service income from transportation are recognized to the extent it relates to services are completed during the year.

**l. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

**m. Leases**

**Where the Group is the Lessee**

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**n. Change in Accounting Policy**

**Employee Benefits**

Till previous year, liability for gratuity and leave encashment were recognized at the time of payment. From current year the Group has changed its accounting policy to recognize liability for gratuity and leave encashment from payment basis to accrual basis in compliance with AS 15(R) "Employee Benefit". This has resulted into increase in employee benefit expense and provision for employee benefit by ₹ 30.41 lakhs and decrease in profit before tax for the year by ₹ 30.41 lakhs.

**o. Employee Benefits**

(i) All employee benefits payable wholly within 12 months of rendering service are classified as short term employee benefits. Benefits such as salaries, allowances, short term compensated absences are recognized in the period in which the employee renders the related service.

(ii) Contributions paid/payable to defined contribution plan comprising of provident fund is charged on accrual basis. The Group makes monthly contribution and has no further obligations under the plan beyond it's contributions.

(iii) Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The defined benefit/obligation is calculated at each balance sheet date by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iv) As per leave policy of the Group, the accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is defined benefit scheme, is provided based on actuarial valuation at each balance sheet date, based on Projected Unit Credit, carried out by an independent actuary.

**p. Taxation**

Tax expense comprises Current Tax and Deferred Tax. Current Tax are measured at the amount expected to be paid in accordance with Income tax Act, 1961. Deferred Taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets on items other than unabsorbed depreciation and carry forward tax losses, are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Group has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income. At each balance sheet date the Group re-assesses deferred tax assets.

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

**q. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Group as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated..



**M/S KANODIA CEMENT LIMITED**  
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**r. Foreign Exchange transactions**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Outstanding foreign currency monetary items at year end are reported using the closing rate.

**(iii) Exchange Difference**

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous the consolidated financial statements, are recognized as income or as expenses in the year in which they arise.

**s. Government Grant/Subsidy**

Subsidies from the Government are recognized when there is a reasonable assurance that (i) the Group will comply with the conditions attached to them and (ii) when there is no uncertainty on ultimate collection of such grant/ subsidy. Where a grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related assets. Other government grants or subsidies are credited to Statement of Profit and Loss or adjusted from related expenses.

**t. Provisions, Contingent Liability and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to The consolidated financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in The consolidated financial statements. Contingent assets are neither recognised nor disclosed in The consolidated financial statements.

**u. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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





**M/S KANODIA CEMENT LIMITED**  
**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH' 2022**

(₹ in Lakhs)

**28.1 Contingent liabilities and commitments [to the extent identified by the management]**

	As at March 31, 2022
<b>A. Contingent Liabilities not provided for in respect of :</b>	
a Demand for Income tax, being contested by Holding Company ^	1,250.49
b Dispute regarding excise credit	137.77
c Claim by a customer disputed by the a subsidiary company ^	
- Principle amount	118.00
- Interest thereon	4,883.04

A customer has filed a case against a subsidiary company for alleged breach of contractual terms which has been disputed by the subsidiary company before the Hon'ble High Court of Delhi. Based on the Hon'ble High Court of Delhi instruction matter was referred for arbitration. Arbitration award was passed on 09.03.2021 and the subsidiary company was held liable to pay principal sum of ₹ 4983.87 lakhs and interest thereon @ 18% p.a. The subsidiary company has challenged the aforesaid matter before the single judge bench of the Hon'ble High Court which has been decided partly in the favour of the subsidiary company by set aside the award of ₹ 400 lakhs on 08.11.2021. The subsidiary company has further challenged aforesaid arbitration award before the Double bench of Hon'ble High Court of Delhi. The double bench of Hon'ble High Court has granted stay on the operation of the award till the matter is finally disposed off by the court.

Based on the opinion received by the subsidiary company, there are high probabilities of favourable decision. However, as an abandum caution, the subsidiary company has accounted for liability for principle amount aggregating ₹ 4559.88 lakhs (including ₹ 94 lakhs arbitration costs) in earlier years. However, principle amount ₹ 118 lakhs and interest ₹ 4883.04 lakhs till March 31, 2022 will be accounted, if required, at the time of final order by the Hon'ble High Court of Delhi.

^ The Group has reviewed all its pending litigations and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in it's financial statement. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expects any payment in respect of the above contingent liabilities.

B. In earlier years, the Vevant Cement Works Pvt Ltd. (amalgamating company) has given corporate guarantee to a bank for loan to the extent of ₹ 500 Lakhs obtained by a relative of director against which the balance outstanding as on March 31, 2022 was ₹ 411.42 lakhs.

C. During the year, the Holding Company has given corporate guarantee to a bank for credit facility of ₹ 3200 Lakhs availed by a related party namely M/s Hygiene Plus Private Limited against which the balance outstanding as on March 31, 2022 was ₹ 1542.03 lakhs.

**D. Capital commitments (net of advances)** 4,393.33

**28.2 Earnings per share (EPS)**

	As at March 31, 2022
<b>Earnings per share (EPS)</b>	
<b>Profit attributable to equity shareholders</b>	₹ in Lakhs 1,997.92
<b>No of shares at the beginning of the year</b>	Numbers 74,56,965
Add: Issued during the year	Numbers 6,71,12,685
<b>No of shares at the end of the year</b>	Numbers 7,45,69,650
Weighted average number of equity shares\$	Numbers 7,45,69,650
<b>Basic earnings per share of ₹ 10 each</b>	₹ 2.68
<b>Diluted earnings per share of ₹ 10 each</b>	₹ 2.68

**28.3** In the opinion of the respective Board of directors of the Company and its subsidiaries, any of the assets other than property, plant and equipments, intangible assets and non current investments do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

**28.4 Assets taken under operating leases:**

Office premise was obtained on operating lease. There is no contingent rent in the lease agreements. The lease term is for 11 months and are renewable at the mutual agreement of both the parties. The aggregate lease rentals accounted are charged as "Rent" in note No. 26.1 of the consolidated financial statements.

**28.5 Segment reporting**

The Group's activities falls with a single primary business segment viz "Cement". The business activity of the Group falls within one geographical segment which is within the country. Hence, the disclosure requirement of 'Segment Reporting' is not considered applicable.



**M/S KANODIA CEMENT LIMITED**  
**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH' 2022**

**28.6 Related Party Disclosure (to the extent identified by the Group) :**

In accordance with the requirements of Accounting Standard – 18 on "Related Party Disclosures" as referred in the Companies (Accounting Standard) Rules, 2021 where control exists and where transactions have taken place, the description of the relationship as identified and certified by management are as follows:

**I. Name and relationship of the related parties**

**A Promoters**

Nupoor Kanodia Beneficiary Trust\*  
 Trish Kanodia Beneficiary trust\*

**B Subsidiary company**

Kanodia Infratech Limited (w.e.f. 29.09.2021)  
 Kanodia Cem Private Limited (w.e.f. 04.05.2021)

**C Fellow subsidiary (where transactions took place)**

Trends Advisory Pvt. Ltd.

**D Key management personnel**

Mr. Vishal Kanodia	Director
Mr. Manoj Kedia	Director
Mr. Saurabh Lohia	Director

**E Relatives of key management personnel (where transactions took place)**

Manju Devi Kanodia	Mother of Mr. Vishal Kanodia
Khushboo Kanodia	Wife of Mr. Vishal Kanodia
Gautam Kanodia	Brother of Mr. Vishal Kanodia
Swati Kanodia	Wife of Mr. Gautam Kanodia
Vishal Kanodia HUF	Mr. Vishal Kanodia is Karta of HUF
Gautam Kanodia HUF	Mr. Gautam Kanodia is Karta of HUF
Shivani Kedia	Relative of Manoj Kedia

**F Enterprises where KMP having significant influence (where transactions took place)**

Kanodia Business Private Limited  
 Kanodia Infratech Limited (till 28.09.2021) [became subsidiary during the year]  
 Kanodia Cem Private Limited (till 03.05.2021) [became subsidiary during the year]  
 Hygiene Plus Private Limited  
 Blossom Realcon Private Limited  
 Anadi Infotainment Private Limited  
 Fair Hygiene Private Limited  
 Sapna Sudhansh Info System Private Limited  
 Kanodia Cement Industries Private Limited  
 Shree Shyam Services (a proprietorship firm)  
 Amuly Suppliers Private Limited (w.e.f. 04.05.2021)  
 Leoline Developers Private Limited (w.e.f. 04.05.2021)  
 Real Value Agrotech Project Private Limited (w.e.f. 04.05.2021)



**M/S KANODIA CEMENT LIMITED**

**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH' 2022**

**II. The following transactions were carried out during the year in the ordinary course of business.**

**(Rs. in Lakhs)**

Related party and nature of transactions	As at March 31, 2022
<b>(a) Kanodia Infratech Limited</b>	
Supply of services	97.24
Purchases of goods	25.79
Interest on unsecured loan	24.13
Loan borrowed	5,829.60
Loan repaid	5,355.25
<b>(b) Kanodia Cem Private Limited</b>	
Loan borrowed	1,806.31
Loan repaid	632.45
<b>(c) Hygiene Plus Private Limited</b>	
Loan given	5,143.11
Loan received back	7,474.90
Corporate guarantee given [without charging guarantee commission]	3,000.00
Apart from above, interest ₹ 266.18 Lakhs accrued on loan given has been waived off during the year.	
<b>(d) Blossom realcon Pvt. Ltd.</b>	
Loan given	13.50
Apart from above, interest ₹ 20.12 Lakhs accrued on loan given has been waived off during the year.	
<b>(e) Anadi Infotainment Private Limited</b>	
Loan given	20.10
Loan received back	20.10
Apart from above, interest ₹ 0.35 Lakhs accrued on loan given has been waived off during the year.	
<b>(f) Fair Hygiene Pvt Ltd</b>	
Loan given	1.20
Apart from above, interest ₹ 2.50 Lakhs accrued on loan given has been waived off during the year.	
<b>(g) Trends Advisory Pvt. Ltd.</b>	
Loan repaid	73.90
<b>(h) Kanodia Business Private Limited</b>	
Loan given	288.10
Loan received back ^	472.45

^ Since the following Companies were merged with the Holding Company therefore during the current year Net outstanding amounts aggregating ₹ 171.46 Lakh which were outstanding as on January 13, 2021 (effective date of merger), received back to the Holding Company.

- Rinam Trading Pvt Ltd. - ₹ 140.66 Lakhs (Receivable)
- Maharaj Retailers Pvt Ltd - ₹ 30.80 Lakhs (Receivable)

Apart from above, interest ₹ 0.95 Lakhs (net of payable ₹ 4.17 Lakhs) accrued on loan given has been waived off during the year.





**M/S KANODIA CEMENT LIMITED**  
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(Rs. in Lakhs)

Related party and nature of transactions		As at March 31, 2022
(i) <b>Sapna Sudhansh Info System Private Limited</b>	Rent paid	24.00
	Security deposit given	180.18
	Security refunded received	144.10
(j) <b>Kanodia Cement Industries Private Limited</b>	Purchase of land	209.33
(k) <b>Amuly Suppliers Private Limited</b>	Loan received	4,081.10
(l) <b>Leoline Developers Private Limited</b>	Loan received	60.00
(m) <b>Mr. Vishal Kanodia</b>	Remuneration paid	18.00
	Amount received against outstanding balances in amalgamating companies ^	123.70
	Purchases of equity shares of subsidiary companies ^	386.09
	Loan repaid ^	6.81
	Guarantee given for loan availed by the Holding Company	refer note 7.1
<p>^ Since the following Companies were merged with the Holding Company therefore during the current year, ₹ 123.70 Lakhs out of outstanding amounts aggregating ₹ 334.51 Lakhs which were outstanding as on January 13, 2021 (effective date of merger), received back by the Holding Company. Balance amount of ₹ 204.00 Lakhs and ₹ 6.81 Lakhs were adjusted against payable for purchase of equity shares of subsidiary companies and loan payable respectively.</p> <p>- Sargam Dealer Pvt Ltd- ₹ 175.13 Lakhs (Receivable)</p> <p>- Maharaj Retailer Pvt Ltd. - ₹ 159.38 Lakhs (Receivable)</p>		
(n) <b>Manoj Kedia</b>	Remuneration paid	5.16
	Remuneration paid in advance	1.85
	Refund received against old outstanding	1.25
(o) <b>Saurabh Lohia</b>	Remuneration paid	9.00
	Purchases of equity shares of a subsidiary company	0.15
	Guarantee given for loan availed by the Holding Company	refer note 7.1
(p) <b>Gautam Kanodia</b>	Purchases of equity shares of a subsidiary company ^	292.91

^ Since the following Companies were merged with the Holding Company therefore Net outstanding amounts aggregating ₹ 345.46 (net of receivables ₹ 15.00 Lakhs) Lakh which were outstanding as on January 13, 2021 (effective date of merger), ₹ 246.31 lakhs received back by the Holding Company in previous year and balance ₹ 99.15 lakhs were adjusted against purchase of equity shares of a subsidiary company in current year.

- Sargam Dealer Pvt Ltd- ₹ 151.08 Lakhs (Receivable)
- Maharaj Retailer Pvt Ltd. - ₹ 159.38 Lakhs (Receivable)
- Rinam Trading Pvt Ltd. - ₹ 50 Lakhs (Receivable)
- Vevant Cement Works Pvt Ltd. ₹ 15 Lakhs (payable)



**M/S KANODIA CEMENT LIMITED**  
**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH' 2022**

(Rs. in Lakhs)

Related party and nature of transactions	As at March 31, 2022
<b>(q) Swati Kanodia</b>	
Purchases of equity shares of a subsidiary company	204.61
Advance against purchase of land refunded ^	15.65
^ Since the following Companies were merged with the Holding Company therefore during the financial year 2020-21 Net outstanding amounts aggregating ₹ 24.90 Lakh which were outstanding as on January 13, 2021 (effective date of merger) adjusted against advance received for sale of land.	
- Sargam Dealer Pvt Ltd- ₹ 16.70 Lakhs (Receivable)	
- Maharaj Retailer Pvt Ltd. - ₹ 8.20 Lakhs (Receivable)	
<b>(r) Khushboo Kanodia and Shree Shyam Services</b>	
Rent paid	120.00
Purchases of equity shares of a subsidiary company	214.20
Security deposit refunded back	6.00
Remuneration paid*	9.00
^ Since the following Companies were merged with the Holding Company therefore during the year Net outstanding amounts aggregating ₹ 68.60 Lakh which were outstanding as on January 13, 2021 (effective date of merger), adjusted against purchase of equity shares of a subsidiary company.	
- Sargam Dealer Pvt Ltd- ₹ 18.60 Lakhs (Receivable)	
- Rinam Trading Pvt Ltd. - ₹ 50 Lakhs (Receivable)	
*excludes provision in respect of gratuity as the same is determined on an actuarial basis for company as whole.	
<b>(s) Vishal Kanodia HUF</b>	
Purchases of equity shares of a subsidiary company	369.36
Amount refunded ^	25.05
^ Since the following Companies were merged with the Holding Company therefore during the financial year 2020-21 Net outstanding amounts aggregating ₹ 50 Lakh which were outstanding as on January 13, 2021 (effective date of merger) refunded back by the Holding Company.	
- Rinam Trading Pvt Ltd. - ₹ 50 Lakhs (Receivable)	
<b>(t) Manju Devi Kanodia</b>	
Purchases of equity shares of a subsidiary company	161.34
Advance against purchases of property, plant and equipments refunded	136.00
Remuneration paid*	9.00
*excludes provision in respect of gratuity as the same is determined on an actuarial basis for company as whole.	
<b>(u) Gautam Kanodia HUF</b>	
Advance received against sale of land	26.40
Refund of advance received against sale of land	10.60
<b>(v) Shivani Kedia</b>	
Remuneration paid*	1.00
*excludes provision in respect of gratuity as the same is determined on an actuarial basis for company as whole.	



## III Closing balances :

Particulars	As at March 31, 2022
<b>Hygiene Plus Private Limited</b>	
-Loan receivable	1,141.19
-Also refer note 28.1(C) of the financial statements.	
<b>Blossom realcon Private Limited</b>	
-Loan receivable	248.55
<b>Fair Hygiene Private Limited</b>	
-Loan receivable	30.80
<b>Sapnasudhansh Info System Private Limited</b>	
-Security deposits receivable	371.66
<b>Trends Advisory Private Limited</b>	
-Loan payable	6.10
-Payable	155.00
<b>Real Value Agrotech Project Private Limited</b>	
-Loan payable	3,645.00
<b>Amuly Suppliers Private Limited</b>	
-Loan payable	4,081.09
<b>Leoline Developers Private Limited</b>	
-Loan payable	2,270.00
<b>Mr. Vishal Kanodia</b>	
-Payable against purchases of equity shares of subsidiary companies	144.12
-For guarantees, refer note 7.1 of the financial statements.	
<b>Manoj Kedia</b>	
-Advance salary paid	1.85
<b>Saurabh Lohia</b>	
-Salary payable	1.29
-For guarantees, refer note 7.1 of the financial statements.	
<b>Gautam Kanodia</b>	
-Payable against purchases of equity shares of a subsidiary company	105.51
<b>Swati Kanodia</b>	
-Payable against purchases of equity shares of a subsidiary company	204.61
<b>Khushboo Kanodia / Shree Shyam Services</b>	
-Trade payable (Shree Shyam Services)	63.90
-Payable against purchases of equity shares of a subsidiary company	13.00
-Security deposits receivable	193.15
-Payable	0.67
-Also refer note 28.1(B) of the financial statements.	
<b>Vishal Kanodia HUF</b>	
-Payable against purchases of equity shares of a subsidiary company	369.36
<b>Manju Devi Kanodia</b>	
-Payable against purchases of equity shares of a subsidiary company	161.34
-Payable	0.67
<b>Gautam Kanodia HUF</b>	
-Payable against advance received for sale of land	26.40





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(Rs. in Lakhs)

**28.7 Employment benefit**

As per Accounting Standard 15 (Revised 2005), "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

**(a) Defined contribution plan**

The Group makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards such contribution to provident fund for the year is included in "Employee benefits expense".

The Group has recognised the following amounts in the Statement of Profit and Loss :

	For the year ended March 31, 2022
Employer's contribution to provident and other funds	24.51

**(b) Defined benefit plan**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The following tables summaries the components of net benefit expense recognised in the Profit and Loss Statement and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) : -

**a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):**

	For the year ended March 31, 2022
Opening defined benefit obligation	3.18
Defined benefit obligation acquired on account of amalgamation	11.38
Current service cost	7.35
Interest cost	0.99
Benefits paid	-
Benefits payable	-
Actuarial (gains) / losses on obligation	(7.49)
Closing defined benefit obligation	15.42

**b) The Group has no plan assets.**

**c) A reconciliation of the present value of the DBO and the fair value of the plan assets to the assets recognised in the balance sheet:**

	For the year ended March 31, 2022
Present value of defined benefit obligation at the end of the period	15.42
Fair value of the plan assets at the end of the year	-
Asset/(liability) recognized in the balance sheet	(15.42)

**d) The total expense recognised in the Statement of Profit and Loss:**

	For the year ended March 31, 2022
Current service cost	7.35
Interest cost	0.99
Expected return on plan assets	-
Actuarial (gains)/loss	(7.49)
Net benefit expense	0.85
Actual return on plan assets	NIL



**M/S KANODIA CEMENT LIMITED**  
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**e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

	<b>For the year ended March 31, 2022</b>
Investments with insurer	Not applicable

**f) Following are the principal actuarial assumptions used as at the balance sheet date:**

	<b>For the year ended March 31, 2022</b>
Discount rate	6.81% - 7.29% per annum
Expected rates of return on any plan assets	Not applicable
Average Salary escalation rate	8.00% per annum
Average remaining working life of the employees (years)	23.69 - 24.12 Years
The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.	

**g) Disclosure under para 120(n) amounts for the current and previous four periods are as follows:**

	<b>For the year ended March 31, 2022</b>
Present value of obligation at the end of the year	15.42
Fair value of plan assets at the end of the year	-
Funded status	(15.42)
Actuarial (gain)/loss in PBO	(7.49)
Actuarial (gain)/loss for the year-plan assets	Not applicable

**Note :** Since actuarial valuation has been carried out during the year therefore previous four periods detail could not be reported.

**h) Expected contributions for the next financial year :**

	<b>For the year ended March 31, 2022</b>
Expected contributions for the next financial year	-

**i) Actuarial Valuation Assumptions**

The Principal actuarial assumptions considered in the valuation were :

**Economic assumptions :** The discount rate and salary increase rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

**Discount rate :** The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The term of the risk free investments has to be consistent with the estimated term of benefit obligations.

**Salary escalation rate :** The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Group's philosophy towards employee remuneration are also to be taken into account. Again, a long-term view as to the trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

**Attrition rate/withdrawal rate :** Past experience indicates the current level of attrition. The assumption may incorporate the Group's policy towards retention of employees, historical data & industry outlook.

**Mortality rate :** Mortality table (IALM) 2012-2014, as issued by Institute of Actuaries of India, for the valuation.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**28.8 Scheme of Arrangement - Amalgamation of the following companies with the Holding Company**

National Company Law Tribunal (NCLT) of Judicature at Allahabad Bench vide their order dated January 13, 2021 sanctioned the Scheme of Arrangement between Sargam Dealers Private Limited, Maharaja Retailers Private Limited, Rinam trading Private Limited, Bluestar Cement Limited, Vevant Cement works Private Limited and Rinam Dealmark private Limited (All together "Transferor Company") with Kanodia Cement Limited ("Transferee Company") and their respective shareholders and creditors, pursuant to the provisions of section 230 to 232 and other provisions of the Companies Act, 2013 ("the Scheme") for the amalgamation of the transferor with the transferee. The Scheme became effective upon filing of certified copies of the orders of the National Company Law Tribunal of Judicature at Allahabad Bench to Registrar of Companies, on January 13, 2021 with effect from appointed date i.e. April 1, 2019.

The Scheme has appointed date i.e. April 1, 2019 which, inter alia, provides for the amalgamation of Transferor Company and Transferee Company and upon the Scheme becoming effective, the business of the transferor stand transferred to and vested in the Transferee Company with effect from appointed date as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein, subject to any existing lien or its penders, which shall be deemed to be modified subject to the provisions of the Scheme.

In terms of the scheme, with effect from the appointed date till the effective date, the business of the transferor company has been carried out by the transferee company.

The accounting effect of this Arrangement in the consolidated financial statements has been given as under:

- (a) The Holding Company has issued and allotted 64,26,565 equity shares of ₹ 100/- each to members existing as on the record date, in the ratio of share exchange ratio decided at the time of scheme of arrangement.
- (b) The Holding Company has recorded all assets and liabilities of the transferor company vested in it pursuant to the scheme.
- (c) Further figures of transferor company have been regrouped and/or rearranged wherever required to align with disclosure parameters of the Holding Company.

**(a) Summary of Assets, liabilities and reserve acquired**

A summary of the assets and liabilities duly adjusted and transferred to the Holding Company as at appointed date (i.e. April 1, 2019) is as follows:

Particulars	Sargam Dealers Pvt Ltd	Rinam Trading Pvt Ltd	Rinam Dealmark Pvt Ltd	Maharaj Retailers Pvt Ltd	Bluestar Cement Limited	Vevant Cement Works Pvt Ltd.	Total
<b>I. EQUITY AND LIABILITIES</b>							
<b>(1) Shareholders' funds</b>							
(a) Share capital	28.88	49.89	44.97	34.68	408.40	495.04	1,061.85
(b) Reserves and surplus	896.96	4,942.34	4,457.25	1,150.69	207.15	577.46	12,231.86
<b>(2) Non-current liabilities</b>							
(a) Long-term borrowings	-	-	-	-	394.88	664.37	1,059.25
(b) Deferred tax liabilities(net)	-	-	-	-	43.92	66.06	109.97
<b>(3) Current liabilities</b>							
(a) Short-term borrowings	-	-	-	-	352.71	302.93	655.64
(b) Trade payables							
Total outstanding due to micro and small enterprises	-	-	-	-	-	-	-
Total outstanding due to other than micro and small enterprises			1.26		38.05	424.33	463.64
(c) Other current liabilities	347.70	58.33	-	9.33	258.22	532.38	1,205.96
(d) Short-term provisions	0.60	0.15	0.22	-	11.65	78.62	91.25
<b>Total liabilities (A)</b>	<b>1,274.14</b>	<b>5,050.71</b>	<b>4,503.71</b>	<b>1,194.70</b>	<b>1,714.99</b>	<b>3,141.18</b>	<b>16,879.42</b>
<b>II. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment	-	284.02	-	43.33	1,136.63	1,894.35	3,358.34
(b) Non-current investments	302.50	-	92.04	198.00	45.58	90.12	728.24
(c) Deferred tax assets (net)	-	-	-	1.08	-	-	1.08
(d) Long term loans and advances	-	4,669.19	-	-	-	-	4,669.19
<b>(2) Current assets</b>							
(a) Current investments	-	58.00	-	-	-	-	58.00
(b) Inventories	-	-	-	-	77.80	300.54	378.35
(c) Trade receivables	-	-	1.43	666.20	237.22	485.69	1,390.54
(d) Cash and bank balances	62.11	32.50	11.73	1.77	7.51	7.09	122.71
(e) Short-term loans and advances	909.28	-	4,398.50	263.11	187.18	363.40	6,121.47
(f) Other current assets	0.25	7.00	-	21.20	23.06	-	51.51
<b>Total assets (B)</b>	<b>1,274.14</b>	<b>5,050.71</b>	<b>4,503.71</b>	<b>1,194.70</b>	<b>1,714.99</b>	<b>3,141.18</b>	<b>16,879.42</b>
<b>Net assets and liabilities acquired</b>	<b>925.84</b>	<b>4,992.23</b>	<b>4,502.22</b>	<b>1,185.37</b>	<b>615.55</b>	<b>1,072.50</b>	<b>13,293.71</b>

**Contingent liabilities**

(a) Demand for income tax, being contested by the Company	-	0.02	0.40	0.61	-	0.10	1.13
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(b) In earlier years, Vevant Cement Works Pvt. Ltd. has given corporate guarantee to a bank for loan to the extent of ₹ 500 Lakhs obtained by a relative of director against which the balance outstanding as on March 31, 2019 ₹ 584.60 lakhs.





**M/S KANODIA CEMENT LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**(b) Consideration**

The Holding Company shall, in consideration of the amalgamation, issue and allot to the Equity Shareholders of merging companies in the ratio as detailed below:

- (1) 2 equity shares of ₹ 100 each of the Holding Company for every 100 equity shares held by equity shareholders of Sargam Dealers Pvt Ltd.;
- (2) 2 equity shares of ₹ 100 each of the Holding Company for every 100 equity shares held by equity shareholders of Maharaj Retailers Pvt Ltd.; and
- (3) 0.5 equity shares of ₹ 100 each of the Holding Company for every 100 equity shares held by equity shareholders of Rinam Trading Pvt Ltd.; and
- (4) 0.5 equity shares of ₹ 100 each of the Holding Company for every 100 equity shares held by equity shareholders of Rinam Dealmark Pvt Ltd.; and
- (5) 1 equity shares of ₹ 100 each of the Holding Company for every 100 equity shares held by equity shareholders of Bluestar Cement Ltd; and
- (6) 0.09 equity shares of ₹ 100 each of the Holding Company for every 100 equity shares held by equity shareholders of Vevant Cement Works Pvt. Ltd.

- (c) All assets, liabilities and provisions of each of the amalgamating companies have been transferred to and vested in the Holding Company w.e.f. 01.04.2019 and have been recorded at book value of respective assets/liabilities under the "Pooling of interest" method of accounting as per Accounting Standard on Accounting for Amalgamations (AS-14).
- (d) Loans, advances and other obligations/liabilities due including Equity Shares held between the Holding Company and the amalgamating companies and vice versa and between the amalgamating companies inter se have been cancelled. Accordingly, 5,60,000 equity shares of Vevant Cement Works Pvt Ltd held by Kanodia Cement Limited, 1,98,000 equity shares in Bluestar Cement Ltd held by Maharaj Retailers Pvt Ltd and 1,97,000 equity shares in Bluestar Cement Ltd held by Sargam Dealers Pvt Ltd (amalgamating companies) have been cancelled in the capital of the Company.
- (e) Consequent to and as part of the amalgamation of the Sargam Dealers Pvt Ltd, Rinam Trading Pvt Ltd, Rinam Dealmark Pvt Ltd, Maharaj Retailers Pvt Ltd, Bluestar Cement Limited, Vevant Cement Works Pvt Ltd (Transferor Companies) with the Holding Company, the respective Authorised Share Capital of the Transferor Companies shall stand merged into and combined with the Authorised Share Capital of the Holding Company pursuant to the Scheme, without any further act or deed, and without payment of any registration or filing fee on such combined Authorised Share Capital, the Transferor Companies and the Transferee Company having already paid such fees. Accordingly, Authorised Capital of the Holding Company under the Scheme is to 74,56,965 equity shares of ₹ 100 each.
- (f) The necessary steps and formalities in respect of transfer of assets and investments in favour of the Holding Company are under implementation.
- (g) All business activities carried on by the Sargam Dealers Pvt Ltd, Rinam Trading Pvt Ltd, Rinam Dealmark Pvt Ltd, Maharaj Retailers Pvt Ltd, Bluestar Cement Limited, Vevant Cement Works Pvt Ltd (Transferor Companies) w.e.f. 01.04.2019 till January 13, 2021 in the ordinary course of business were deemed to have been carried on for and on behalf of and in trust for the Holding Company and consequently all profits and losses and related taxes paid were deemed to be the profits, losses and taxes of the Holding Company, as the case may be.
- (h) **Reserve and surplus reconciliation :**

Particulars	Amount (₹ Lakhs)
<b>Opening reserves as on 1st April 2019</b>	834.74
Credit balance of profit and loss account as on 01.04.2019 of the amalgamating companies	(4,926.53)
Adjustment for : Cross Holding of Subsidiary Companies	(452.12)
Profit for the financial year 2019-20 of Kanodia Cement Limited	265.02
<b>Reserves and surplus as on 31st April 2020</b>	<b>(4,278.88)</b>
Profit for the financial year 2020-21 of Kanodia Cement Limited	286.57
Add: Profit for the period April 1, 2019 to January 13, 2021	787.67
<b>Closing Balance of Surplus in the Statement of Profit and Loss as on 31.03.2021</b>	<b>(3,204.64)</b>



**M/S KANODIA CEMENT LIMITED**  
**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH' 2022**

**28.9 Statement containing salient features of financial statement of Subsidiary Company , Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014**

Particulars	Kanodia Cem Private Limited	Kanodia Infratech Limited
Share capital	15.00	1,412.51
Reserve and surplus	43.23	5,823.31
Total assets	20,347.48	16,126.38
Total liabilities	20,338.62	8,890.56
Turnover (net)	5.99	18,339
Profit/(loss) before taxation	(6.70)	3,808.71
Provision for tax/ (MAT credit entitlement and excess tax provision written back)	-	1,764
Profit/(loss) after taxation	(6.70)	2,044.43
Percentage of shareholding	99.00%	99.01%

**28.10 Additional information to the consolidated financial statements:**

Particulars	Net Assets, i.e, total assets minus total liabilities		Share in Profit or Loss	
	As % of Total net assets	₹	As % of Share in Profit or Loss	₹
<b>Parent:</b>				
Kanodia Cement Limited	76.28%	17,298.11	49.78%	994.52
<b>Subsidiaries:</b>				
<b>Indian</b>				
Kanodia Cem Private Limited	0.04%	8.86	-0.34%	(6.70)
Kanodia Infratech Limited	31.91%	7,235.81	102.33%	2,044.43
<b>Minority Interest in all subsidiaries Associates:</b>				
<b>Indian</b>				
Kanodia Cem Private Limited	0.00%	0.09	0.00%	(0.06)
Kanodia Infratech Limited	0.32%	71.95	0.51%	10.19
<b>Consolidation adjustment</b>	-8.54%	(1,936.65)	-52.28%	(1,044.46)
<b>Total</b>	<b>100.00%</b>	<b>22,678.17</b>	<b>100.00%</b>	<b>1,997.92</b>

**28.11 Compliance with approved scheme(s) of arrangements**

There was no scheme of arrangement were filed during the year and the Companies within the group has complied with Scheme of arrangement approved in previous year (Refer Note 28.8).

**28.12 Details of benami property held**

There are no proceedings which have been initiated or pending against the Companies within the group for holding any benami property under the Prohibition of Benami Properties Transactions Act, 1988 and rules made thereunder.

**28.13 Willful defaulter**

The Companies within the group has not been declared as wilful defaulter by any bank or financial institution or other Lender.

**28.14 Relationship with struck off companies**

During the year, the Companies within the group does not have any transactions with the companies struck off under section 248 of Companies Act,

**28.15 Compliance with number of layers of companies**

The Companies within the group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.





**M/S KANODIA CEMENT LIMITED**  
**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**28.16 Utilisation of borrowed funds and share premium**

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Companies within the group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Companies within the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds (which are material either individually or in the aggregate) have been received by the Companies within the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Companies within the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**28.17 Undisclosed income**

The Companies within the group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

**28.18 Capital work in progress (CWIP) and intangible asset**

- i. The Companies within the group does not have any Intangible asset under development.
- ii. The Companies within the group has not revalued its intangible assets during the year as well as in previous year.
- iii. The Companies within the group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Companies within the group has no CIC as part of the Companies within the group.

**28.19** The Holding and its subsidiary companies have passed various special resolutions to increase limits u/s 180(1)(a), 180(1)(c), 185 and 186 of the Companies Act, 2013 during the year. However these special resolutions were not filed with Registrar of Companies till September 28, 2022. The respective companies will regularise these delays in due course.

**28.20** As relationship of Holding and Subsidiary Company came into existence during the year. Therefore previous year comparable figures has not given in consolidated financial statements.

As per our Report of even date attached  
For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. : 302049E

Bimal Kumar Singh  
Partner  
Membership No. 088976

Place : Noida (Delhi-NCR)  
Date: September 29, 2022



For and on behalf of Board of Directors

Vishal Kanodia

Vishal Kanodia  
Managing Director  
DIN: 00946204

Shikha Mehra Chawla  
Company Secretary

Manoj Kedia

Manoj Kedia  
Director  
DIN: 03526814

Anup Kumar Singh  
Chief Financial Officer