JK LAKSHMI CEMENT Ltd.

Manufactured Capital

Human Capital

Natural Capital

Accelerating the Capital Footprint

Intellectual Capital

Social and Relationship Capital

Financial Capital

INTEGRATED ANNUAL REPORT 2022-23

About the Report

Our approach to Integrated Reporting

This first Integrated Annual Report of JK Lakshmi Cement Limited (JKLC) provides detailed disclosures on our strategy, governance and prospects, through which we have brought in greater transparency in sharing information on our material issues and strategic performance. It contains information and disclosures that are aimed at enabling investors to make an informed assessment of the Company's ability to create and deliver holistic value.

As part of our commitment to providing disclosures that go above and beyond the requirements of the law, we have based our Integrated Annual Report on the Integrated Reporting (IR) principles, a global standard for best practices in corporate reporting. With each passing year, we continue to add more disclosures to our report to give all of our stakeholders meaningful information on how we create value using diverse capitals so they can make informed decisions.

Reporting Boundary

The information covered in the report is for the year April 1st, 2022 - March 31st, 2023 and encompasses all key facets of JKLC's primary operations, including the 2 integrated cement manufacturing units and four grinding units. The key material aspects identified and discussed are relevant to the operations of the Company, as well as its value chain partners, customers, communities and other stakeholders. We have detailed the Company's performance trend over a two to three years' period, wherever relevant, to give investors a clear understanding about the Key Performance Indicators (KPIs) that are contributing to the value creation.

Reporting Principles

This Integrated Annual Report is guided by the framework of the International Integrated Reporting Council (IIRC). Some data related to this Integrated Annual Report might be management estimates. Other statutory reports, including the Board's Report, Corporate Governance Report and Business Responsibility and Sustainability Report are as per the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the prescribed Secretarial Standards.

Approach to Materiality

We have succinctly applied the principles of materiality in assessing what information is of interest to our stakeholders and should be included in our Integrated Annual Report. We have thus focused in this report on the issues, opportunities and challenges that have a material impact on our business and our ability to deliver sustained value to our shareholders and key stakeholders. We consider an issue to be material if it can substantively affect the Organisation's ability to create value over the short, medium and long term. We have considered the impacts of these material issues on our business and also how our business impacts these issues within our sphere of influence. Material matters communicate organisation's long-term business strategies and goals, as well as its short-medium term business plans. We take inputs from all our business units and key stakeholders to identify the potential material matters and accordingly prioritise the material issues in order of their relevance and potential impacts.

Forward-looking Statements

In this Integrated Annual Report, we have disclosed information to enable investors and shareholders to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain information that set out anticipated results based on the JKLC Management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that all projections will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should any known or unknown risk or uncertainty materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, given the dynamic nature of the topics considered for discussion.

Feedback

Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our various future-aligned initiatives, our performance or this report.

Corporate Information

BOARD OF DIRECTORS

BHARAT HARI SINGHANIA
CHAIRMAN

VINITA SINGHANIA
VICE CHAIRMAN & MANAGING DIRECTOR

Dr. RAGHUPATI SINGHANIA
DIRECTOR

N. G. KHAITAN
INDEPENDENT DIRECTOR

Amb. BHASWATI MUKHERJEE
INDEPENDENT DIRECTOR

RAVI JHUNJHUNWALA
INDEPENDENT DIRECTOR

S. R. BANSAL
INDEPENDENT DIRECTOR

ARUN KUMAR SHUKLA
PRESIDENT & DIRECTOR

SUDHIR A. BIDKAR
CHIEF FINANCIAL OFFICER

AMIT CHAURASIA
COMPANY SECRETARY

REGISTERED OFFICE
JAYKAYPURAM, DISTRICT SIROHI, RAJASTHAN - 307 019

ADMINISTRATIVE OFFICE
NEHRU HOUSE, 4, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 002

MANUFACTURING PLANTS

RAJASTHAN	BASANTGARH, JAYKAYPURAM, DISTRICT SIROHI - 307 019
CHHATTISGARH	MALPURI KHURD, AHIWARA, DISTRICT DURG - 491 001
GUJARAT	MOTIBHOYAN, KALOL, DISTRICT GANDHINAGAR - 382 010
GUJARAT	VILLAGE DASTAN, TALUKA PALSANA, DISTRICT SURAT - 394 310
HARYANA	VILLAGE BAJITPUR, P.O. JHAMRI, DISTRICT JHAJJAR - 124 507
ODISHA	RADHASHYAMPUR, P.O. - KHUNTUNI, DISTRICT CUTTACK - 754 297
UTTAR PRADESH	ANUP SHOR ROAD, VILLAGE NAGAULA, ALIGARH - 202 126

AUDITORS
S. S. KOTHARI MEHTA & COMPANY
CHARTERED ACCOUNTANTS

BANKERS
STATE BANK OF INDIA | IDBI BANK LTD.
AXIS BANK LTD. | INDIAN BANK
HDFC BANK LTD.

WEBSITE
www.jklakshmicement.com

CIN:L74999RJ1938PLC019511

Concept

ACCELERATING THE CAPITAL FOOTPRINT

In this fast-paced market place, things change in the blink of an eye. While the macro-economic landscape is moving towards a sustainable growth, the micro-economic situation of market, channel partners, influencers and customers' behaviour is rapidly getting more complex and personalised.

Cement Industry in India is at the cusp of responsible mining, manufacturing and business operations. Responsibility towards people and environment, and company's performance are now two sides of the same coin.

Given the backdrop, JK Lakshmi Cement Ltd. has blended the core of its business with sustainable goals and at the same time has stepped on the accelerator to be future-ready.

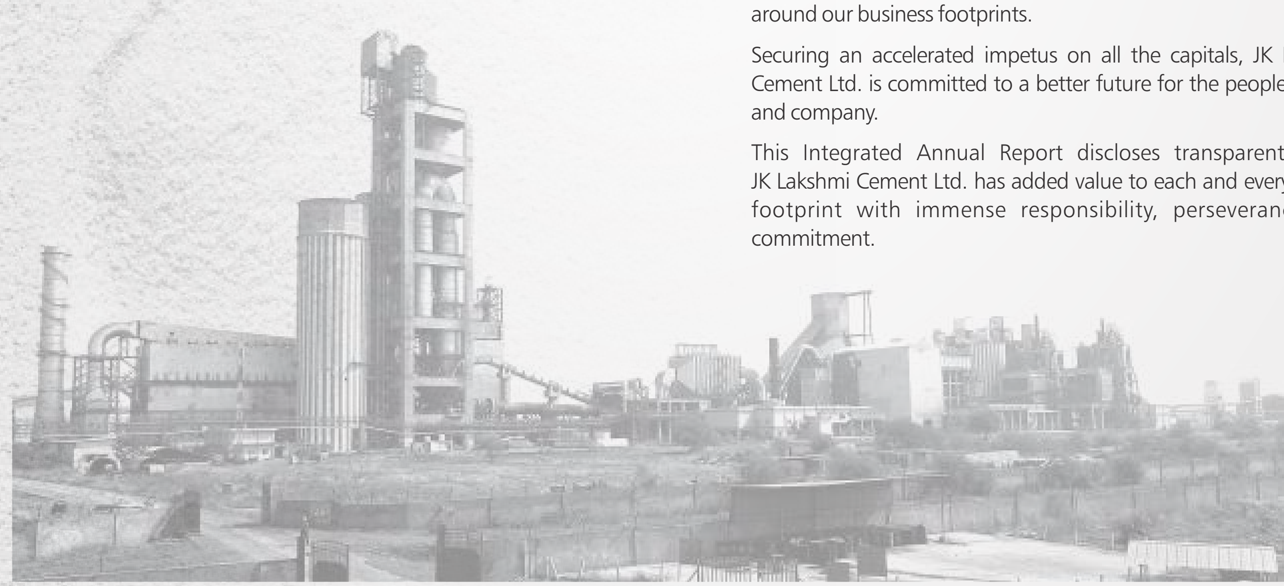
Traditionally, financial and manufactured capitals were always the mainstay of the business; however, now intellectual, human, natural and social and relationship capitals are the foundations on which financial and manufactured capitals are built.

Our research is now focused on value-added products, creating best out of waste, blended cement and sustainable technologies. On the digital front there is fast-paced innovation on development and implementation of APPs, ERP solutions, IOT, etc. to integrate business across the value chain. With strict compliance of UN Human Rights, we are a zero discrimination and equal opportunity organisation for all. While our technical services team is in constant pursuit of finding innovative ways to keep our customers engaged, our field force and regional teams engage with channel partners and influencers in most prompt manner on a regular basis.

Resilient efforts are on to continuously protect the environment and do the business responsibly. Whether it is usage of alternate fuels, alternate raw materials, renewable energy or energy conservation or reducing carbon footprints, we are in a constant state of rapid evolution and implementation. Our commitment towards the community is unwavering and we have invested more than what is mandated. These efforts encompass providing education, better health and hygiene, training, employment opportunities, empowerment, etc. to the disadvantaged communities in and around our business footprints.

Securing an accelerated impetus on all the capitals, JK Lakshmi Cement Ltd. is committed to a better future for the people, planet and company.

This Integrated Annual Report discloses transparently how JK Lakshmi Cement Ltd. has added value to each and every capital footprint with immense responsibility, perseverance and commitment.



Contents

JK Lakshmi Cement Limited at a Glance

Legacy. Growth. Commitment.

FY 2022-23 (Standalone)

- Cement Capacity – **11.70** MMTPA
- Clinker Capacity – **6.87** MMTPA
- Power Generation Capacity – **142.3** MW
- Turnover – ₹ **6,133** Crore
- EBIDTA – ₹ **767** Crore
- PAT – ₹ **330.77** Crore
- Net Worth – ₹ 2,724 Crore
- Market Capitalisation – ₹ 9,307 Crore

Vision | Mission | Core Values

"The key to growth is the introduction of higher dimensions of consciousness into our awareness."

\- Lao Tzu

Vision

- To be a profitably growing, innovative and caring company
- To become a significantly relevant player in the mind of customers

Mission

- Achieve operational excellence
- Be a workplace of choice - attract, retain and grow talent pool of change leaders
- Achieve growth in sales and profit; higher than comparable sized players
- Create superior value for the customer through premium products and brand positioning
- Continuously enhance shareholders' wealth and be a preferred portfolio among investors
- Be a socially responsible corporate citizen

Core values

- Caring for people
- Integrity including intellectual honesty, openness, fairness and trust
- Commitment to excellence

Our Journey

Create. Augment. Sustain.

1982
1st Integrated Plant
at Sirohi
Total Capacity - 0.5 Mn MT

2001
Capacity Augmentation
at Sirohi
Capacity - 2.4 Mn MT

2009
Capacity Addition
at Sirohi
Capacity - 4.2 Mn MT

2009
Kalol Grinding Unit
Commissioned -
0.5 Mn MT
Total Capacity - 4.7 Mn MT

2012
Jharli GU Commissioned
- 1.3 Mn MT
Total Capacity - 6.0 Mn MT

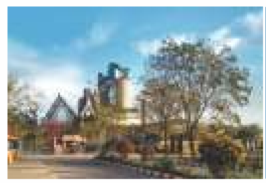
2015
2nd Integrated Plant
at Durg - 1.8 Mn MT
Total Capacity - 7.8 Mn MT

2015
Capacity Addition
at Sirohi - 0.5 Mn MT
Total Capacity - 8.3 Mn MT

2016
Capacity Addition at
Kalol - 0.3 Mn MT
Total Capacity - 8.6 Mn MT

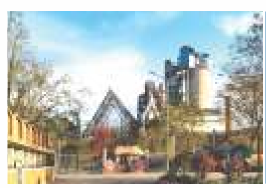
2017
Surat GU Commissioned
- 1.4 Mn MT
Total Capacity - 10.0 Mn MT

2017
Capacity Addition
at Durg - 0.9 Mn MT
Total Capacity - 10.9 Mn MT

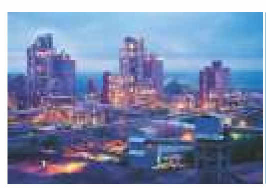


2017
Successfully Commissioned
Integrated Plant of
1.6 Mn MT under Company's
Subsidiary - UCWL
Total Capacity 12.5 Mn MT

2019
Odisha GU Commissioned
- 0.8 Mn MT
Total Capacity - 13.30 Mn MT



2021
Capacity at UCWL Plant
increased from
1.6 Mn MT to 2.2 Mn MT
Total Capacity – Appox. 14 Mn MT



2022
Waste Heat Recovery Capacity
at our Power Plant increased
from 29 MW to 31 MW
Total Capacity - Approx. 14 Mn MT

2023
Waste Heat Recovery Capacity
increased to 39.4 MW
Total Capacity - Approx. 14 Mn MT

Chairman's Message

Dear Stakeholders,

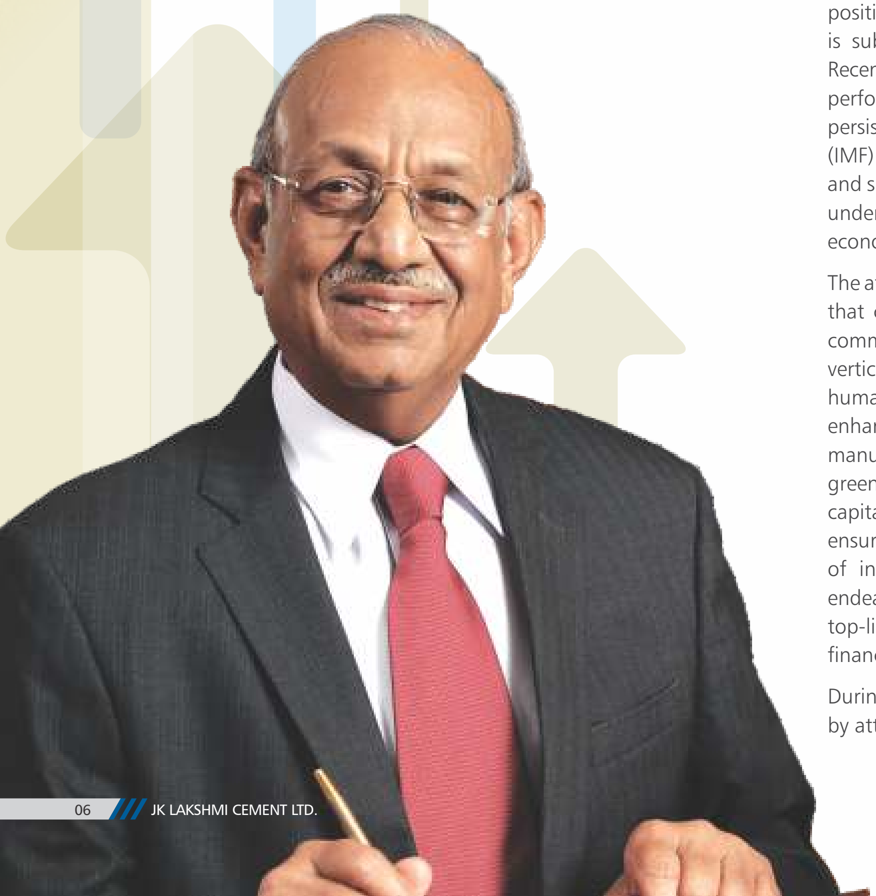
Over the past two years, the global economy has grappled with a multitude of overlapping crises, including trade wars, the pandemic, geo-political conflicts such as the war in Ukraine and the subsequent lockdowns in China. These challenges have created a complex landscape, further compounded by liquidity troubles arising from a series of global bank crises. Although efforts have been made to mitigate the effects, these ongoing uncertainties have had an impact on customer and business confidence, consequently impacting economic growth.

The GDP data reveals that India has emerged from the pandemic in a more resilient manner than initially anticipated, with consistent momentum in growth observed since FY 2021–22. Notably, the growth figures for FY 2021–22 have been revised upward from 8.7% to 9.1%, indicating a more robust rebound.

Despite the prevailing global slowdown, numerous market analysts hold the belief that the current era holds great potential for India, positioning it as a dominant player at the World stage. This assertion is substantiated by compelling reasons and empirical evidence. Recent data revisions by India indicate that the Nation's economic performance has surpassed previous estimates, even in the face of persistent global uncertainties. The International Monetary Fund (IMF) further projects India's growth to reach 5.9% in FY 2023–24 and sustain an average growth rate of 6.1% over the next five years; underscoring the Country's resilience and prospects for long-term economic advancement.

The attractiveness of India as an investment destination is something that cannot be understated. At JK Lakshmi Cement Ltd., we are committed to intensifying our capital footprint across six key verticals, with a steadfast focus on augmenting the value of our human capital through people-centric initiatives. We also strive to enhance our manufacturing excellence, thereby strengthening our manufactured capital. Simultaneously, we are dedicated to fostering green growth, recognising the significance of preserving our natural capital. In addition, our commitment to community development ensures the growth of our social capital, while our relentless pursuit of innovation bolsters our intellectual capital. Ultimately, our endeavours are geared towards driving improvements in both our top-line as well as our bottom-line performance; reinforcing our financial capital.

During FY 2022-23, your company reached a significant milestone by attaining its consolidated EBITDA of ₹ 896 crore. This highlights



our robust commitment to operational excellence, efficiency, sustained progress and solid performance in the market. This noteworthy accomplishment exemplifies the collective efforts and dedication of our team at JK Lakshmi Cement Ltd.

Sustainability lies at the heart of your company's ethos, permeating all aspects of our business ventures. We steadfastly uphold our commitment to achieving net-zero targets by 2047. In our pursuit of sustainability, we have actively engaged with esteemed global agencies and industry associations such as UNGC, SBTi, RE100, EP100 and GCCA. Through these collaborations, we validate and continually reduce our greenhouse gas emissions, ensuring our operations align with the highest environmental standards.

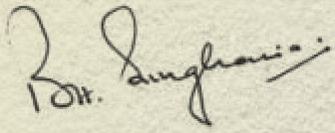
We have taken significant steps towards sustainability and a greener future. Promoting LNG trucks in our logistics operations has reduced CO_2 emissions. Our water positivity level is currently 4X, targeting 5X by 2025. Achieving a Thermal Substitution Rate (TSR) of 4.1%, we aim for 20% TSR by 2030. Renewable energy usage reached 37% in FY 2022-23, with the installation of floating solar panels, a first in the Indian Cement Industry and in the state of Rajasthan.

As a responsible entity, your company has consistently prioritised community development through its wide range of CSR initiatives. Our commitment to social performance improvement extends across the entire value chain. Our CSR vision aims to foster strong community relationships and create sustainable positive change in the quality of life for neighbouring communities. We strive to achieve this through innovative solutions in areas such as health, education, livelihoods and rural development.

I am delighted to witness JK Lakshmi Cement Ltd.'s exemplary leadership in the realm of digitalisation; as we wholeheartedly embrace the deployment of cutting-edge technologies. Our dedicated teams have successfully executed multiple digital projects, enabling us to access information at lightning speed and optimise our business processes. This has resulted in tangible value creation, enhanced operational efficiency and a distinctively superior customer experience. With confidence, I affirm that our forward-thinking approach will continue to propel us ahead, maintaining our competitive edge in this dynamic business landscape.

I extend my heartfelt appreciation to the team members of JK Lakshmi Cement Ltd. for their significant achievements in the FY 2022-23. We have experienced significant growth, with a notable 11% increase in consolidated volume compared to the previous year, resulting in an impressive sales figure of approximately 11 million tonnes of consolidated cement sales. I am delighted by the widespread adoption of commendable and innovative practices throughout our organisation. Moreover, I take immense pride in the numerous prestigious awards and accolades received by all our plants, which reflect the dedication of our team in delivering exceptional quality output in every assigned task. Congratulations to each and every team member for their invaluable contributions.

Warm Regards,



BHARAT HARI SINGHANIA
Chairman

VCMD'S Message

Dear Stakeholders, Associates and Team JKLC,

It is my privilege to present to you the Integrated Annual Report for FY 2022-23, a testament to the unwavering commitment of our team.

As we navigate the post-pandemic era, we find ourselves at a crossroads, shaping a redefined future. While the global economy rebounds, we face new challenges including geo-political tensions, inflationary headwinds as well as extended supply chain disruptions. Our journey into the future will be shaped by our ability to adapt to the new normal and address emerging challenges with agility, innovative capabilities, inclusivity and resilience.

The COVID-19 crisis, despite its disruptive nature, has imparted multiple invaluable lessons that will drive transformative change moving forward. We witnessed ground-breaking technology, extraordinary human fortitude and unprecedented scale of collaboration, telling a story of hope and resilience and our collective ability to rise above every adversity. The Black Swan event also accentuated the undercurrents of digital and sustainability as predominant megatrends that will continue to shape the future. Recognising the need to scale new horizons of competitiveness, your company has pivoted with agility and resilience to navigate through the dynamic environment with consumer-centricity, seizing market opportunities and executing proactive strategic interventions.

Recent years have been relentless with the global pandemic, military conflicts, growing inequality and supply chain shortages. We have condensed decades of experience into a short period, requiring businesses to adapt with speed and adapt with utmost agility. Robust self-belief and resilience are the keys to success in times of uncertainty and challenge. It is indeed creditable that amidst these macro-economic and geo-political upheavals, India has managed to stay the course in its quest for growth.

Your company has also performed well while operating within the constraints. At this juncture, we remain committed to advancing our country's interests and expressing solidarity with the Nation and its leadership.

India's cement production has grown by around 9% in FY 2022-23 and is expected to continue its momentum with 8% growth over the next couple of years. The growing housing sector, which typically accounts for 60-65% of India's cement consumption, along with the Government's clear focus on infrastructure development, comprising 25% of cement consumption, will remain the key demand drivers.

Infrastructure-led investments and mass residential projects will keep India's cement demand strong, according to Moody's Investors Service report. Also, continued large investments in roads and infrastructure projects will fuel cement demand. The Government has launched significant infrastructure mega projects such as the ambitious Bharatmala Pariyojana, Sagarmala Project, Smart Cities Mission, AMRUT (Atal Mission for Rejuvenation and Urban Transformation) and PMAY (Pradhan Mantri Awas Yojana); providing a boost to the industry.

Infra push and increasing housing demand resulted in domestic consumption of cement in FY 2022-23 at an estimated 390 million tons, up from 360 million tons in FY 2021-22. This is projected to surpass 500 million tons by the end of FY 2026-27.

Despite near-term challenges like heightened competition, fuel price inflation, increased interest rates and commodity inflation, the outlook remains promising. JKLC is well-prepared to navigate these challenges and I am confident that the business will continue to strengthen and be future-ready.

Performance Review

In a year marked by several disruptions, your company has delivered a creditable performance and registered appreciable recovery across key performance parameters.

JKLC recorded revenues of ₹ 6,071 crore during FY 2022-23, registering a growth of 20%. This growth was aided by higher volumes with improved manufacturing activity amidst a volatile macro backdrop.

The Net Profit After Tax stood at ₹ 331 crore during FY 2022-23, lower than the previous year mainly due to volatility in the market and stagnant prices. Thanks to robust operating cash flows, our capital employed metrics have reported progress, leading to improved return ratios. We have also repaid borrowings during this year, making our company a Net Debt-Free company. Your company continues to focus on shareholder value creation by capturing cost-efficiencies and leveraging technology for productivity gains. Our strategically diversified business portfolio, geographical dispersion, robust balance sheet and strong presence in the market are reliable signposts pointing to a brighter future. Additionally, our committed workforce and proven execution strengths enable a seamless transition to a more digitally evolved work environment.

Strategic Plan

Our strategic plan continues to guide the growth of the Company. We are moving ahead with a series of actions toward this, which includes the following:

- Setting up a project for capacity expansion of 1.5 mn. tons of clinker and 2.50 mn. tons of cement capacity at our Group company UCWL
- Installing solar power plants at Sirohi, Durg and UCWL to further reduce power cost
- Improving efficiency parameters to become one of the Industry's best performers
- Committing to becoming a net-zero company by 2047
- Maintaining our position as one of the least-cost producers of cement in the Industry
- Expanding our capacity to 30 million tons by 2030 and ranking among the top 5 EBIDTA / ton earning cement companies in the Industry

Sustainable Growth

As a responsible corporation, JKLC is striving to drive its business sustainably through focused action, collaboration, advocacy and thought leadership. Resource efficiency and circularity are the foundation of our sustainability programme. Over the past decade, we have prioritised energy and water efficiencies.

We are continuously reducing emissions and working towards carbon neutrality across Scopes 1, 2, and 3. We are committed to Science Based Target Initiatives. On renewable power, our green power share (on a consolidated basis), has increased to 37% of the total power requirement in FY 2022-23. By 2040, we aim to meet all our electrical energy requirements through renewable energy, as committed to RE100. We have also committed to doubling our energy productivity by 2040, based on the 2014-15 baseline, as part of EP100.

To further enhance the circular economy, JKLC is working on utilising alternative fuels at its integrated units and our thermal substitution rate has gone up to about 4.1% in FY 2022-23 with firm plans to take it up to 20% by FY 2029-30. Rolling out of the LNG fleet of trucks for our logistics operations will reduce 270 metric tons of CO_2 per annum.

We have, under the carbon offset programme, migrated over 1,84,000 rural families from traditional cooking to sustainable cooking methods, helping reduce deforestation and air pollution, as well as enhancing the health of the women of the households.

Water is a precious resource and to preserve planet's lifeline we have taken the target of becoming 5 times water positive by FY 2024-25.

Expansion and Innovation

The progress of our value-added products vertical played a crucial role in our success. With a remarkable growth of 26% in the top line in FY 2022-23, driven by increased capacity utilisation and strategic expansions, our RMC, AAC Blocks, Gypsum Plaster, Putty and Mortars segments have flourished.

Notably, we also saw the acquisition of the AAC block plant in Aligarh and the expansion of our RMC business in key markets like Gurgaon, Bhavnagar and Delhi NCR. Additionally, a greenfield putty plant at Alwar is being set up and will be commissioned in FY 2023-24, paving the way for capacity enhancement.

Your company is committed to offering 'SMART' building solutions with contemporary, sustainable, ready-to-use and time-saving products facilitating faster and cleaner construction. With the increasing demand for these innovative solutions, we foresee significant growth and plan to expand our product line accordingly. Our vision is to become the best-in-class construction solutions provider company.

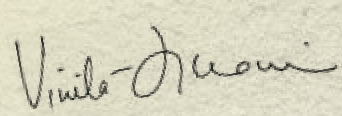
Community Well-being

Creating an inclusive society is a fundamental business responsibility we strongly believe in. JKLC has been unwavering in its commitment to enhancing the lives of marginalised communities near its plant locations through high-impact and need-based CSR projects in key areas of nation-building such as education, healthcare, skill development, livelihood intervention, water and sanitation, rural development and environmental conservation.

Through our CSR initiatives, we have positively impacted over 2,25,000 lives and received the Golden Peacock Award for CSR excellence at our Durg unit. Amongst the various awards and accolades received by the organisation, your company has also been recognised as the fastest-growing company in the large category at the 6th Indian Cement Review Awards 2023.

I take this opportunity to acknowledge the contributions of the team members, channel partners and supplier partners. Their achievements, collectively and individually, amidst tough times make me proud. I also take this opportunity to thank you for your continuing trust and support. As we reflect on our performance, we are well poised to embrace newer opportunities and overcome challenges as we stride confidently towards a successful future for JK Lakshmi Cement Ltd.

Warm Regards,



VINITA SINGHANIA
Vice Chairman & Managing Director

Governance at JK Lakshmi Cement

Ensuring transparency with credibility.

JK Lakshmi Cement's Philosophy

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximising long-term shareholders' value
- Socially valued enterprise
- Caring for people and environment

In nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit.

Corporate Governance Framework

Board of Directors

Board Committees

Audit	Nomination and Remuneration	Stakeholders' Relationship	Corporate Social Responsibility	Risk Management	Committee of Directors

Senior Management Team

100% attendance of the Directors in all the Board Meetings held during the FY 2022-23

Board's Composition: The Company is compliant of regulatory requirements and is comprised of adequate number of Executive and Non-executive Directors as also Independent and Non-independent Directors.

Skills / Expertise / Competencies: All the Board Members possess core skills / expertise / competencies required in the context of the Company's business and sector that enable them to make effective contribution to the Board and its Committees.

Compliance Management: The Board periodically reviews Compliance Reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. With a view to foster an improved compliance reporting and monitoring in the Company, the Company has a web-based legal compliance tool. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework.

Succession Planning : Plans are in place for orderly succession for appointments to the Board and to Senior Management.

Code of Conduct / Ethics and Transparency / Vigil Mechanisim

The Company also has in place a "Code of Conduct for Board Members and Senior Management". The Company has in place a "Code of Corporate Ethics and Conduct" reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly lays down the core values and corporate ethics to be practiced by its entire management cadre. The Company also has in place a policy on Vigil Mechanism (Whistle Blower Policy) for the Directors and Employees of the Company to report their genuine concerns or grievances. The said Codes / Policy further extends to the Suppliers / Contractors / NGOs / Others, as applicable, and any other event which would adversely affect the interests of the business of the Company. Therefore, the Company encourages its Suppliers / Contractors / NGOs / Others to practice to the same extent in a fair manner.

Performance Evaluation: The Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the specified performance criteria. Also, Independent Directors assess the performance of the Non-independent Directors, Board as a whole and the Chairman.

KEY BOARD POLICIES

Nomination and Remuneration Policy	**Policy on Materiality of Related Party Transactions ('RPTs') and on dealing with RPTs**	**Corporate Social Responsibility Policy**	**Dividend Distribution Policy**
Vilgil Mechanism / Whistle Blower Policy	**Code of Conduct for Board Members and Senior Management**	**Policy for determining Materiality of Events**	
Code of Practices and Procedures for Fair Disclosure of UPSI	**For more details about JK Lakshmi Cement's Policies, visit: https://www.jklakshmicement.com/companies-policies-other-information/**		

Prevention of Sexual Harassment: The Company is sensitive to women employees at workplace. The Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. ZERO complaints have been filed and no complaint is pending with ICC.

Services to Investors: The Company lays great emphasis on promoting better services to the Investors and take several investor-friendly measures from time-to-time. The Company is regular in paying dividend to its Shareholders since 2006-07. The Company has not made any default in repayment of its financial obligations. The Company does not have grievances of investors / shareholders, except few minor grievances of routine nature.

Governance

Ethics. Excellence. Integrity.

Board of Directors

Shri Bharat Hari Singhania, 85 years, is an Industrialist with over 66 years of experience in managing various industries including cement, automotive tyres, paper, jute, synthetics, paints, high yielding hybrid seeds, audio magnetic tapes, sugar, etc. Shri Singhania is the President of JK Organisation, an Industrial Group founded over 100 years ago. The Group is a multi-business, multi-product and multi-location Group. Shri Singhania being one of the constituents of the Promoter Group, was Managing Director of the Company since 1994 and elevated to the position of Chairman in 2013. Effective from 1st October, 2021, Shri Singhania is a Non-Executive Chairman of the Company, rendering his services from time to time, on strategic and development issues and other matters of importance. Shri Singhania is involved in policy planning, vision and strategy and long-term developmental activities of the Company. With a progressive attitude and inherent leadership skills, Shri Singhania has provided strategic direction to the Company and immensely contributed in its functioning and growth besides corporate governance and Board coordination. He is also the Chairman of JK Paper Ltd., JK Agri Genetics Ltd. as well as Bengal & Assam Company Ltd., Director of JK Tyre & Industries Ltd. & several other companies and Chancellor of JK Lakshmipat University, Jaipur. He is past President of Indian Chamber of Commerce and former Chairman of Indian Jute Mills Association and Indian Jute Industries Research Association, Kolkata and has been involved with a large number of industry and professional bodies. Shri Singhania has been a member of various Government bodies and trade delegations. He has travelled widely in India & overseas and has intense knowledge of various industries and finance sector. Besides, Shri Singhania is heading various philanthropic organisations of JK Group such as Lakshmipat Singhania Education Foundation, Lakshmipat Singhania Medical Foundation and Pushpawati Singhania Hospital & Research Institute. He is also actively associated with many other Academic Institutions which are run by JK Group. Shri Singhania has a passion for promoting educational institutions, CSR, healthcare, cultural and philanthropic activities in various parts of the country.

Smt. Vinita Singhania, 71 years, is a businesswoman and an industrialist, with diversified and rich business experience. Smt. Singhania has been the Director of several industrial and other companies. She has a long experience of managing cement business and actively interacts with various associations of cement industry on important issues. Smt. Singhania is on the Board of the Company since 1989, became Managing Director of the Company in 2001 and was elevated to the position of Vice Chairman & Managing Director in 2013. She is also on the Board of JK Paper Ltd., Bengal & Assam Company Ltd., Udaipur Cement Works Ltd., HEG Ltd. and various other companies. Smt. Singhania looks after planning, coordination and overall operations of the Company, interaction with associations of the cement industry and Human Resource Development (HRD) function of the Company. She has been instrumental in shaping the HR culture of the Company. Further, Smt. Singhania takes keen interest in promoting CSR activities ever since the Company commenced operations. It is also noteworthy to mention that the Company has been regularly receiving awards in different categories, such as - environment, safety, quality, CSR, HR, etc. Smt. Singhania has the distinction of being the first woman President of Cement Manufacturers Association (CMA) as well as National Council for Cement and Building Materials (NCBM). She was elected unanimously as the President of the CMA in October 2009. She has been conferred with 'Woman of the Year' by Uday India; Construction Woman of the Year 2016 by Construction Times and Most Powerful Woman of the Year by India Today. Adding yet another accolade to her long list of achievements, Smt. Singhania was the much deserved recipient of the Mahatma Gandhi Award on 1st October, 2019 for her innumerable accomplishments and keen business acumen at the helm of JK Lakshmi Cement Ltd. In 2022, she was conferred with Ladies FICCI FLO Awards of Excellence for excellence in Entrepreneurship and also received the 'Best Family Business Led by a Woman Award' by Money Control Pro (Network18).

Dr. Raghupati Singhania, 76 years, is an industrialist with about 56 years' experience in managing various industries including automotive tyres and tubes, power transmission - v belts, conveyor belting, automotive belts, oil seals, industrial electronics and material handling system, hybrid seeds, steel products, etc. He is on the Board of the Company since 1991. He is the Chairman & Managing Director of JK Tyre & Industries Limited and also the Chairman of J.K. Fenner (India) Limited and Cavendish Industries Limited. He is former Chairman of Automotive Tyre Manufacturers' Association and former President of PHD Chamber of Commerce & Industry. He is also associated with number of institutes in the medical research and education sectors, besides serving number of trades and industry bodies such as CII, ASSOCHAM and CAPAXIL in various capacities. He has been conferred with Doctorate of Science by Mohanlal Sukhadia University, Udaipur for his outstanding contribution in Education, Training and Research in the field of Elastomer, Polymers and Tyres. Dr. Singhania has been also inducted into the "TIA Hall of Fame 2015" on 2nd November 2015, which is the highest honour any individual in the tyre industry can achieve in the world. In the special issue of Business Today (1st January, 2017), Dr. Singhania has also been listed amongst India's best CEOs. Dr. Singhania also received Industry Leadership Award from Indo-American Chamber of Commerce. During the FY 2018-19, H.E. the President of Mexico bestowed the Mexican Order of the Aztec Eagle on Dr. Raghupati Singhania, which is the highest distinction awarded by the Mexican Government to foreigners in recognition of their outstanding services to Mexico or to humanity. This is the first time that this highest distinction has been conferred on a foreign national business person. Dr. Singhania has been recognised as 'The Extraordinaire' for his leadership and contribution to the industry by Brand Vision Summit 2018. He has been conferred with Lifetime Achievement Award 2019, by the Udaipur Chamber of Commerce and Industry (UCCI) for visionary leadership, determination, humanitarianism and exemplary community services undertaken in Rajasthan. He has been conferred with Lifetime Achievement Award at Manufacturing Today India Conference & Awards 2019. He has been recognised as 'Business Leader of the Decade' by Indo American Chamber of Commerce and conferred with the Economic Times 'Inspiring CEOs 2022 Award'. He has also been conferred with Lifetime Achievement Award by PHD Chamber of Commerce and Industry and another award – 'SEVA Bhushan' by SEVA Bharti.

Shri N. G. Khaitan, 72 years, an attorney-at-Law, is a leading solicitor and practicing advocate. Shri Khaitan is a Senior Partner of M/s Khaitan & Co., Kolkata, a renowned Law Firm and has more than 50 years' experience in legal profession. He is on the Board of the Company since 1993 and currently is an Independent Director of the Company. He specialises, *inter alia*, in corporate and arbitration matters, commercial and civil litigation, mergers and acquisitions and joint ventures. Shri Khaitan is on the Board of various companies, including AGI Greenpac Ltd., Mangalam Cement Ltd., Shyam Metalics and Energy Ltd etc. He is President of Indian Council of Arbitration, New Delhi. Shri Khaitan is President of Bharat Chamber of Commerce and a National Executive Member of the Federation of Indian Chambers of Commerce and Industry (FICCI).

Governance

Ethics. Excellence. Integrity.

Board of Directors

Ambassador Bhaswati Mukherjee, 70 years, is a post graduate (first class) in History from Delhi University and has a degree (superior) in French History and Civilisation from Sorbonne University, France. Ms. Mukherjee joined the Indian Foreign Service in 1976 and was India's Ambassador to UNESCO, Paris, from 2004 to 2010 and subsequently, India's Ambassador to The Netherlands, from 2010 to 2013. She completed FICCI's course on 'Woman and Corporate Governance'. She cleared the Ministry of Corporate Affairs Online Proficiency Test for Independent Directors with distinction in October 2020. She has served as an Independent Director in Sona BLW Precision Forgings Ltd. till August 2019 and Jindal Stainless Ltd. till 14th July, 2023. Apart from Petronet LNG Ltd., she is presently also serving as an Independent Director on the Board of Udaipur Cement Works Ltd. and Jindal Ferrous Ltd. She has been elected as the Woman President of India Habitat Centre in March 2023. A prolific writer, she has authored 3 books. 'India and EU: an Insider View' commissioned by Indian Council of World Affairs, a leading Indian think tank and published in August 2018 in English and Hindi is a best seller. Her second book, also a best seller 'India and EU in a Turbulent World' was published by Palgrave Macmillan in 2020. Her latest book, 'Bengal and its Partition: an Inside Story' published by Rupa Publications and released in March 2021, is a global best seller. Her latest book on 'Indenture and its Route: a Relentless Quest for Identity' for Rupa Publications will be released in October 2023. She has also published over 100 articles, columns, reports and monographs in leading national and international publications. A natural orator, Ms. Mukherjee is a political commentator on television on Indian Culture and Civilisation, the India EU relationship, Brexit, India's interests in the Indo Pacific, the Chemical Weapons regime, nuclear issues and the changing contours of India's Foreign Policy, apart from security issues of concern to India.

Shri Ravi Jhunjhunwala, 67 years, has a Bachelor's Degree in Commerce and an MBA from the Centre D'etudes Industrielles (CEI), Geneva, which is now known as IMI, Lausanne. He plays significant roles in LNJ Bhilwara Group companies. He is the Chairman & CEO of HEG Ltd., a prominent company of the group, and is also the Chairman of the group's two hydroelectric power companies.

The LNJ Bhilwara Group is a diversified business conglomerate with an annual turnover of over ₹ 9,120 crore ($ 1.20 billion). Mr. Jhunjhunwala has been a member of our Board since 2012 and currently serves as an Independent Director. In addition to his role at HEG Ltd., he also serves as a Director on the Board of several other esteemed companies, including RSWM Ltd. BSL Ltd. Bhilwara Energy Ltd, India Glycols Ltd. TACC Ltd. Maral Overseas and Sabhyata Foundation.

Shri Sadhu Ram Bansal, 67 years, is a Post Graduate (English), Certified Associate of the Indian Institute of Bankers and Associate of the Indian Institute of Banking and Finance. He joined the Board of the Company as an Independent Director w.e.f. 1st July 2022. He is a banking & finance professional and a competent administrator with over 35 years of extensive experience in banking in various capacities. He is an Independent Director of Hindusthan Speciality Chemicals, Hindusthan Urban Infrastructure Ltd., KEI Industries Limited, FIITJEE Ltd., and GMR Airports Infrastructure Ltd. He was the Chairman & Managing Director of Corporation Bank and Executive Director of Punjab National Bank, held Field General Manager and other posts in Bank of Baroda, and was Chief General Manager (on deputation) of India Infrastructure Finance Company Ltd.

Shri Arun Kumar Shukla, 53 years, is a highly accomplished professional with extensive experience in the cement and steel industries. He has a Bachelor's degree in Civil Engineering and is an alumnus of IIM Calcutta. He also completed a general management program from INSEAD, France. With nearly three decades of experience in leadership positions, Shri Shukla has held various important roles across different functions, including Sales & Marketing, Manufacturing, Project Execution, and Technical Services.

In February 2021, Shri Shukla joined JK Lakshmi Cement Ltd. as President and was elevated to President & Director and inducted into the Board of Directors w.e.f. 1st August, 2022. Shri Shukla is highly regarded for his ability to turn around businesses in complex and competitive environments.

During his tenure at JK Lakshmi Cement, Shri Shukla has achieved remarkable accomplishments. He has set new benchmarks for operational performance and has implemented digitalisation initiatives to drive efficiency throughout the value chain. Additionally, he has focused on excellence in manufacturing and supply chain management.

Shri Shukla has implemented various strategic initiatives, including enhancing channel capabilities, effective price management, optimising product, and geographic mix, and promoting sustainability and environmental, social, and governance (ESG) practices. He has also emphasised the use of green fuel to support a circular economy.

Furthermore, Shri Shukla has played a crucial role in establishing JK Lakshmi Cement's strategic growth plans and sustainable competitive advantage for the next decade. His vision and strategic direction have been instrumental in shaping the company's future and ensuring its success in the dynamic cement industry.

Governance

Driving performance with passion.

CORE TEAM

Rich experience in corporate finance, secretarial & commercial matters. He is Fellow Member of both 'The Institute of Chartered Accountants of India' & 'The Institute of Company Secretaries of India'.

Shri Sudhir A. Bidkar
Chief Financial Officer
Experience: 40+ Years

Rich experience of managing corporate Laws' compliances, Compliance systems, governance matters, restructuring and corporate actions relating to fund raising, etc.

Shri Amit Chaurasia
Company Secretary
Experience: 21+ Years

Rich experience in sourcing of Prime fuel, alternative fuel, Project procurements, stores & spares, raw materials, packaging, in-bound logistics, as part of complete sourcing solution.

Shri S. Ramesh
Sr. V. P. (Materials)
Experience: 43+ Years

Rich experience in various cement plants across India in project implementation, modernisation and efficiency improvement. Responsible for administrative, technical and commercial functions of the integrated units.

Shri Mukul Srivastva
Unit Head - Durg Plant
Experience: 32+ Years

Rich experience in cement manufacturing and cement quality assurance. PhD in geopolymer technology. Published research papers in international journals on geopolymer and uses of supplementary cementitious material.

Dr. S. K. Saxena
Unit Head - Sirohi Plant
Experience: 40+ Years

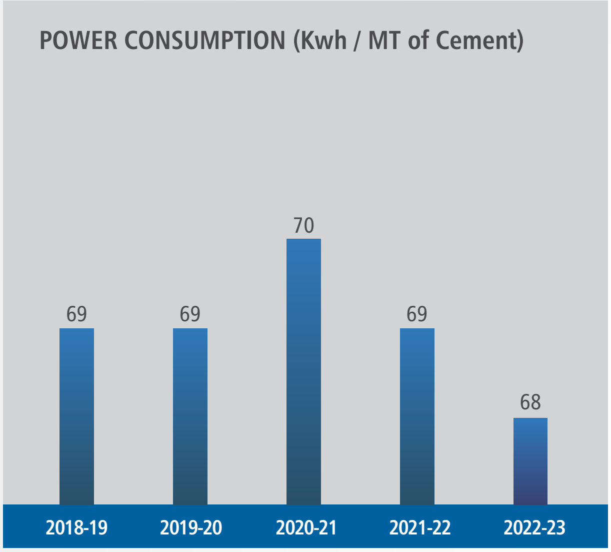
A result-oriented professional with proven track record of accomplishing consistent growth in business. Have been associated with cement industry since last 27 years and worked in major Indian markets.

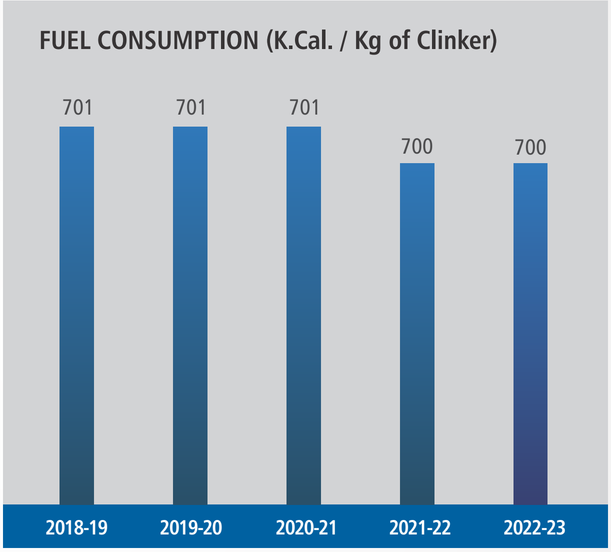
Shri Ranjeev Sharan
Chief - Sales
Experience: 30+ Years

Performance Highlights
Creating Excellence. Maximising Value.

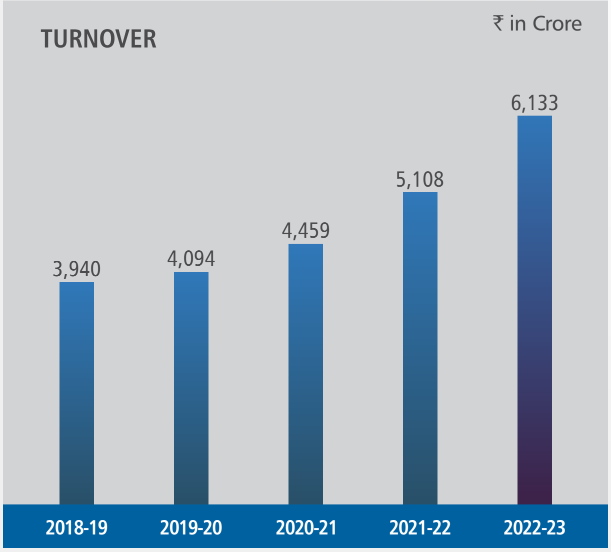
OPERATIONAL PERFORMANCE

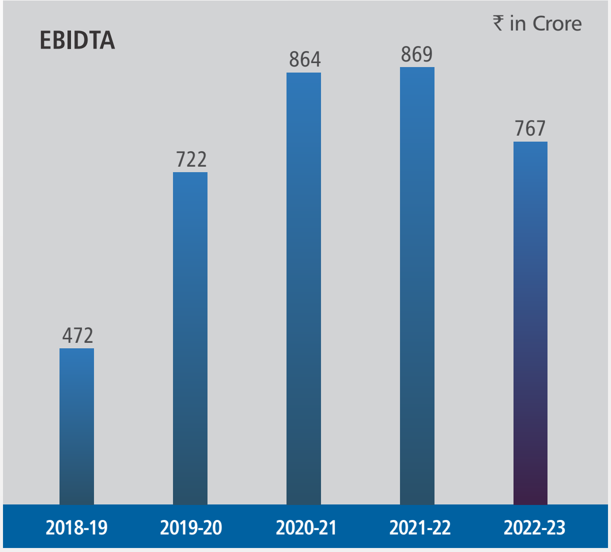
Actual Production Data for last Five Financial Years			Capacity Utilisation	
FY	Actual Clinker Production (Million Metric Tons)	Actual Cement Production (Million Metric Tons)	Clinker Cap. Utilisation	Cement Cap. Utilisation
FY18-19	6.45	8.35	98%	77%
FY19-20	6.34	7.78	95%	69%
FY20-21	5.98	8.30	89%	71%
FY21-22	6.62	8.62	96%	74%
FY22-23	6.72	9.38	98%	80%



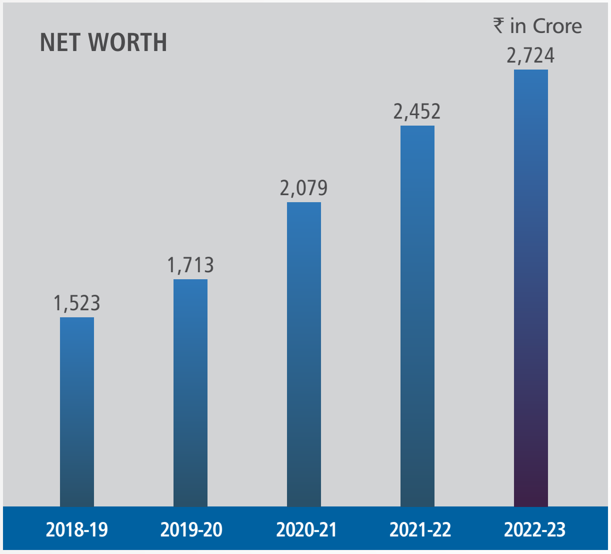


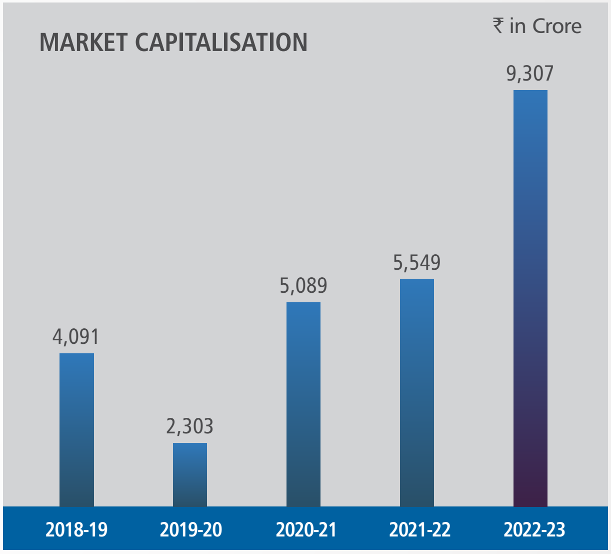
FINANCIAL PERFORMANCE

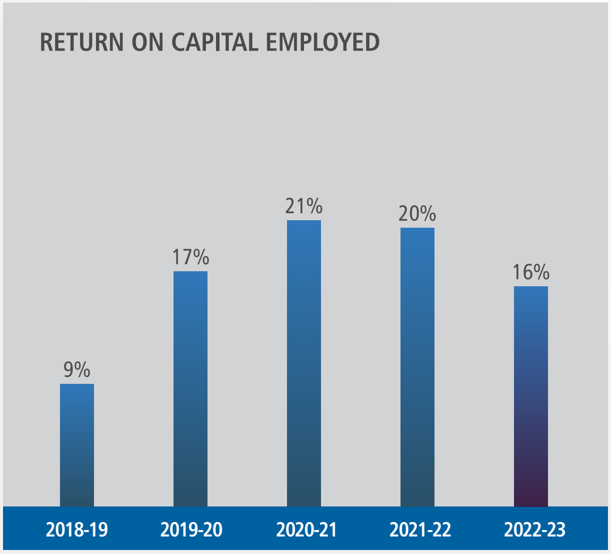


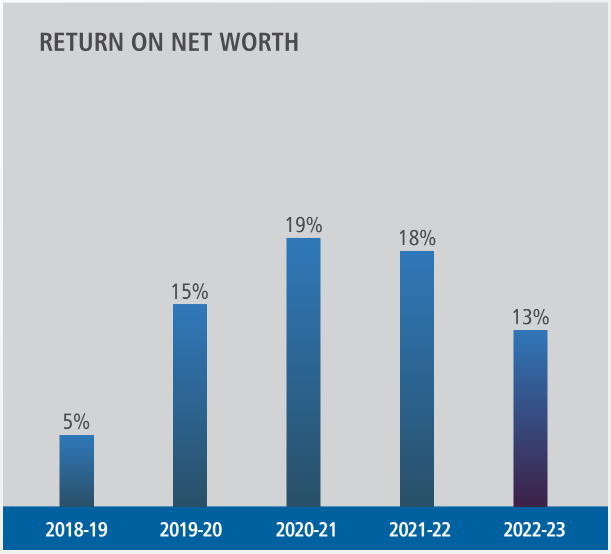


FINANCIAL PERFORMANCE









Our Product Portfolio

Delivering Delight. Exceeding Expectations.

JK Lakshmi Cement Ltd. has a wide product portfolio catering to the varied construction requirements of the discerning customers. It is our endeavour to become a complete solution provider to the customer looking to make his dream home.

The product range includes an array of cement products like Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and newly introduced Composite Cement.

In addition to cement products, we provide a host of value-added products and services viz. Ready-mix Concrete, Gypsum Plaster, Wall Putty, Autoclaved Aerated Blocks, Construction Chemicals and Adhesives.

JK Lakshmi Cement

is an eco-friendly cement that can be used for various construction needs. This cement is used in construction of buildings, independent houses, hotels, bridges, airports, dams, etc. It is an ideal choice for constructing sustainable buildings as this cement helps the structures to remain strong and durable.

Available in – OPC, PPC, PCC

JKLC Sixer Cement

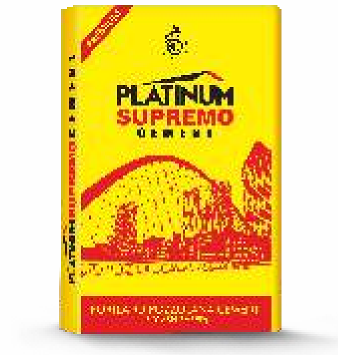
is determined to make each futuristic construction better, stronger and more durable. It has been formulated with the best technology and has come across as a premium product. This ultra-modern product is made to fulfil the increasing needs of construction processes in modern times.

Available in - OPC, PPC, PCC

Platinum Heavy Duty Cement

is a specialist in 'Heavy Duty Nirmaan' of any type of construction. High reactive fly-ash resists sulphates and chloride attacks; protecting reinforced bars from the menace of rust. The result being your house remains fresh as ever and durable for years.

Available in – OPC, PPC, PCC



JK Lakshmi PRO+ Cement

is an innovative premium product that has transformed the realm of construction. Based on an analysis of worldwide trends and consumer insights of India, a team of dedicated professionals worked on the formulation of this revolutionary product. It has attained the distinction of being the No. 1 premium cement in Northern India.

Available in – PPC, PSC, PCC

Super Sixer Weather Guard Cement

is specially made to overcome unique Indian construction problems with its superior strength and weather guarding qualities which makes your home 'Har Mausam Mai Not Out'. It is a premium product manufactured with advanced EPS, which gives protection from the extreme weather conditions, dampness on wall / floor, delay in construction due to initial strength and rusting on rebar.

Available in – PPC

Platinum Supremo Cement

Its Particle Packing Technology produces extra solid concrete compared to regular cement and keeps the problem of leakage and dampness away. Its packaging is tamper-proof and assures easy handling and clean storage, making sure that every house build from this has a strong roof.

Available in – PPC, PCC

Value-added Products

JK Lakshmiplast Gypsum Plaster - is a superior quality gypsum plaster with exceptional whiteness that can do wonders for home interiors. From decorative cornices, ceiling flowers, ornamental columns to fire-resistant cladding for structural steel work, JK Lakshmiplast is the most ideal solution.

JK Lakshmiplast Smart Wall Putty - is a contemporary solution to cover unevenness and pin holes on surfaces. It is typically used as a filler / sealing agent and applied before painting of the wall in both internal and external applications.

JK Lakshmi Power Mix Ready Mix Concrete - is made of high-end concrete technology. It is the perfect blend of aesthetic qualities that results in high standards of construction. With the introduction of such a path-breaking innovation in the realm of building materials, architects and individual house builders are independently creating textures, surfaces and shapes that were complex and impossible to create before.

JK Smartblox Autoclaved Aerated Concrete (AAC) Blocks - are produced in a state-of-the-art plant with German machinery and technology, incorporating technological innovations such as 'Green Separation' and 'Horizontal Autoclaving' capable of delivering unmatched consistency in the product quality.

JK Smartbond Mortar - is a ready-to-mix jointing material for joining AAC blocks, fly-ash bricks, concrete blocks, etc. It comes with water proofing and self-curing polymers that are made from cement and graded aggregates.

JK Lakshmi Smart Serv Cement - is a premium service, equipped with latest technology-enabled features like GPS tracker, quality check sensor, anti-theft lock, etc. It's a funnel-shaped silo for storage and distribution of upto 5-7 tons of cement.

JK Lakshmi Smart White Cement - gives the finest whiteness with the smoothest finish and can be used on all internal and external surfaces.

JK Lakshmiplast Smart Wall Primer - primer is a water-based undercoat which provides ideal finish to the interior walls after the finishing paint. It blocks out stains and odours, seals the wall and provides smooth surface.

Our Operational Reach
Expanding presence sustainably.

JKLC and UCWL Plants

Strategic Objectives

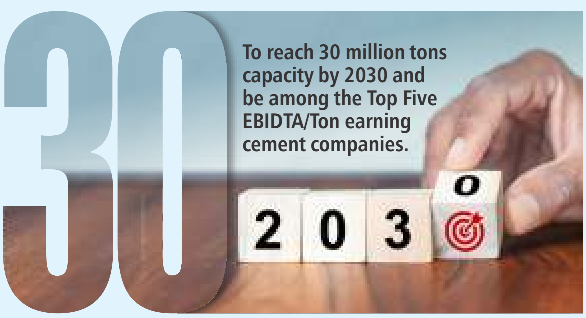
Cementing tomorrow, today.

JKLC Strategic Business Direction

The Company is a renowned and well-established name in the Indian Cement Industry and has a formidable presence in Northern, Western and Eastern India's cement markets. The first plant was set up in 1982 and today, the Company has modern and fully computerised, integrated cement plants at Jaykaypuram, in the Sirohi district of Rajasthan; at Dabok, in the Udaipur district of Rajasthan (a unit of subsidiary of the Company) and at Ahiwara, in the Durg district of Chhattisgarh. Besides, there are four split location grinding units in Gujarat, Haryana and Odisha.

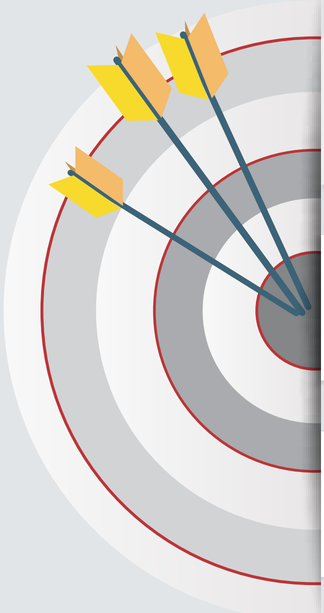
With formidable cement brands like JK Lakshmi PRO+, JK Sixer Cement, JK Lakshmi Platinum and Platinum Heavy Duty (Steel Guard), the Company offers impeccable quality products for customers. The Company aspires to be a leading company in the Indian Cement Industry while maintaining a clear focus on social upliftment and environment protection for inclusive growth and a realisation of the truly empowered society.

Strategic Ambition by 2030



- Build capacity to achieve road map for volume and EBIDTA
- Consolidate leadership position in manufacturing efficiency
- Efficient supply chain management to drive value without compromising on customer satisfaction
- Continued focus on VAP and the road map for VAP portfolio expansion
- Institute research and development eco-system to come out with new and green products
- Continuous watch on the emerging raw material supply situation and work on multiple procurement scenarios
- Improve BEI through marketing strategic road map
- Use of emerging digital trends to drive value and efficiencies
- Continued focus on development of people capabilities and work on future-ready organisation
- Adherence to the road map to achieve leadership position in ESG risk rating
- Implementation of laid down road map to achieve renewable energy and AFR targets
- Reinforce and consolidate our image of responsible corporate citizen through value adding and impactful CSR activities
- Revisit vision and mission to make it more inspirational and engaging
- Setting up a project for capacity expansion of 1.5 Mn. Tons of clinker capacity and 2.50 Mn. Tons of cement capacity at our Group company UCWL
- Installing solar power plants at Sirohi, Durg and UCWL to further reduce power cost
- Committing to becoming a net-zero company by 2047
- To further enhance the circular economy, JKLC is working on utilising alternative fuels at its integrated units and our thermal substitution rate has gone up to about 5% in FY 2022-23 with firm plans to take it up to 20% by FY 2029-30

Achievements



JKLC recorded revenues of ₹ 6,071 crore during FY 2022-23, registering a growth of 20%. This growth was aided by higher volumes with improved manufacturing activity amidst a volatile macro backdrop

Robust operating cash flows. Our capital employed metrics have reported progress, leading to improved return ratios. We have also repaid borrowings during this year making our company a net debt-free company

Green power share (on a consolidated basis), has increased to 37% of the total power requirement in FY 2022-23

Our Commitment To ESG

To take our ESG drive to the next level, we at JK Lakshmi Cement Ltd., have undertaken several memberships to meet sustainable goals and to reduce our carbon footprint. These memberships and our commitments are as follows:

- SBTi - Under the science-based target initiative we are willing to limit the global temperature rise to 1.5°C above pre-industrial level and we are also committed to net-zero targets.
- Re100 - We have set the target to meet 100% of our total electrical energy requirements through renewable energy by 2040 and the same has been committed to RE100 at group level.
- Ep100 - Under EP100 membership, we have taken the target of doubling our energy productivity by 2040 from the baseline year 2015 at group level.
- UN Global Compact - Under the membership of UNGC we are committed to demonstrating progress made against the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs).
- GCCA-India - To align our sustainable goals and to develop our targets in line with Indian cement industries, we have taken the membership of GCCA-India on group level basis.

Best ESG Performance in Renewable Energy - JKLC as an Organisation

Best ESG Performance in Community Engagement and Empowerment - JKLC as an Organisation

Introducing Our Capitals

Financial Capital

A well-balanced funding mix (debt and equity) that is used to maintain and increase value across all capitals.

₹ in Crore

Inputs	
Equity	58.85
Other Equity	2,664.89
Net Worth	2,723.74
Debt	811.23
Fixed Asset	2,772.22

Outcomes	
Revenue	₹ 6,133.28 Crore
EBIDTA	₹ 766.50 Crore
PAT	₹ 330.77 Crore
ROCE	16%
Debt : Equity Ratio	0.3 Times
EPS	₹ 28.11

Manufactured Capital

Infrastructure, including buildings, warehousing, logistics centres, and physical assets, allow us to guarantee effective operations and produce long-term benefits.

Inputs

Total Manufacturing Capacity

Installed Capacity (MT)	
JKLC-Sirohi	48,85,000
JKLC-Durg	19,80,000

Outcomes

Plant-wise Production (MT)	
Clinker-JKLC-Sirohi	49,86,780
Clinker-JKLC-Durg	17,29,000

Intellectual Capital

Our ability to create competitive products and gain market share is made possible by our scientific expertise, research and development (R&D) capabilities, information technology infrastructure and digitalisation.

Inputs
Sales Effectiveness
Digital Transformation
Continuous Improvements
Manufacturing Excellence

Outcomes
Enhanced Customer Experience
Enhanced Decision Making
Enhanced Efficiency
Responsible Production

Social and Relationship Capital

To maintain our status as a long-term partner of choice and maintain our operating licence, we work collaboratively with the communities, supply chain partners and customers.

Inputs	
Mandatory Spend	₹ 939.13 Lakhs
Total CSR Expenditure	₹ 939.15 Lakhs

Outcomes	
Total Direct Beneficiaries	1.84 Lakhs

Human Capital

Our ability to produce value is made possible by our personnel's knowledge, abilities, experience and motivation.

Inputs	
Employees on Roll	1,476
Permanent Workers	223
Other than Permanent Workers	2,069

Outcome	
Attrition Rate: Talent Attrition ≤ 1% , Voluntary Attrition ≤ 8%	
New Joinees	170
Training Man-days ≥ 4 Days per Person per Year	

Natural Capital

Natural resources, both renewable and non-renewable, that we employ in our operations, create social and economic value as well as a positive impact on the environment.

Inputs	
Total Fuel Used	2,23,50,590 GJ
Total Water Used	11,52,045 KL
Total Electrical Energy Consumed	24,23,080 GJ
Non - renewable Energy Used	15,83,703 GJ
Renewable Energy Consumed	8,39,377 GJ

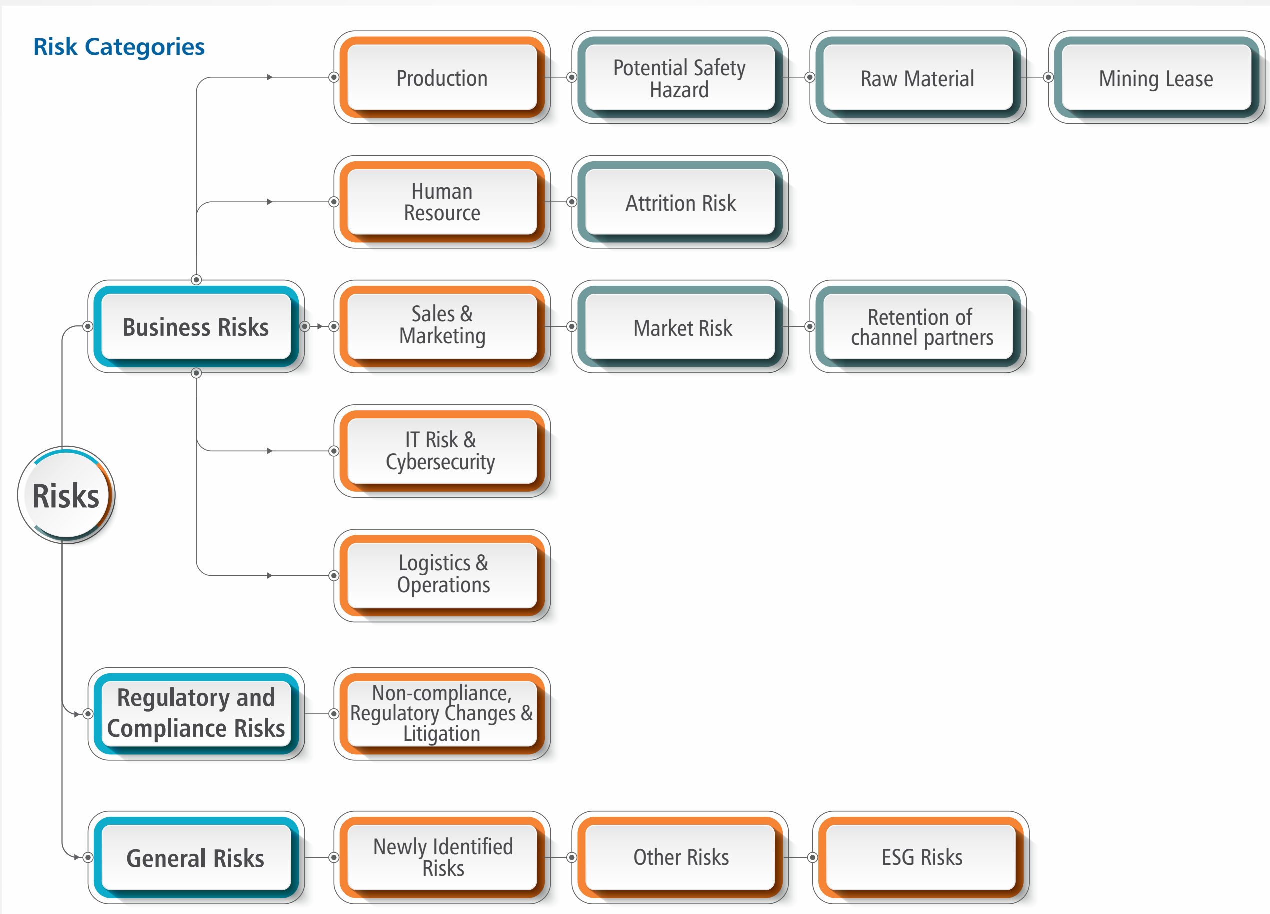
Outcomes	
Total Waste Recycled	16.70 MT
Total Waste Reused	30810.50 MT

Risk and Risk Mitigation

Managing uncertainty.

Risk Management Process

- Risk management process enables JK Lakshmi Cement to identify, assess and manage risks. It is the responsibility of everyone in the organisation and it applies to all functions and operations in the organisation.
- The Company's risk management system is always evolving. It is an ongoing process, and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities. The risk management system is a 'living' system and the documentation that supports it is regularly reviewed and updated in order to keep current with Company circumstances.



Increase in the costs of raw material, power and fuel due to inflation or global price trends may impact profitability. The Company is employing various means to reduce the impact of rising costs through better fuel sourcing, dynamic fuel mix capabilities to capitalise on changing trends in price and the use of alternative fuels. A focus on achieving better operating efficiencies and reducing coal and power consumption continues as a way of life. The Company continues to evaluate and assess long-term strategic solutions from waste heat recovery systems to solar energy, from alternative fuel to alternative sources, etc. to manage costs in the medium and long term.

One of the concerns and expectations in the industry is whenever the GST council meets, the industry eagerly hopes that the cement will be put under lower tax slabs than the slab of 28%. In the 49th GST Council meeting held on 18th February 2023, there was hope that the Council might lower the GST rate, however, it did not come up with the fitment committee. Ever since the introduction of GST, the Council is periodically reviewing the tax rates and is consistently bringing more and more commodities under lower tax slabs. Cement is now one of the very few commodities that is in highest tax slab and understandably because it is not easy for the Government of the day to let lose the tax cow. Like always, the Industry prefers to be positive and keep its hope alive for a favourable outcome.

The Company has made various efforts to increase its market presence and market share in its natural markets, as well as in economically beneficial markets. It is putting all efforts into considerably shrinking the lead distances to optimise logistics cost further and increase the share of blended cement in its product portfolio. These measures would provide the Company cushion to absorb the impact of increase in various costs.

Business Risks

SR. NO.	RISK	RISK DESCRIPTION	MITIGATION STRATEGY
1	Production Risk - Potential Safety Hazard	• Critical equipment failure • Explosion in boiler/coal mill • Explosion in storage of explosive & oil • Fire & electrocution: It can cause loss of people & production	• Occupational Health and Safety Management System (all units are ISO 45001:2018 certified) • Engineering control as well as active and passive fire protection for prevention of fire and explosion (continuous monitoring of critical parameters like temp & CO, Nitrogen purging system, fire stop, fire retardant coating, deployment of fire extinguishers and fire hydrant system with real time monitoring through IoT) • Structure stability testing and certification by competent authority
2	Production Risk - Availability of Raw Material & Price Fluctuation	• Exponential increase in petcoke price • Uncertainty in Availability of Dry Fly Ash	• Change in fuel mix – reduced petcoke blend from 90% to 70% • Further increase in petcoke % in fuel mix whenever prices are conducive • Investment plan for higher possible use of AFR • Wet fly ash dryer and feeding system • Wet fly ash material handling system • Strategic Tie ups with captive power plants
3	Production Risk - Availability of Limestone	• With depleting reserves at existing mines, availability of limestone may be a risk for continued production. Limestone is the basic raw material for cement manufacturing and its consistent availability at optimum cost is essential for existing and future plant requirements.	• Aggressively participate in the auction of the mining leases. We have secured few mines in some of the auctions. • Continuously represent to the government for necessary policy amendments so that auction of the existing mines can be held well before their expiry
4	Human Resource	• Attrition of key people may adversely impact business strategy	• Maintaining good HR practices and innovative initiatives to keep the morale high • Provide growth opportunities • Focus on rotation of existing people with different roles / locations • Preparing the leadership pipeline across all key roles
5	Market Risk (Macro Level)	• Industry is still having a higher un-utilised capacity than demand, thus there is extreme volatility in demand • Irrational variation in inter-state prices can affect inter-state movement of cement • Changing construction practices & increasing use of substitute material may negatively impact Cement demand	• Focus on adding quality network which can ensure consistent volume, for which we will focus on adding more Elite & Above class dealers and focus on reducing the dealer churn • Continuously enhance proportion of our sales in the core markets improving our premium product and trade sales • A strong inbuilt governance mechanism is in place to check and control infiltration with blacklisting parties and penalty imposition to inter-state unethically trading parties • Continue to expand our value added products business to foray into other construction solutions, mitigating possible cement demand decrease.

Business Risks

SR. NO.	RISK	RISK DESCRIPTION	MITIGATION STRATEGY
6	Retention of Star Dealers / Channel Partners	• Competitors continuously target channel partners that will affect market share	• Intense engagement with partners using various digital initiatives and latest technology. • Long-term incentives • Reward for loyalty with revamped loyalty program and app
7	IT Risk	• Application / Network Outage • Risks due to potential vulnerabilities in applications and IT Infrastructure	• Alternative architecture is in place for IT Network to mitigate risk scenarios due to any sort of network outage. • Disaster Recovery plan is in place for critical applications to ensure non-interruption in business processes.
8	Cybersecurity	• Potential vulnerabilities in applications and IT infrastructure • Cybersecurity awareness Gap in Employees – Data leakage, unauthorised usage of Company's assets etc. • Risks due to weakened preventive and detective controls for IT & application	• Comprehensive Technical Vulnerability Assessment and Penetration Test (VAPT) Audit has been done to proactively identify and address any potential weaknesses in our publicly exposed applications / services and IT infrastructure. • Risk-based Vulnerability Management (RBVM) solution has been finalized to be implemented to discover, prioritise, remediate, and report on vulnerabilities to reduce the risk at high velocity. • As part of Cyber Threat Intelligence (CTI), independent internet-based passive intelligence gathering has been performed to discover cyber and social risks for the Company • For strengthening people-centric security, cyber drill has been recently conducted. A Cybersecurity Awareness Training course has also been designed. • Information Security Controls are getting evaluated as per compliance to ISO/IEC 27001:2022 Standard.
9	Logistics & Operations Risks	• Shift of railway focus to coal industry has created shortage of BOXN wagons, resulting into increase in logistics costs	• Appropriate actions are being taken.

Regulatory, Compliance and General Risks

SR. NO.	RISK	RISK DESCRIPTION	MITIGATION STRATEGY
10	Non Compliance, Regulatory changes & Litigations	• Non compliance of applicable regulations may lead to imposition of penalties, suspension of operations and reputational damage	• Robust system is in place to track and comply with regulatory changes • Systems and process are in place to minimise areas of litigation
11	Newly Identified Brand Reputation Risk	• Reputation damage can be catastrophic, as reputation is one of the Company's biggest assets.	• Make reputational risk a part of the strategy • Control processes via standardisation, technology, policies, and procedures reduce the likelihood and severity of events that could cause reputational damage • Focus on positive image building and communication • Create response and contingency plans
12	Others Risks	• Risk of fraud, embezzlement and misappropriation of Company's resources. • Natural risk or acute market risk that are sudden like Covid 19, market demand shrinkage events like wars or natural calamities	• Robust internal control for strict checks & balance system, and wide scope of audit by internal auditor and rotation of internal auditors • Adequate checks and balances being provided in the ERP system, SAP, SFDC data protection • Checking of all debits in all bank accounts on a daily basis. • Insurance policy is already in place for all the plants to cover the natural risks • Business product diversification and geo-expansion to hedge the domestic market risks
13	ESG Risk	Climate change impact, carbon, emissions, health & safety, transparency & disclosure, stakeholder engagement, harmonious co-existence with community and others	• Invest in energy-efficient technologies and alternative fuels to reduce carbon intensity • Explore carbon capture and storage (CCS) technologies to capture and store CO_2 emissions • Implement energy management systems to optimise energy use and reduce waste • Increase the use of renewable energy sources & Conduct energy audits to identify efficiency improvements and prioritize investments. • Implement water management strategies to recycle and reuse water within the production process wherever feasible. • Establish comprehensive health and safety programs with clear policies and procedures. • Regularly train employees on safety protocols and provide necessary protective equipment. • Implement environmental monitoring & control measures to minimise emissions, dust and noise. • Engage in transparent and proactive communication with local communities. • Support community development initiatives and contribute to local infrastructure improvements. • Ensure compliance with labour laws, including fair wages, working hours, and employee benefits • Compliance of corporate governance norms.

Stakeholder Engagement

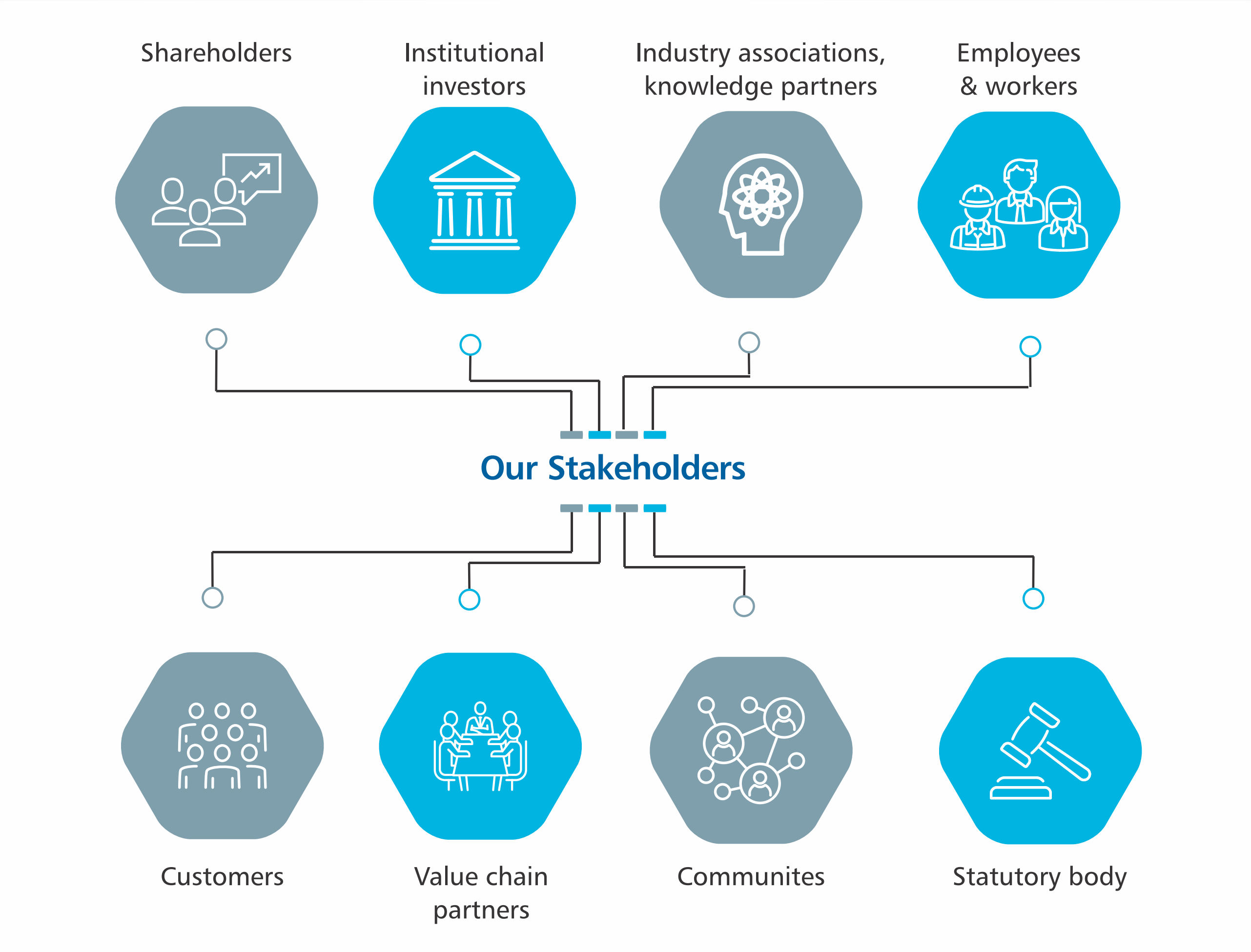
Partnering for value creation.

At JK Lakshmi Cement Ltd., we stay engaged with our internal and external stakeholders who are fundamental to the success of our business. We proactively seek their valuable insights to understand their needs and expectations. This approach goes a long way in helping us address emerging trends, manage and mitigate business risks and make use of existing market opportunities. Our key stakeholders are identified based on the value and expectations generated by them and their impact on the business.

We believe an effective stakeholder engagement process is necessary to achieve our business and sustainability goals and promote inclusive growth. Identifying and mapping the relevant internal and external stakeholders are key to this process. We engage with both internal and external stakeholders. Our engagement process gives us insight into the operating environment, keeps us abreast of the latest market trends and customer needs, and helps us understand our growth opportunities. This enables us to recalibrate our strategy in accordance with the needs and expectations of our stakeholder groups and ensure meaningful outcomes. We remain dedicated to safeguarding the health, safety, welfare, and professional growth of our internal stakeholders, while delivering quality, accountability, responsible business conduct, as well as ensuring sensitivity to social and environmental concerns for our external stakeholders.

Our efforts to create sustained value are manifested by our regular engagement with our stakeholders. This helps us understand their needs and expectations, gain better insights into our opportunities, and reduce risks to our operations. Established systems and processes help us identify, prioritise and address the needs and concerns of our stakeholders across all plant locations and other sites of operations. Various engagement processes such as customer satisfaction surveys, supplier meets or visits to plants, employee engagement events, regular meets with dealers and investors help us stay in touch with our stakeholders and develop strong relationships with them. This has created a win-win situation for us as this relationship contributes to and supports the development of each other.

We have a stakeholder engagement matrix that outlines how we engage with each stakeholder group, the frequency and channel of engagement and communications.



Stakeholder Engagement Matrix

Stakeholder	Frequency of engagement	Engagement mechanisms	Key concerns raised	Feedback mechanism
Shareholders	Regularly	Emails, letters, SMS, newspapers, meetings, company website, stock exchange, other statutory authority, road shows	Disseminating and sharing of information with the shareholders with a view to update and also to seek their approval	Meetings, action plans
Institutional investors	Need based	Annual general meetings, quarterly concalls, presentation on website	ROI and ESG performance	Interactive communication
Industry associations, knowledge partners	Need based	Meetings, communication	Policy advocacy, technology and best practice sharing, ESG, awards and recognitions	Interactions, meetings, seminar & conference
Employees & workers	Daily, weekly, monthly, need based	Road shows, emails, meetings, communication from top management	Employee well being, career development, grievance handling, conducive work environment & good culture, training & development, industry scenario	Performance annually, appraisals, satisfaction surveys, other meeting forums
Customers	Need based periodically	Road shows, feedback surveys, customer needs, social media, campaigns, customer meets	Complaints handling, product communications	Customer satisfaction surveys and communicating with customers
Value chain partners	Daily, weekly, monthly, annually, need based	Meetings, phone calls, emails	Customer relationship, product knowledge, quality & timely delivery, EHS & social policy deployment	Meetings, interactions
Communities	Daily, weekly, monthly, need based	Meetings, messages	Community development, employment & livelihoods, support for health, water, education, sanitation etc. for quality of life	Interactions, surveys, impact assessment
Statutory body	Need based	Interactions, industry forum meets, compliance report	Compliance, industry concerns, government expectations	Interactions

Materiality Assessment

Addressing your concerns.

Materiality Analysis

Stakeholder inclusiveness is central to the materiality determination process. For JK Lakshmi Cement, the stakeholder engagement - both internal and external - influences the organisation's activities, product and services. It forms the basis to identify and prioritise materiality aspects. We review the progress on material aspects concerning our stakeholders on an on-going basis and communicate the progress on the same through various channels. Periodic discussions, reviews with the senior leadership help us focus our attention on prioritising and meeting the expectations of the stakeholder fraternity. In FY 2022-23, a list of all issues that could be material for our businesses was identified from the above-mentioned sources. Subsequently, the material topics were plotted based on their importance to stakeholders and their impact on business in a graphical presentation.

Stakeholder interaction and identification of material issues:

In the FY 2014 -16, a stakeholder interaction exercise was conducted across our operations, covering senior management and mid-level management, to identify and understand their concerns among the identified universe of material topics. The exercise included internal stakeholders of the Company from various functions like operations, power, environment, mines, accounts, purchase, health & safety, CSR, marketing services and others. Following the same, we conducted an extensive review of literature to identify issues considered as material and identified as risks by our business peers. We also tried to understand expectations expressed in international standards and agreements. Information was drawn from annual reports, sustainability reports and ISO 26000 guidance on social responsibility. An internal perspective on risks – as identified through organisational processes like risk assessment studies, financial reports and sustainability reports using disclosure frameworks was considered in the process. The outcome of all of them has been the basis for determination of key material aspects and further reporting on their performances and targets for our stakeholders. Identification of relevant stakeholders and their selection was done based on whether they were external / internal, the mode of engagement, key aspects and concerns related to them, and the frequency of interaction

Prioritisation of material topics:

The materiality process resulted in the emergence of a list of material topics significant for JKLC - a list prioritised by the stakeholder groups we engaged with and which reflected the sustainability context of the Company. The overall selection of the final material topics was done considering the impact that each one could create across the value chain. The reporting principles on stakeholder inclusiveness, sustainability context, materiality and completeness were also ensured throughout the process. The stakeholders' engagement process played an important role in identifying and prioritising the key material aspects for the Company on important fronts like CSR, supply chain, legal and others. The materiality matrix was plotted with total 55 identified issues. Out of the total identified material issues, 12 have been considered to be of high concern to Company's business profile and stakeholders. Addressing these issues is an essential part of our business strategy and risk mitigation efforts. The set of material topics determined are the same in this report and the previous Sustainability Report. We believe that these are relevant material topics as they also reflect our vision, action plans and progress towards the diverse challenges faced by us across various aspects of sustainability.

The Company has identified detailed risks on key material aspects that relate to all dimensions of sustainability to mitigate and create opportunity through innovation and consistency. Some key risks identified out of material aspects are given below:

12 Materiality Issues:

- Economic value and business performance
- Customer satisfaction
- Integrity and transparency
- Compliance to regulation
- Human capital development
- Operational efficiency
- Occupational health and safety
- Energy and emissions
- Water management
- Resource conservation
- Supply chain management
- Operational efficiency

Material Aspect	Business Risk	Financial Risk
Economic Value & Business Performance	Poor business performance affects employee morale, productivity and innovation. It further hampers the reputation of the Company.	Poor business performance implies reduced business opportunities for an enterprise, meaning lower dividends for shareholders and increased cost of capital.
Customer Satisfaction	Insufficient initiatives towards sustaining customer satisfaction hampers customer loyalty, leading to reduced market reputation and lower revenue from sales.	Inadequate initiatives towards sustaining customer satisfaction implies lower revenue from sales.
Integrity and Transparency	Economic crimes such as corruption and bribery are unethical and consistently harmful to a Company's intangible assets such as reputation, business relationships and staff morale.	Unethical acts by an enterprise can bring about substantial reputational damage to a Company hence affecting its future earnings besides regulatory penalties.
Compliance to Regulation	Involvement of an enterprise in cases of non-compliance may lead to reduced trust from stakeholders. Additionally business units may face closure due to non-compliance.	Sanctions and financial penalties may be imposed on an enterprise by the regulatory authorities for acts of non-compliance.
Human Capital Development	Lack of human capital development initiatives will lead to reduced employee productivity and poor turn-around time, leading to weak performance at the operational level.	Insufficient investment towards employee development will hamper the Company's overall performance and its progress towards its strategic targets leading to decline in revenues.
Community Development	Lack of community development initiatives can bring about hostility and unrest among the local community, thus endangering the Company's social license to operate.	An enterprise may incur fines in case of insufficient investment towards community development programme.
Occupational Health and Safety	Insufficient investment towards ensuring occupational health and safety of employees has a direct negative impact on labour costs through lower productivity.	Lower performance not only poses threat to a Company's reputation and staff morale, but also results in increased operating costs in the form of fines and other contingent liabilities.
Energy and Emissions	An enterprise having a poor track record in energy consumption and emissions management is likely to experience reduced trust from investors and stakeholders.	The regulatory authorities may impose penalties on the enterprise due to poor energy and emissions performance.
Water Management	Lack of water management initiatives will lead to depletion of water resources in an area and impacting social and biodiversity value.	Purchasing water from external sources would lead to higher operating costs and reduced margins for the enterprise.
Resource Conservation	Poor resource management will have impact on Company's long lasting existence and performance, it will also lead to resource depletion.	Quality resource will be expensive and scarce in future which will impact the production cost leading to lower profitability for stakeholders.
Supply chain management	Unsustainable supply chain and its inefficient management impacts business performance in terms of top-line and bottom-line and may be a reputational risk for the Company.	Poor supply chain management implies reduced profitability and business opportunities for an enterprise, meaning lower dividends and increased cost.
Operational Efficiency	Low operational efficiency results in high cost and reduced competitiveness.	High operational cost impacts the profitability of the Company.

Financial Capital

Maximising Value. Fortifying Future.

Strengthening our growth footprint.

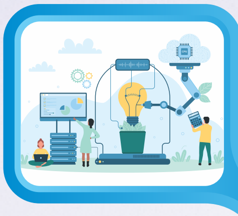
At JK Lakshmi Cement, we are committed to creating higher value for all stakeholders through ethical and sustainable practices. The Company has demonstrated resilience and durability, even in the face of a challenging external environment. Our meticulous financial management approach translates into higher productivity, profitability and long-term growth. By leveraging a strong balance sheet, achieved through cost-optimisation and access to cost-effective capital, we have been able to explore numerous opportunities in a dynamic operational landscape.

In the financial year, we continued to demonstrate remarkable strength by increasing our revenue while effectively achieving our business objectives. Furthermore, we successfully completed a capital raise, securing essential resources to drive our future growth initiatives. In FY 2022-23, the Company also accomplished the remarkable feat of becoming a 'Net Debt-free Company', strengthening our position for future growth and financial stability.

To ensure continuous progress, we consistently benchmark our operational Key Performance Indicators (KPIs) against both internal and external standards. This diligent evaluation enables us to enhance productivity and maximise yields. Our operational excellence strategy is further bolstered by the remarkable strength of our unique marketing initiatives and continuous digital programmes. These initiatives have not only expanded our consumer touchpoints but have also significantly extended our reach, creating a gateway for future growth as we continue to position ourselves as leaders in our industry.

Focus Areas FY 2022-23

Business Strategy



Innovation

Economic Value

Highlights FY 2022-23

Crossed ₹ 6,000 Crore turnover

Sales growth at 12% as against all-India growth of 9%

One of the least-cost producers of cement in the Industry

Market Capitalisation of over ₹ 9,300 Crore

A Net Debt-free Company as of 31st March, 2023

Long-term Rating at AA (Double A) with a stable outlook

Credit Rating of A1+ (A One Plus) for its short-term borrowings

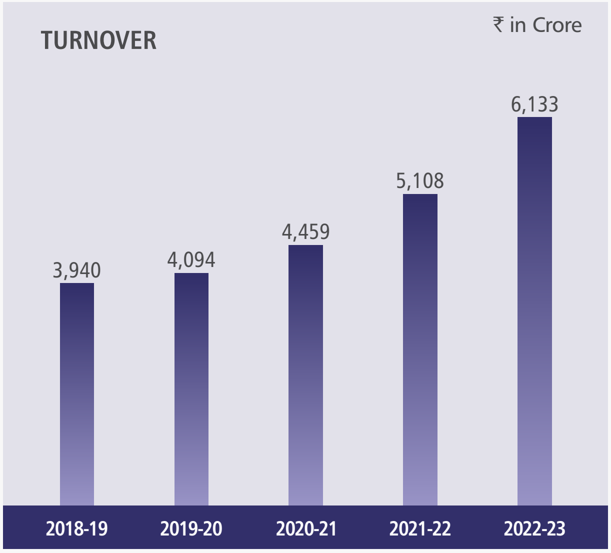
Gross Debt to EBIDTA Ratio at 1.06 times as of 31st March, 2023

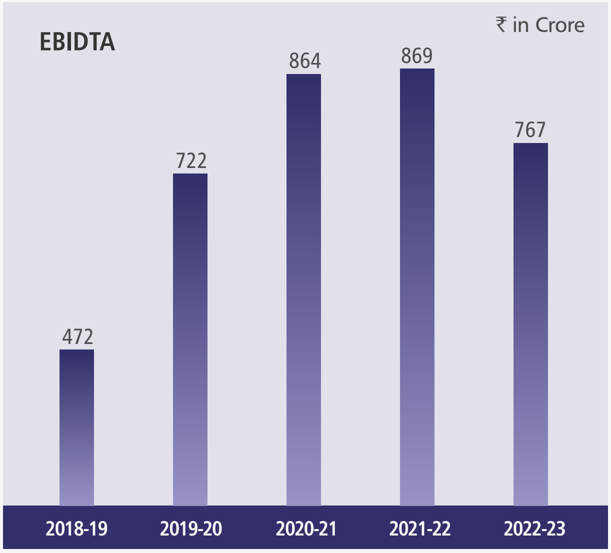
Net Debt to EBIDTA Ratio is at negative levels as of 31st March, 2023

Financial Capital - Revenue and Sales Growth

Breaking barriers. Sustaining success.

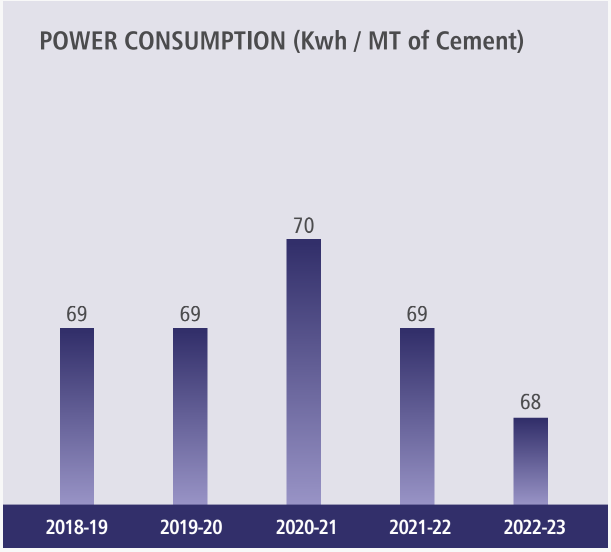
During FY 2022-23, turnover of the Company registered a healthy growth of 20% to cross ₹ 6,000 Crore mark. The Company's cement sales growth was about 12% as against all-India cement growth of 9%. Further, the Company's capacity utilisation for FY 2022-23 at 80% was higher than the Industry average during the year.

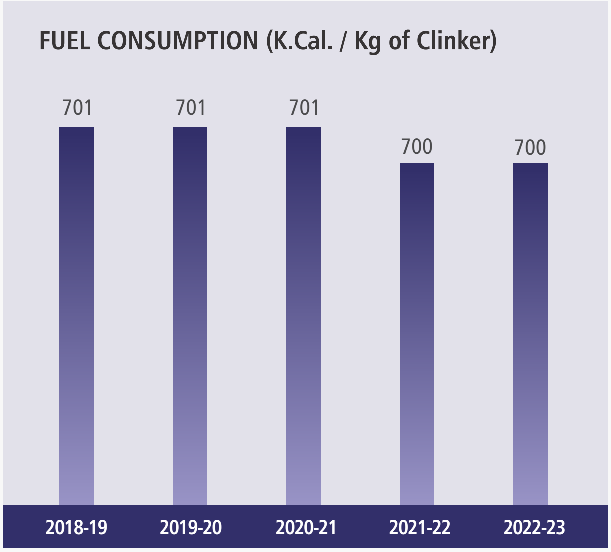




Least-cost Producer

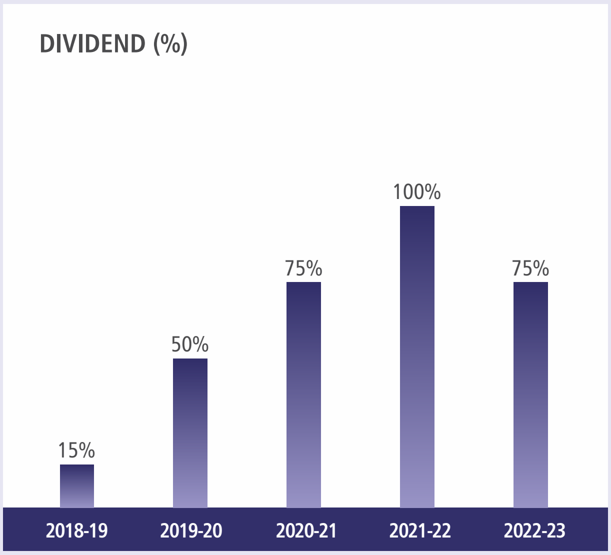
JK Lakshmi Cement Ltd. is known in the Financial Market and amongst the Investors' Community as one of the least-cost producer of cement in the Industry. Its efficiency parameters in terms of both the power and fuel consumption are one of the best in the Industry.

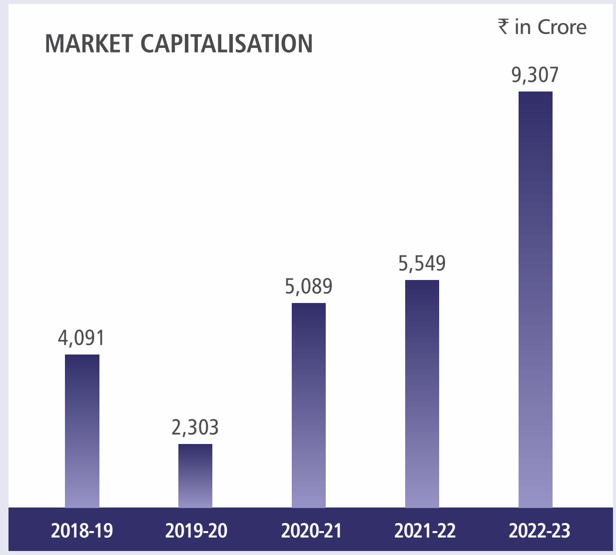


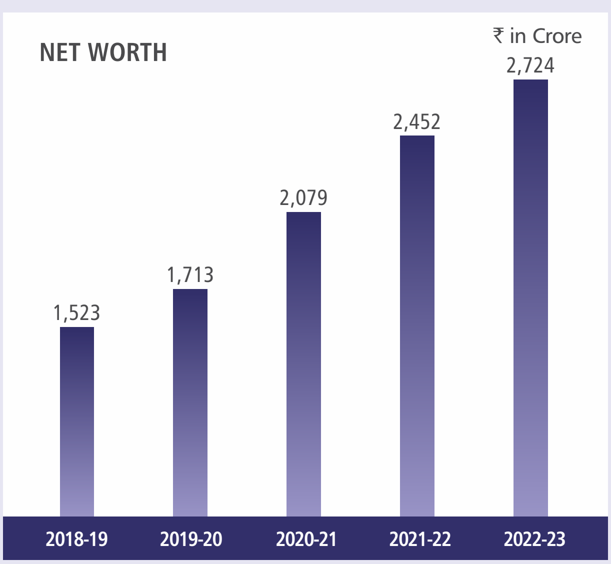


Market Capitalisation

The Company has always been endeavouring to increase its Total Shareholders' Return (TSR). Apart from maintaining consistently high dividend rate, the Company has also been rewarding the Shareholders through growth in its share price. During the year, the Company's market capitalisation shot up by over 68% and crossed the landmark market capitalisation of ₹ 10,000 Crore, before settling at year-end capitalisation of over ₹ 9,300 Crore.

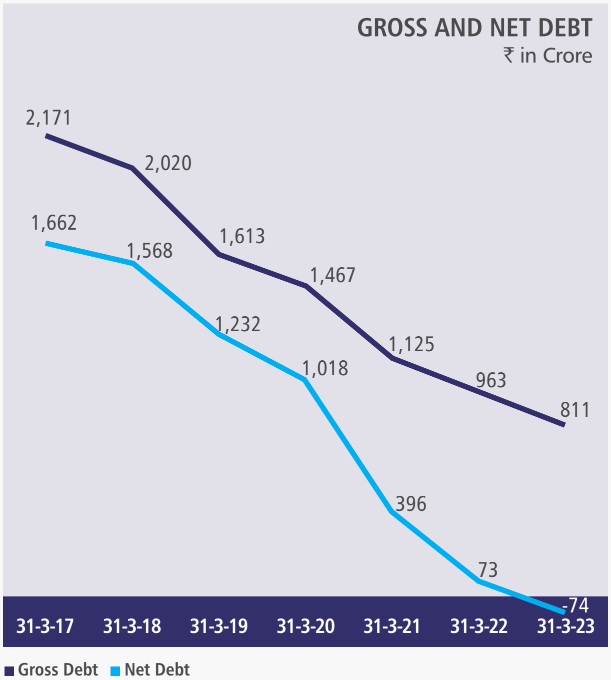




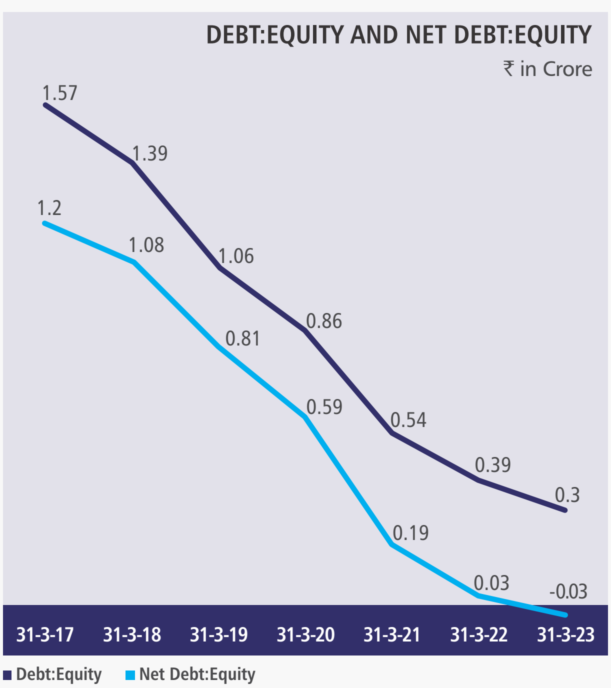


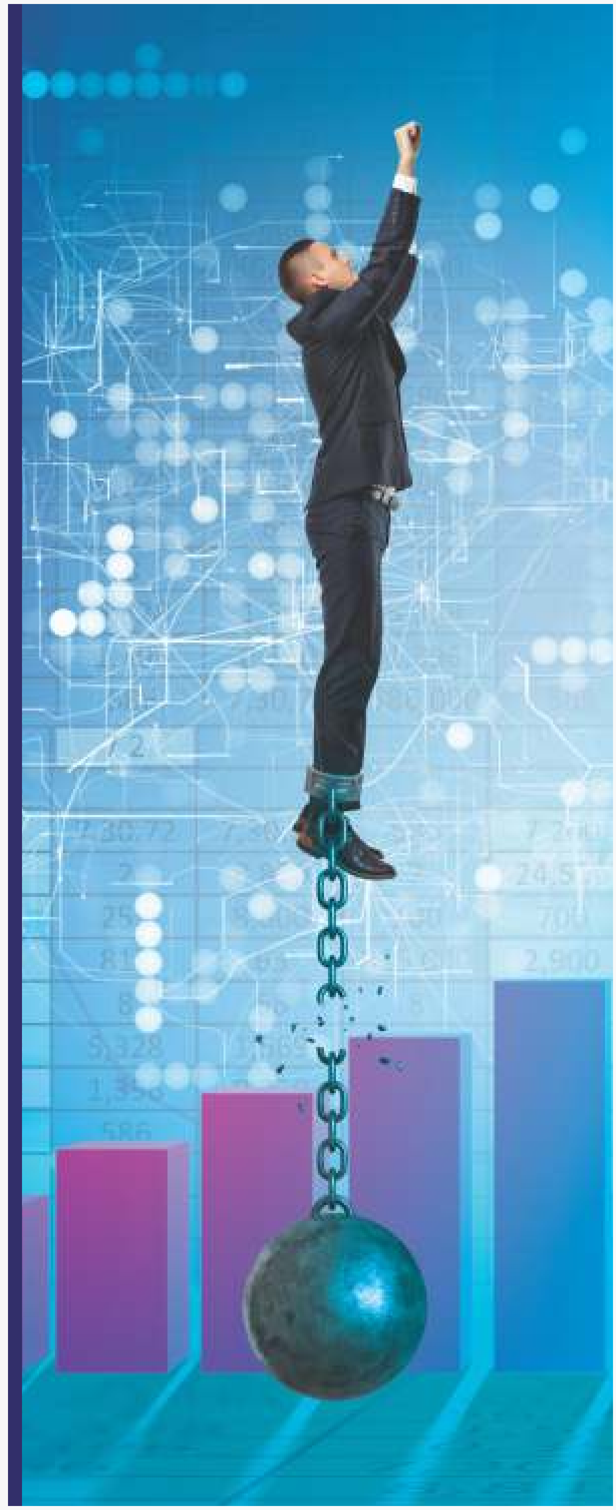
Financial Capital - Net Debt-free Company

The Company has continuously been focusing on reducing its debt over the last several years. It has been able to bring down its Net Debt down from ₹ 1,662 Crore as of 31st March, 2017 to a meagre ₹ 73 Crore over a period of 5 years upto 31st March, 2022. **The Company has become a 'Net Debt-free Company' as of 31st March, 2023.**



With the reduction in debt, the leveraging of the Company has come down from 1.57 times as of 31st March, 2017 to 0.3 times as of 31st March, 2023. Similarly, the Net Debt Equity Ratio of the Company has fallen from 1.2 times as of 31st March, 2017 to negative levels as of 31st March, 2023.

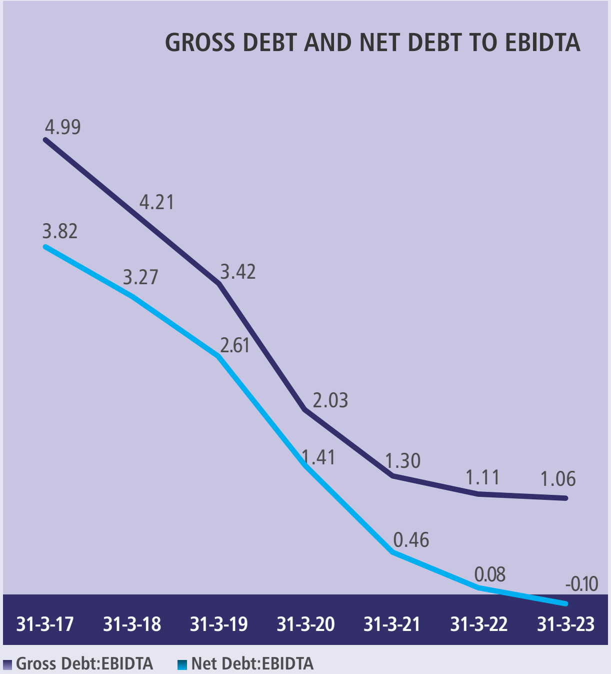




Credit Rating

Based on the continuous deleveraging of the Company, the Rating Agencies, CRISIL Ratings Ltd. and CARE Ratings Ltd. have re-affirmed company's long-term rating at **AA (Double A)** with a stable outlook. The re-affirmation of the Rating by the Rating Agencies is based on strong operating performance backed by the Company's robust revenue growth across its various markets, improved cost efficiencies and sales realisations. The re-affirmation in the Rating also considers various improvements in the Operational Risk Profile of UCWL; with the Company's healthy contribution of cash accruals at consolidated level.

Further the improved operational performance together with company's de-leveraging has enabled it to bring down its Gross Debt to EBIDTA Ratio from 4.99 times as of 31st March, 2017 to 1.06 times as of 31st March, 2023. Similarly, the Net Debt to EBIDTA Ratio has come down from 3.82 times as of 31st March, 2017 to negative levels as of 31st March, 2023.



The Company continues to enjoy the highest possible credit rating of **A1+ (A One Plus)** for its short-term borrowings from CRISIL and CARE.

The Company Treasury Corpus as of 31st March, 2023 stood at ₹ 884 Crore which is higher than its Gross Debt of ₹ 811 Crore. The Company continues to deploy its treasury corpus judiciously in various tax-efficient debt instruments to garner good returns for the Company. This comfortable liquidity position would enable the Company to stand on a firm footing to reach its mission of achieving cement capacity of 30 Million Tons Per Annum by year 2030 by growing organically as well as in-organically.

The Company continues to make detailed presentations on its operational and financial performance periodically to the Investors, Bankers and other Stakeholders through interactions by way of quarterly concalls and roadshows both in India and abroad.

> **"Our aim is wealth maximisation for all stakeholders through increased Economic Value Added (EVA) and Market Value Added (MVA)"**

Sudhir A Bidkar
CFO, JK Lakshmi Cement Ltd.

CFO addressing the Stakeholders

Intellectual Capital

Innovating to stay ahead of times.

Implementing future-forward sustainable business solutions across the value chain.

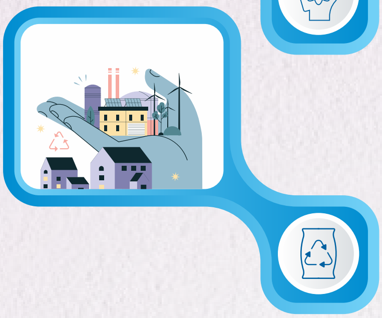
Our innovative capabilities, rapid digitalisation and aggressive brand-building have always kept us ahead of the competition. One of the keys to our success is innovation.

Our R&D centres at our various plants, our IT Innovation Lab and the Centre of Excellence (CoE) are our pillars of Intellectual Capital. Our central team collaborates closely with our network of regional team members to encourage innovation across our markets. They, in turn work with our commercial teams to serve our customers' building needs from concept to completion. Our building experts are in constant touch with our end-users and influencers (masons, engineers) and apprise them with the latest building technologies. Our experts in artificial intelligence and data mining are the backbone of insights and informed decisions, and contribute significantly to the innovation drive.

Focus Areas FY 2022-23

Innovation

Improving Quality of Production

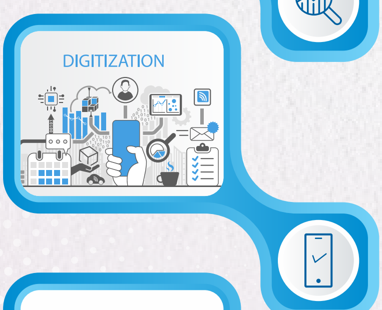


Sustainable Products

Identifying and Executing Continuous Improvements that will Generate Value

Prime Focal Areas

Sales Effectiveness



Digital Transformation

Increasing Productivity

Reducing Costs

Key Achievements FY 2022-23

Sales Effectiveness

- Live EBITDA Tracking
- 9 Box Grid Sales Geo Mix
- Channel Mix Analysis Tool
- Salespedia - Responsive Dashboards, Analytical Reports, Insights
- Sales Academy for Employees
- Rewards and Recognition Contest

Empowering Businesses through Digital Engine

- Leading Development and Roll-out of Mobile APPs for Internal and External Stakeholders as part of multiplying our Digital Reach through Salesforce
- WhatsApp Chatbot- VANI

Intellectual Capital - Centre of Excellence (CoE)

Inspiring introspection. Igniting innovation.

Our Centre of Excellence (CoE) team at JK Lakshmi Cement acts with a purpose at the core to achieve business transformation by adopting and implementing critical processes, technologies, or applications to help the Company become more efficient. The team helps business focus and align its current resources and expertise around a specific capability to accomplish and sustain world-class performance and value.

By embracing digital technologies and fostering a culture of innovation, JK Lakshmi Cement is working to generate new ideas, explore creative solutions and drive continuous improvement. This enables the Company to adapt to market changes, identify new business opportunities and stay ahead of competitors. The primary objectives aligned with digital transformation are enhancing operational efficiency, staying competitive, improving decision-making capabilities, enhancing customer experience, strengthening supply chain, fostering innovation and promoting sustainability within the organisation.

In the last year, CoE leveraged its project management abilities and ideas from functional specialists inside and outside the Company to make a long-term impact by fostering a culture of continuous improvement throughout the organisation. We have undertaken various efforts in the last year to improve our processes, as well as foster an environment of intrapreneurship and enable people to uncover their potential and speed up-skilling. Internal employee KRAs, business objectives and the back-end IT environment were adjusted to match our customers' expectations. The team took advantage of the chance to consolidate best practices and new technologies while utilising data-driven decisions to improve customer experience and engagement.

Projects Executed

Sales Excellence

Sales operations matter and the keyword for us is every day efficiency - enhancing business impact without spending more time and money. The Salesforce CRM makes this possible by supporting sales leaders and officers with optimised technology that drives strategy and more productive work. Sales team is provided with tools like performance dashboards and automated forecasting that support planning and key decisions.

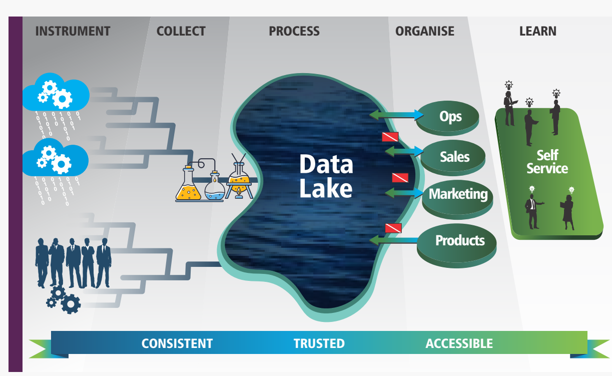
- EBITDA 'Live' Tool - Real time structured approach to capitalise the opportunity
- 9 Box Grid - Where districts are prioritised based on key dimensions viz. market attractiveness and JKLCs ability to score high
- Channel Mix Analysis Tool – Identifies counter-wise distribution of % share and potential to increase the share to drive impact
- Salespedia - Platform for all our business needs with responsive dashboards, analytical reports and insights; providing a high-level view of the most important metrics
- Sales Academy - Platform to help accelerate up-skilling, recognise achievements and craft experiences for employees to discover their true potential
- Rewards and Recognition - Monthly and annual contests running successfully for past 1 year with monetary appreciation and backed by automated digital dashboards and reports for performance enablement

- WhatsApp Chatbot - VAANI: The Chatbot VANI is a one-stop solution for our dealers with many user-friendly features. This 24x7 virtual assistant is available in English, Hindi and Gujarati
- Dealer Onboarding Process

Analytics and Data Science

We have taken analytics enablement to the next level for facilitating business in decision making and creating new business models. Best-in-class scientific methods, processes, algorithms and emerging technologies are getting used to extract insights from structured and unstructured data. A large volume of data is getting processed to identify patterns using data science, machine learning and artificial intelligence techniques.

This year, we have progressed a lot in using computer vision algorithms to interpret and understand digital images and videos. Our computer vision applications include object recognition, facial recognition, imaging analysis, vehicle number plate recognition and personal protective equipment compliance. Here deep learning algorithms are heavily used to solve complex vision tasks



Data Lake and Data Warehouse

A unified analytics platform has been built to collect, organise, process and consume data. Native connectors and CDC technologies are used / explored for seamless and instantaneous extraction of data. Dataiku, a data science platform is used for organising and processing of data. QLIK, Tableau and Power BI are used for visualisation and consumption of information. We are aggressively working on governance, transformation and security of information systems to make information available to concerned decision maker in real time.

Self-serving Analytics

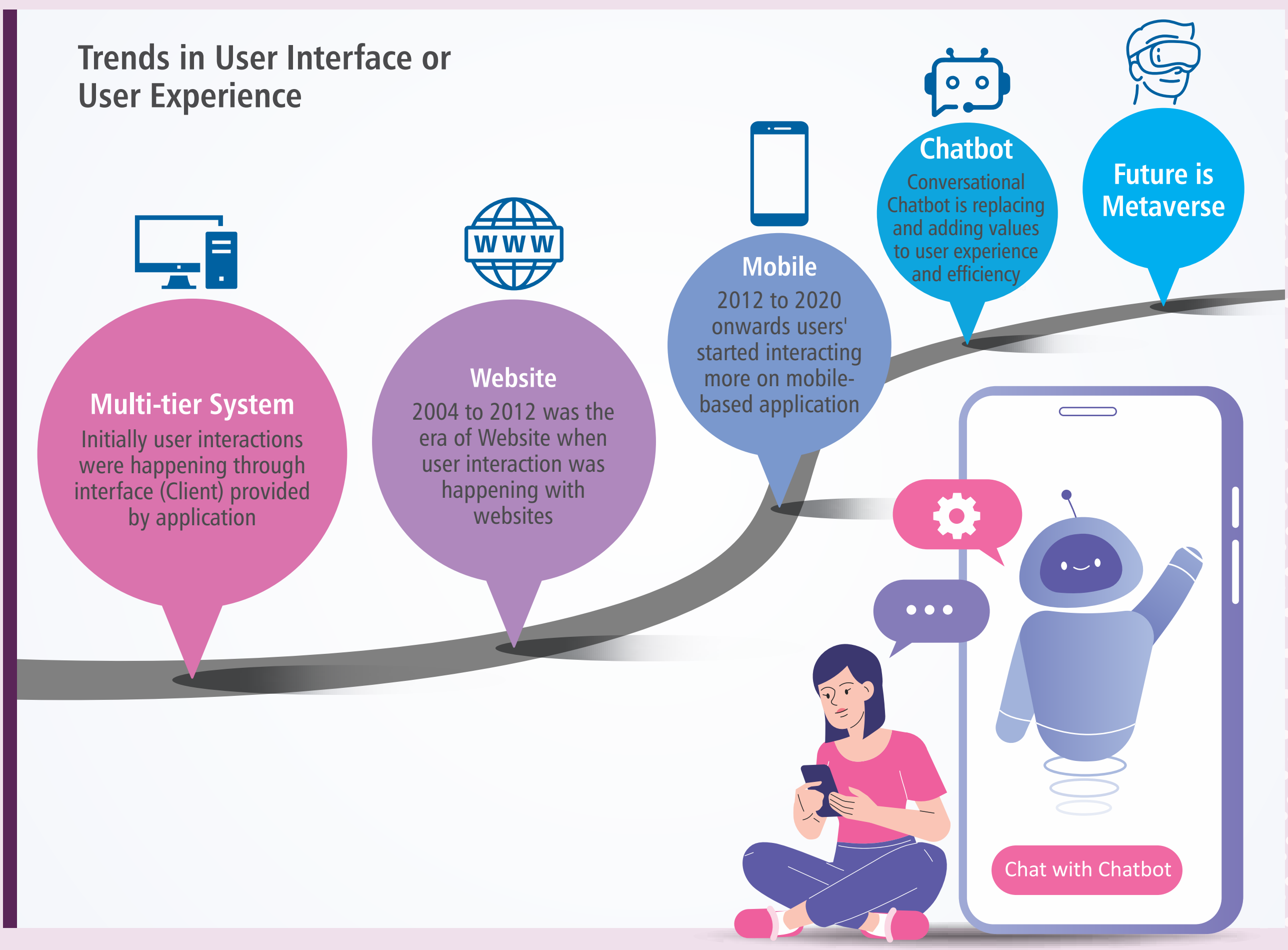
Self-serving Analytics is the outcome which is most appreciated in our organisation. Rather than engaging in development of dashboards and reports, this new central IT function is helping business teams to groom them on how they can generate their own dashboards and reports. No-code platform like Dataiku have played a very critical role in democratising usage of analytics across organisation.

Conversational AI

In user interface and experience, we have taken another leap to move from mobile-based user interface to conversational interface in most of our digital applications. Below is the roadmap that has helped us in the journey of improving user experience.

Newer developments in conversational AI space have been very instrumental in our swifter migration from mobile-based user interface to conversational interface.

For customers, we have launched WhatsApp based Chatbot "VAANI" to improve experience of our digital technology usage; for which we have partnered with Yellow AI. For internal employees, conversational AI platforms have been provided by using MS Team.



Intellectual Capital - Information Protection and Cybersecurity

Information Security Programme

As we are going digital in every space of operations and are increasingly interconnected with the outer world, the significance of robust information security measures is of paramount importance. As a sensible and trusted company, we recognise the critical importance of protecting our digital assets, sensitive data and ensuring the privacy and trust of our stakeholders.

Information security programme at JK Lakshmi Cement consists of, but not limited to:

- Cyber Security Strategy
- Data Protection and Privacy
- Third-Party Risk Management
- Incident Response and Remediation

The core focus of these verticals is to mitigate risks for safeguarding our operations and protect personal data we are possessing of our stakeholders.

Cyber Security Strategy

At JK Lakshmi Cement, we have established a comprehensive cybersecurity strategy that encompasses proactive prevention, continuous monitoring, rapid incident response and continual improvement. Our strategy is built upon three pillars: People, Process and Technology.

People: We recognise that our employees are the first line of defense against cyber threats. We invest in cybersecurity awareness and training programmes to educate our workforce on best practices, safe online behaviour and the evolving threat landscape. Moreover, we conduct 'Phishing Attack Simulation' as a secret exercise to examine the response of all the employees to this attack, followed by calculating the employee vulnerability score.

Process: Robust processes and policies are the foundation of our cybersecurity framework. We have established a dedicated cybersecurity function under designated CISO, who is responsible for designing, developing, implementing and monitoring security controls across our organisation. Regular risk assessments and audits help us identify vulnerabilities and ensure compliance with industry standards and regulations. We have also implemented an incident response plan to facilitate timely and effective responses to security incidents.

Technology: To safeguard our digital assets, we employ cutting-edge cybersecurity technologies. Our network infrastructure is fortified with firewalls, intrusion detection and prevention systems, and advanced threat intelligence tools. We leverage encryption and multi-factor authentication to secure sensitive data and our endpoints are protected with next-generation antivirus and end point detection, and response solutions. Continuous monitoring and vulnerability scanning are conducted to identify and remediate any potential weaknesses.

Addition to above-mentioned, robust physical security controls are implemented to protect physical assets such as servers, data-centres and access points through measures like surveillance systems, access controls and security guards.

Data Protection and Privacy

Protecting the privacy of our stakeholders' personal information is of utmost importance to us. We adhere to applicable data protection laws and regulations, ensuring that data is collected, processed and stored securely as well as transparently. We have implemented data access controls, encryption protocols and secure data transfer mechanisms to safeguard sensitive information.

Third-Party Risk Management

We recognise that our ecosystem extends beyond our internal operations. Engaging with third-party vendors and partners introduces additional cybersecurity risks. We have established stringent vendor risk management protocols, including due-diligence assessments, contractual agreements and regular audits to ensure that our partners adhere to highest security standards. By closely managing third-party risks, we minimise the potential for supply chain attacks and data breaches.

Incident Response and Remediation

We have a well-defined incident response plan in place to tackle any cyber incident. Our plan includes clear roles and responsibilities, escalation procedures and communication protocols to enable swift and effective response and recovery. Regularly tested business continuity and disaster recovery plans ensure minimal disruption to our operations in the face of an incident. Also, our digital assets are completely insured against any cyber compromise with leading insurers of the Country.

Research and Development

- R&D centres established at Jaykaypuram and Jhajjar Grinding Units. These R&D centres got recognition / registered on 1st April, 2015 with DSIR (Ministry of Science and Technology, New Delhi)
- JKLC collaborated with academia of IIT, New Delhi for the development of new and eco-friendly future products and an MoU was signed on 15th September, 2015. Various compatibility and characterisation studies were carried out at IIT, New Delhi and JKLC R&D Unit. Commercial production of these products commenced on 6th October, 2016 at JKLC, Sirohi and Jhajjar Grinding Units
- A new performance-enhancing "Additive" for concrete was commercially manufactured at JKLC Jhajjar Unit. This project was executed successfully by the joint team of JK Lakshmi Cement and IIT, New Delhi

Pozzo Pro+

Pozzo Pro+ is a versatile product and is a direct additive during concrete production. Actual research product was developed with efficient utilisation of waste materials. It is a green product and will be used as performance enhancer of concrete.

The patent for Pozzo Pro+ on Cementing Additives and method of manufacturing was filed on 31st May, 2017 and awarded on 10th February, 2023 for a term of 20 years by the Patent Office, Government of India.

Partnering with Planet

True to its reputation as a thought leader, JK Lakshmi Cement added India's first green LNG truck fleet to carry its products. This event's flag-off ceremony was widely reported in national journals, boosting JK Lakshmi Cement's brand value and establishing its credentials as a responsible business. We also strive to showcase the Company's initiatives in many fields such as CSR, sustainability and manufacturing on digital media platforms such as social media and news websites. This has aided us in developing a positive business image among stakeholders.

Brand Reach through Innovative Methods

We have significantly raised the salience of our brand by engaging with new-age digital marketing in addition to traditional avenues of brand promotion. We use digital media platforms extensively for product promotion and consumer-driven initiatives. This has increased brand visibility, accelerated market response, broadened consumer involvement and secured more customer impact.

Manufactured Capital

Transforming Processes. Thinking Eco-Alternatives.

Strengthening our operational footprint.

JK Lakshmi Cement is deeply committed to conducting its operations and logistics in a sustainable manner. Our strategy, driven by cutting-edge technology and innovation, further solidifies our position as the foremost producer of sustainable cement; contributing to a self-sufficient nation.

Safety and sustainability are paramount in our operations. We prioritise the strengthening of processes and protocols to ensure zero harm to our employees and the environment. Additionally, we are actively working towards the implementation of a circular economy by maximising the utilisation of waste materials; aligning with our goals for sustainable development. These additions are supported by an integrated supply chain, which further reinforces our commitment to sustainability across our operations.

Harnessing the potential of innovation, digital transformation, industry 4.0 and sustainable operations, we are paving the way for a future where our operations thrive and we continue to deliver eco-conscious, high-quality products.

JK Lakshmi Cement: Pioneering Value-added Products

JK Lakshmi Cement is a pioneer in introducing Autoclaved Aerated Concrete (AAC) blocks which are more sustainable alternatives to traditional clay bricks as they help reduce energy consumption, improved thermal insulation and utilise industrial waste. Our AAC blocks have received prestigious certifications such as Green Pro and Green Products & Services Council, highlighting their eco-friendly nature. Moreover, our blended cement has also been granted the Green Products & Services Council certification by CII. In addition to AAC blocks, we provide a wide range of value-added construction solutions to our customers. These include Ready-mix Concrete (RMC), Gypsum Plaster (commonly known as Plaster of Paris) and White Cement based Wall Putty. We have expanded the footprint of these products in newer geographical areas and also added product variants in each category to offer superior and smart product options to our customers.

Our way of being, working, and thriving

Our decarbonisation roadmap focuses on differentiating our offerings through commercial low-carbon products; adding value to customers. We prioritise products and services based on our climate change opportunities assessment. Our cement portfolio includes products with significantly lower clinker content compared to Ordinary Portland Cement (OPC). These products utilise materials like fly-ash, slag, limestone and pozzolana, resulting in reduced carbon footprint, energy consumption and raw material usage in cement manufacturing.

To thrive, we adapt through technological advancements, optimising resource utilisation, developing processess and positively impacting lives. We combine the strengths of a mature company with the flexibility to modernise and meet evolving demands.

Highlights FY 2022-23

2 Integrated Cement Plants and 4 Grinding Units across India

11.7 MTPA Cement Production Capacity

Pan-India presence in 18 States and UTs

80% Cement Capacity Utilisation

98% Clinker Capacity Utilisation

35% Share of Renewable Energy in Total Power Requirement

Focus Areas FY 2022-23

Capacity Optimisation

Capacity Expansion

Sustainable Production

Responsible Mining

Cost Optimisation

Manufactured Capital - Plants' Performance

Advancing production. Achieving excellence.

At JK Lakshmi Cement, cement manufacturing process involves several stages. First, raw materials like limestone are quarried and crushed to a limited size for homogenisation. Next, the blended raw materials are ground into a fine powder. The powdered raw material is preheated using waste heat and then subjected to high temperatures in a rotary kiln for clinkerisation. The resulting clinker is cooled rapidly, ground into a fine powder and mixed with gypsum. The final cement is stored, packaged and undergoes quality control measures throughout the process.

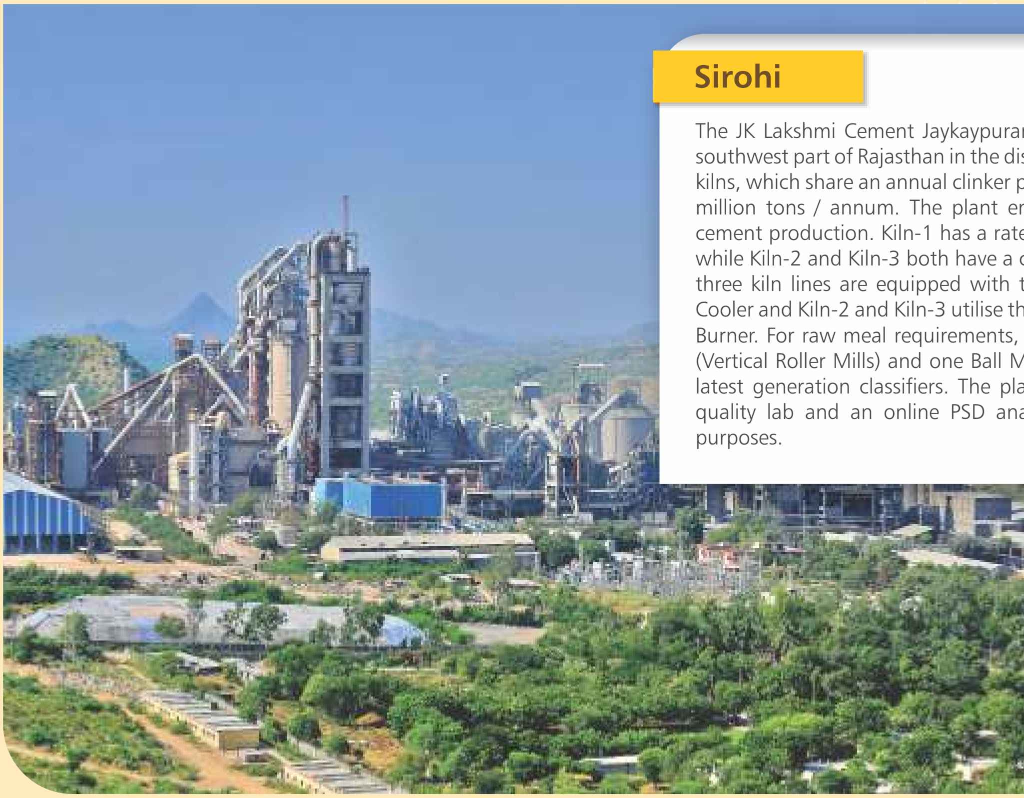
Production Capacity

FY	Clinker Production Capacity (MMT)	Cement Production Capacity (MMT)
FY 18-19	6.60	10.90
FY 19-20	6.70	11.30
FY 20-21	6.70	11.70
FY 21-22	6.87	11.70
FY 22-23	6.87	11.70

Actual Production Data for Last Five Financial Years

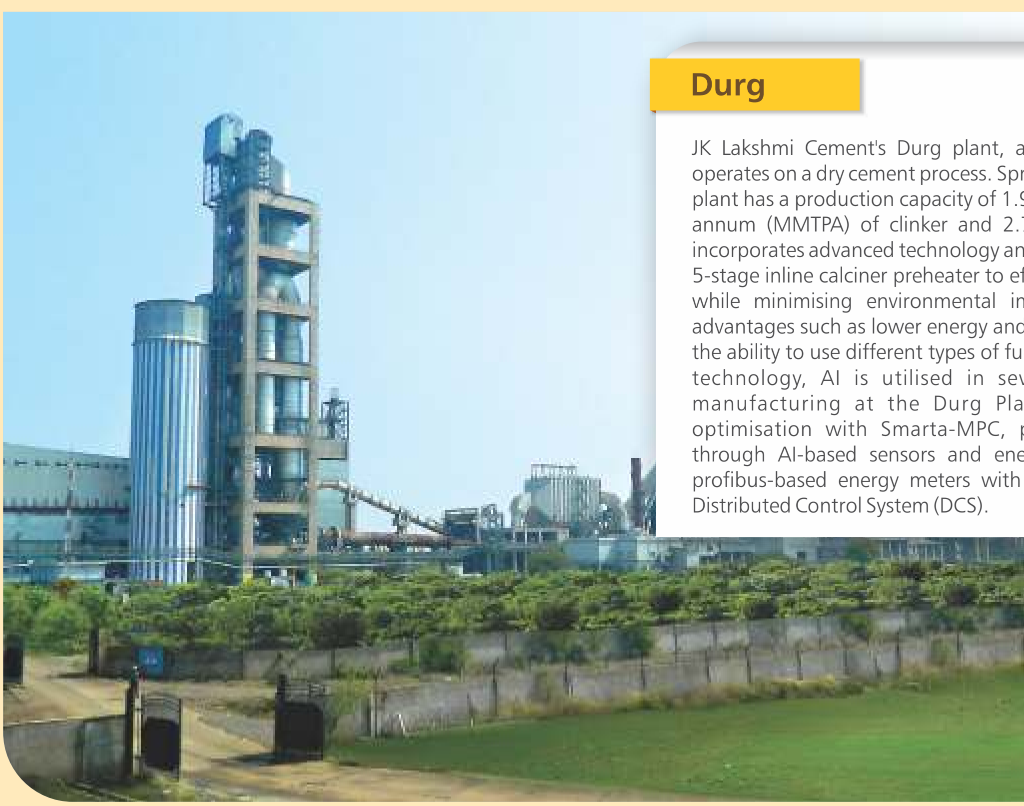
FY	Actual Clinker Production (Million Metric Tons)	Actual Cement Production (Million Metric Tons)	Clinker Cap. Utilisation	Cement Cap. Utilisation
FY 18-19	6.45	8.35	98%	77%
FY 19-20	6.34	7.78	95%	69%
FY 20-21	5.98	8.30	89%	71%
FY 21-22	6.62	8.62	96%	74%
FY 22-23	6.72	9.38	98%	80%

Plants' Snapshot



Sirohi

The JK Lakshmi Cement Jaykaypuram plant is located in the southwest part of Rajasthan in the district of Sirohi. It has three kilns, which share an annual clinker production capacity of 4.8 million tons / annum. The plant employs a dry process for cement production. Kiln-1 has a rated capacity of 4,500 TPD, while Kiln-2 and Kiln-3 both have a capacity of 5,000 TPD. All three kiln lines are equipped with the latest generation IKN Cooler and Kiln-2 and Kiln-3 utilise the latest generation Pillard Burner. For raw meal requirements, the plant has three VRM (Vertical Roller Mills) and one Ball Mill, all equipped with the latest generation classifiers. The plant has a fully digitalised quality lab and an online PSD analyser for quality control purposes.



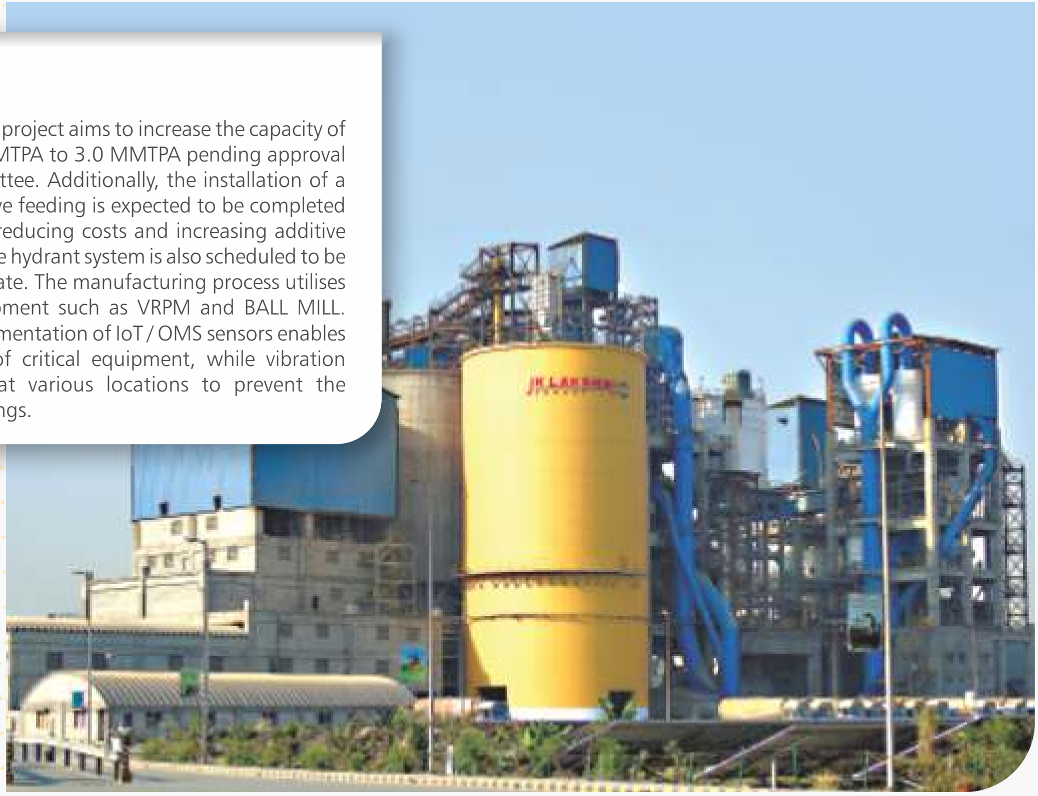
Durg

JK Lakshmi Cement's Durg plant, a modern cement plant, operates on a dry cement process. Spread over 1,200 acres, the plant has a production capacity of 1.98 million metric tons per annum (MMTPA) of clinker and 2.7 MMTPA of cement. It incorporates advanced technology and equipment, including a 5-stage inline calciner preheater to efficiently produce cement while minimising environmental impact. The plant offers advantages such as lower energy and water consumption and the ability to use different types of fuels in the kiln. In terms of technology, AI is utilised in several areas of cement manufacturing at the Durg Plant, including process optimisation with Smarta-MPC, predictive maintenance through AI-based sensors and energy management using profibus-based energy meters with signals available in the Distributed Control System (DCS).

Manufactured Capital - Plants' Snapshot

Surat

The ongoing expansion project aims to increase the capacity of the facility from 1.5 MMTPA to 3.0 MMTPA pending approval from the SEIAA committee. Additionally, the installation of a new elevator for additive feeding is expected to be completed by 31st August, 2023, reducing costs and increasing additive consumption. A new fire hydrant system is also scheduled to be installed by the same date. The manufacturing process utilises cement grinding equipment such as VRPM and BALL MILL. Furthermore, the implementation of IoT / OMS sensors enables real-time monitoring of critical equipment, while vibration motors are installed at various locations to prevent the formation of hard coatings.



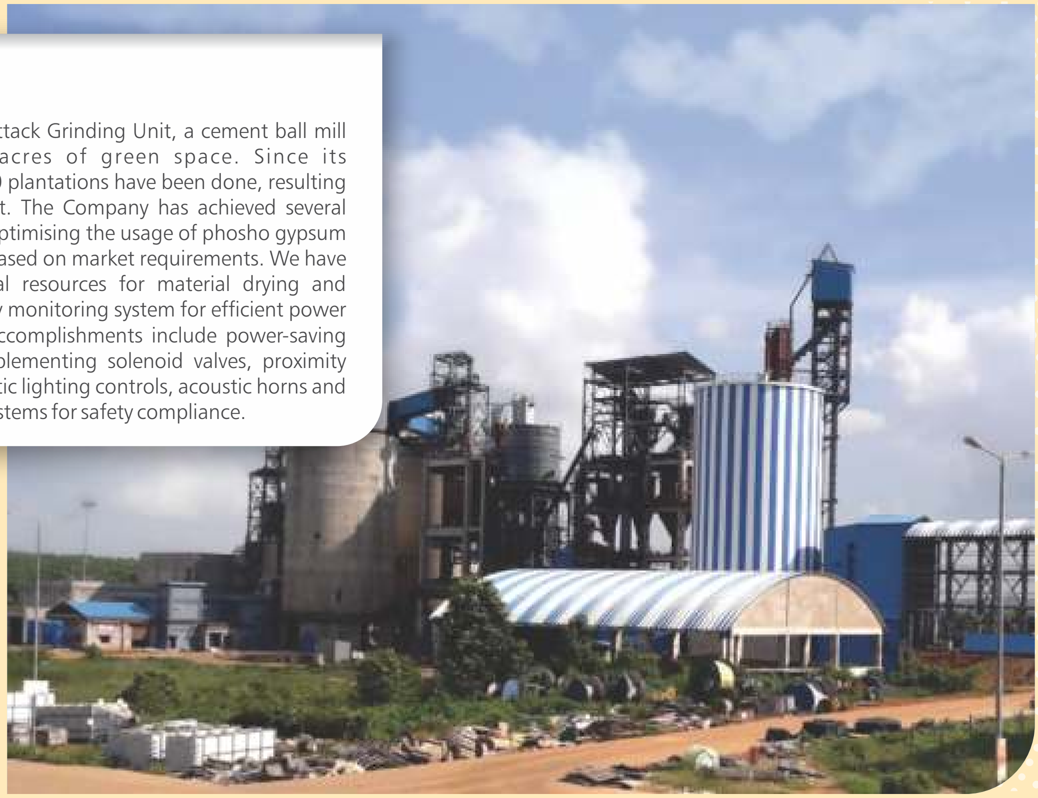
Jhajjar

Sr No.	Achievement	Remark
1	Switch to 90% AFR (Mustered husk) in place of fossil fuel (coal)	Saved ₹ 25 per M3
2	Installed LP compressor for fly-ash unloading to reduce power consumption	Saved ₹ 2 per MT
3	Increase productivity of cement mill-I by feeding dry fly-ash at mill outlet	Feed increased by 5 TPH for PPC grinding
4	Installed rotary screen at AAC blocks plant for better plant efficiency	Increased average blocks 15 M3 / day
5	100 % statutory compliance at the unit level	
6	Achieved target of zero accident at workplace	

Manufactured Capital - Plants' Snapshot

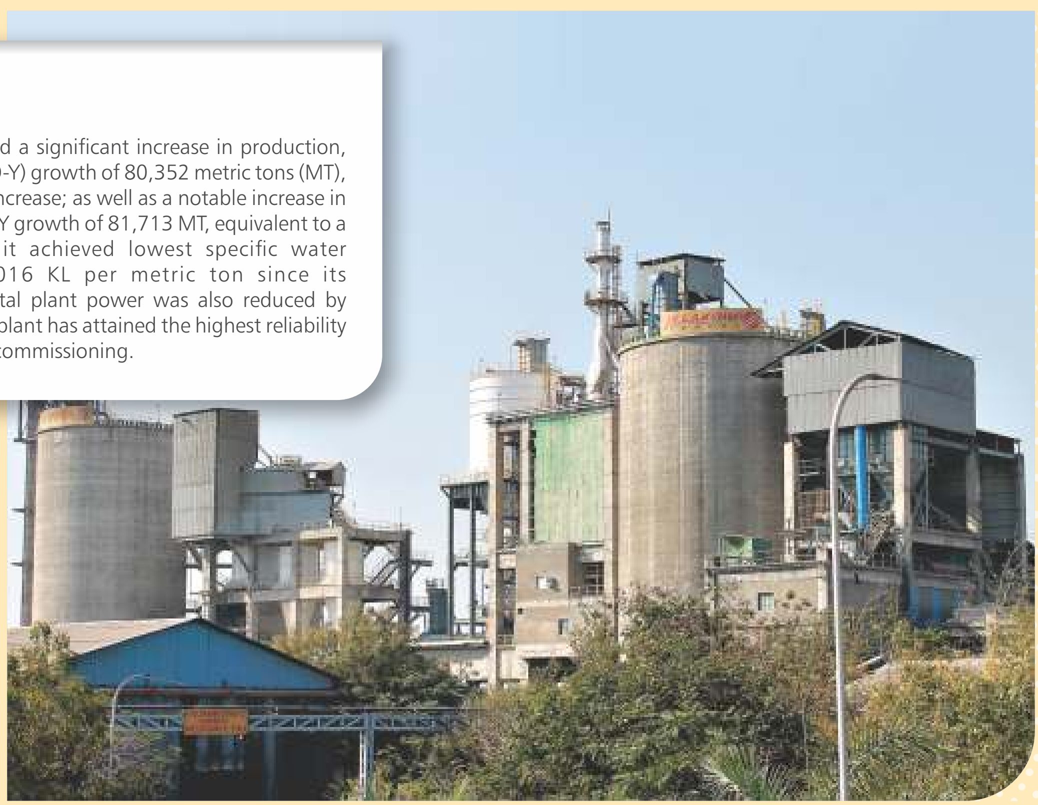
Cuttack

JK Lakshmi Cement Cuttack Grinding Unit, a cement ball mill plant, covers 122 acres of green space. Since its commissioning, 19,300 plantations have been done, resulting in a clean environment. The Company has achieved several milestones, including optimising the usage of phosho gypsum and colouring agents based on market requirements. We have also maximised natural resources for material drying and implemented an energy monitoring system for efficient power management. Other accomplishments include power-saving measures, such as implementing solenoid valves, proximity arrangements, automatic lighting controls, acoustic horns and auto fire suppression systems for safety compliance.



Kalol

The Kalol Plant achieved a significant increase in production, with a year-on-year (Y-O-Y) growth of 80,352 metric tons (MT), representing a 16.6% increase; as well as a notable increase in despatches, with a Y-O-Y growth of 81,713 MT, equivalent to a 16.9% increase. As it achieved lowest specific water consumption of 0.016 KL per metric ton since its commissioning, the total plant power was also reduced by 0.92 units per ton. The plant has attained the highest reliability factor of 99.60% since commissioning.



Manufactured Capital - Sustainable Production

JK Lakshmi Cement continually improves operational excellence through various efforts across parameters such as environmental protection, safety culture and quality consciousness. We firmly believe that the decisions we make today lay the foundation for future. The Company is well-aligned with the infrastructure and sustainability demands of the Country.

Power Generation Capacity

FY	TPP (In MW)	WHRS (In MW)	SOLAR (In MW)	WIND - Through Open Access (In MW)
FY18-19	54	23	10.3	0
FY19-20	74	23	10,3	4
FY20-21	74	23	22.4	4
FY21-22	74	33.4	22.9	4
FY22-23	74	33.4	30.9	4

Specific Electrical Energy Consumption

FY	Specific Electrical Energy Consumption upto Clinkerisation excluding Crusher (kWh / MT Clinker)	Specific Electrical Energy Consumption for Cement Grinding (kWh / MT Cement)
FY18-19	45.61	35.23
FY19-20	46.30	35.76
FY20-21	47.03	36.59
FY21-22	46.26	36.49
FY22-23	45.62	36.87

In FY 2022-23 the cement grinding power increased due to change in product mix

Case Studies

Increasing the use of Carbonecous Shale at Sirohi Plant

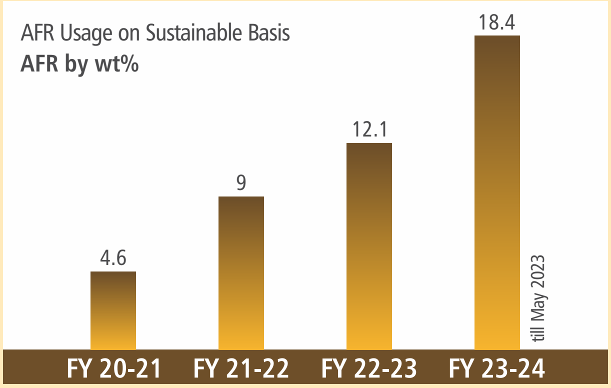
Challenge: The cement sector incurs substantial energy-related expenses, primarily attributed to fossil fuels and electricity, which account for a significant portion (30-40%) of the Industry's variable costs. Rising costs of pet coke, a commonly used fuel, necessitated the exploration of cost-effective alternatives to maintain profitability without compromising kiln operations.

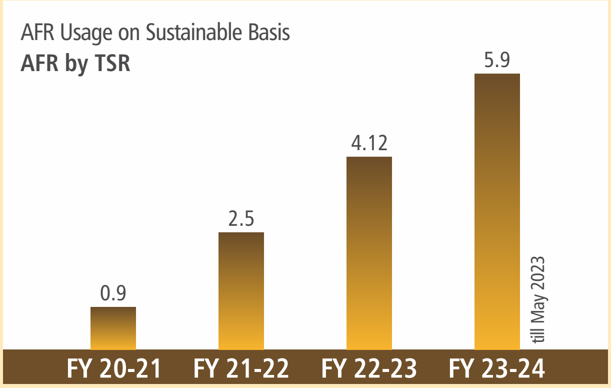
Solution: By leveraging carbonaceous shale, a coal byproduct predominantly composed of minerals and organic carbon, the Company identified an opportunity to substitute pet coke and achieve a dual objective of cost reduction and environmental impact mitigation. Carbonaceous shale, extracted alongside coal during production, had been previously considered a troublesome gangue material, occupying considerable land space and posing environmental risks. By increasing the consumption of carbonaceous shale by 9.87%, the Company achieved a substantial cost advantage of approximately ₹ 1/1000 Kcal over imported pet coke.

Enhancing Sustainable Fuel Utilisation at Durg Plant

Opportunity: At the Durg unit, we are strongly committed to reducing our reliance on fossil fuels by incorporating Alternative Fuels and Raw Material (AFR) in our operations. The team has been focused on finding a solution to enhance the usage of AFR.

Outcome : The journey started with a weight percentage of 4.6% and a TSR (Thermal Substitution Rate) of 0.9% in FY 2020-21. Last year, the Durg unit achieved a TSR of 4.0%. The Plant has also explored various types of waste such as jute waste, coconut, wooden chips, flue dust, dolachar, bag filter dust, press mud and spent carbon.





Manufactured Capital - Mining And Logistics

Mining Approach

The mine is being developed according to the Mining Plan for the conservation of minerals and sustainable development. Generally, our mining strategy is to operate mines using scientific methods, with bench heights of 9 metres and 6 metres, and bench widths of 15 - 25 metres, as per DGMS guidelines for the safety of personnel and machinery. For blasting, we use SME (Site Mix Emulsion), Nonel, Detonating Fuse, Cast Booster, Prime, Gel and Electronic Detonator to reduce ground vibration, noise and optimise the utilisation of explosive energy. In the mines, ramps have a gradient of 1:16 for transporting limestone from the Pit to the Crusher. Production is carried out by all 5 benches to meet the Plant's requirements with the desired quality and quantity. The dispatch of crushed limestone is accomplished through tippers (articulated and static) with a fleet of 8 km. to the Stacker, which passes through public roads. On average, we have the potential to dispatch 9,000+ tons in a day while ensuring safety.

Logistics

In cement industry logistics have always played a crucial role; sometimes for service, sometimes for cost reduction and sometimes bringing competitive advantage by adopting both. We as an organisation, continuously act in a manner that we remain one of the top-class logistics service provider in the Cement Industry. There are a lot of initiatives that we had taken, which were first in the Industry.

Bulk Cement Supply through Rake: We are pioneers in adopting bulk cement dispatch through rail in cost-effective manner in our cluster; showcasing outstanding performance in volume, efficiency, quality control and customer satisfaction. Our average dispatch is 4-5 rakes per month to the Western Region.

Green Pahal, Behtar Kal: JK Lakshmi Cement became the first company in India to add LNG fuelled trucks in its fleet for clinker transportation. This was to ensure that CO_2 emission can be curbed by replacing diesel-based trucks to LNG. These trucks were manufactured by Blue Energy Motors and transported through Greenline Logistics. These trucks reduces SOx, NOx by almost 100% and CO_2 by more than 40%. After seeing success of these trucks at JK Lakshmi Cement, many other companies have also started using LNG based trucks. This was our "Green pahal, for Behtar kal".

Transporter Engagement Programme: Transporters are key to our business success. A forum called "AARAMBH" - Transporters' Forum, was organised; a first of it's kind in the industry in Udaipur to recognise their efforts. VCMD and President and other senior officials participated in the event to reinforce our care towards our transporters community.

Ever Highest Evacuation: Logistic strategies and proper on-ground execution by the team ensured that all plants of the organisation achieved their every highest dispatch. Role of our transporters, who were already motivated by appreciation from JK Lakshmi's top management, was immense in achieving the ever-highest dispatches.

Distribution Cost Reduction: In financial year the whole logistics team worked with the sales team and the plant team to collaborate and picked up all the areas where we were doing lower than industry average and brought ourselves at par with industry by doing efficient operations, including depot utilisation, cost optimisation, waste control, right sourcing and mode mix secondary optimisation. All of these initiatives resulted into significant logistics cost reduction year- on-year.

Control on Pilferages: Movement of cement across the border from low price market to high price market was damaging our brand image, destroying our margins and business of our dealers working in the high price markets. To solve this problem, we came up with the idea of printing customer code on the Cement Bags so that we can identify and remove those customers involved into such malpractice and control it. This helped us reducing the malpractice significantly.

Logistics Control Tower: To ensure that none of our truck starting from our factory engage into any kind of malpractice, we had initiated a logistics control tower last year and ensured that all culprits are penalised. This also gives us the real time visibility of all our trips.

Key Transporters and JKLC Officials at AARAMBH

Flag Off - 'Green Pahal, Behtar Kal'

Digitisation of Logistic Operations - Raftaar

Company started its digital transformation journey in logistics around 5-6 years back. Last year we brought all such initiatives under one single umbrella called "Raftaar". A unified platform, Raftaar, enables us to manage supply chain more effectively, resulting in improved efficiency, reduced costs and enhanced customers' service level. There are total 6 steps under which we had been working at different levels of maturity to digitise the processes.

Demand forecasting and planning: This is running very smoothly and our system is quite robust; with more than 70% accuracy at minutest level.

Demand allocation from plant to market - Network Optimiser: The system has been under use for last 4 years now and has got matured. Last year itself it garnered value of more than ₹ 5 Crore over the previous year. This was definitely because of the system / data backed decision making in monthly S&OP meeting.

Service based real time order allocation model: System is under implementation that will ensure that we shall be able to provide the committed service to our customers from the most optimum source.

Transportation Management System at plants and dumps: Company implemented Oracle Transport Management (OTM) System, one of the best TMS system across the World. It is first in the Cement Industry. Across all plants, OTM has already been implemented that is driving performance-based and transparent culture among transporters. The system is capable to provide all the control in the hand of transporter / handling agent on one single platform starting from the registration of transporter / handling agent to the payment and reconciliation.

Along with OTM implementation, company is also working to remove bottlenecks in the system to increase the throughput and enhance the service level for the Customers using digital tools and IoT based solution.

Track and Trace of the trucks moving out of the Plant: Company is working with almost 80% tracking through GPS / SIM-based system with capability to identify the back unloading cases based on certain AI / ML based logics. Control tower at HO also helps in acting immediately against the defaulters. This will help in increasing the transparency and serviceability to the Customers.

Digital acknowledgement and payment to the Transporter: This is an attempt to cut down a very old inefficient process of collecting POD from the Customers and then bill submission by transporters. This digital EPOD system will ensure that dispatch to payment cycle can be reduced significantly for the Transporters.

Awards

Sirohi Plant

- 23rd National Awards for Excellence in Energy Management-CII
- Rajasthan Best Employer Awards 2022
- Gold Award in 3rd TIOL National Taxation Award 2022
- AFR Co-processed 2021 (Platinum)
- AFR Co-processed Average 2016-2020 (Platinum)
- 5 Star Rating Award for the Year 2021-22 by Indian Bureau of Mines

Jhajjar Plant

- Safety Innovation Award – 2022 in the 19th Safety Convention
- Two Quality Circles won Par Excellence Award in NCQC 2022
- Two Quality Circles won Gold Award in CCQC 2022
- Indian CSR Awards for Best Women Employment Initiative of the year 2022
- FAME National Award for Outstanding 'Environment Excellence' in cement industry
- Gold Award for Occupational Health & Safety (2022) from Sustainable Development Foundation
- Safety Innovation Award - 2022 by the Institution of Engineers (India)
- National Award for Energy Excellence in Indian Cement Industry by NCCBM

Cuttack Plant

- Two Quality Circles bagged Gold Awards at Bhilai-Durg and one team bagged the Distinguish Award in NCQC

Kalol Plant

- Grow Care India Environment Award for 'Environment Excellence' in Cement Industry - Kalol

Looking into the future

Our company is focused on long-term success and expansion through green investments, innovation and digitisation. Our teams are actively working on decarbonisation initiatives, including carbon capture and storage pilots, hydrogen utilisation and the production of calcined clays for lower CO_2 cement. We support start-ups in developing next-generation decarbonisation concepts and participate in industry platforms and consortiums. Our upcoming projects aim to digitalise the customer experience and optimise the integrated supply chain. We are committed to nurturing and empowering our talent to drive the Group's commercial and technological transformation and address future challenges.

Priorities for 2024

- Generating value through innovation, decarbonising our sales and digitising our operations as quickly as possible
- Continue to emphasise the operations' safety quotient., particularly in contractor safety systems
- Enhancing efforts on biodiversity and water management, recycling, reducing air emissions and circular economy
- Constantly innovating and improving to do more for our customers, our people and the communities in which we operate and the world

Human Capital

Reinforcing Safety. Nurturing Diversity.

Strengthening our talent footprint.

At JK Lakshmi Cement, our people stand at the core of our success, embodying the ethos of our business. We are dedicated to fostering a work environment that thrives on care, trust and respect.

Our HR Strategy embodies the ethos of JK Lakshmi Cement:
Where 'Caring partners the Growth'. We firmly believe that the growth of our organisation is interwoven with the growth and well-being of our employees. We treat each individual with utmost respect; creating a harmonious and inclusive workplace that inspires personal and professional development.

HR Values:

CARE

- **Compassion**
- **Attitude**
- **Respect**
- **Encouragement**

Core Focus Areas:

- Building People and Organisation Capability
- Quality of Manpower Resources
- Talent Management and Improvement in Quality of MCS
- Performance Management and Goal Setting
- Employee Engagement, Well-being, Benefits, Recognition and Retention
- Enhancing Company External HR Brand Value
- Health and Safety
- Diversity and Inclusion
- Human Rights

Highlights FY 2022-23

In FY 2022-23, our primary objective revolved around cultivating a diverse and highly inspired workforce while providing them with enhanced well-being and capability building opportunities. We advanced further in the digitisation of our HR operations towards more robust processes.

Focus Areas FY 2022-23

A diverse workforce to execute long-term strategy

Healthcare

Building People and Organisation Capability

Digitalising HR Operations

Enabling Infrastructure

Social Reform

Key Numbers FY 2022-23

1476 Permanent Employees and 223 Permanent Workers

Zero Man-days Lost

4.1 Man-days / Person Training

Highest Engagement Level across JKO @ 89%

Conferred with the "Dream Companies to Work for - Manufacturing - Cement 2022" by ET Now and World HRD Congress

Human Capital - Strategy and Priorities

Unlocking potential. Unleashing productivity.

JK Lakshmi Cement Ltd. follows a well-defined HR framework for the development of its HR strategy, which involves gathering and comprehending external environmental trends, collecting relevant needs and expectations, and formulating an HR strategy accordingly. This process is carefully deliberated and executed with the full support and involvement of the Senior Leadership Team to ensure thoroughness and effectiveness in development of the HR strategy. In the financial year, the Company's top human resource priorities included:

- Building human and organisational capabilities to scale up new business
- Restructuring to drive operational synergies in tandem with organisational transformation
- Greater investments in digital initiatives and new skills

Key Human Resource Drivers and Goals (Short / Medium / Long)

Drivers	KRA	Focus Area / Leading Action	Target / KPI
Be Amongst TOP 5 Companies in Terms of EBIDTA / Ton	Organisation of Future / Future Readiness	• Study, analyse and implement new age aspects for future readiness of the organisation through recommendation of Ernst & Young HR Study	• Implementation of E&Y recommendation in the agreed timeframe with full involvement of stakeholders
Raising Performance Bar in the Company	Best-in-class Productivity of MCS	• Hired candidate's performance in cluster 1/2 (over 1 year) • Improvement in age profile	• 80% (60% in cluster 1 & 20% in cluster 2) • Average age (JKLC) targeted at 38 years
		• Attrition rate	• Talent attrition ≤ 1% Voluntary attrition ≤ 8%
		• Continue to groom 3rd & 4th internal talent as successor to leadership positions	• Every strategic role to have two choice of successors of younger age
Maintaining Harmonious Industrial Relations	Zero Man-days Loss	• Man-days loss due to IR issues • Tactfully ascertaining changing aspiration of nearby community	• Zero Man-days loss • HR and CSR partnership to prepare effectively for future requirements.
Raising Human Capital Capability in the Company	Rapid Skill Building	• Development of competitive skill and product knowledge amongst employees such as critical thinking, digital skills, soft skills, etc.	• Training Man-days ≥ 4 days per person per year
		• Customised skill development and multi-skilling programmes with focus on increasing productivity particularly on following areas: a. Customer Orientation b. Electrical to Instrumentation and Vice-Versa c. Operations to Projects	• 16 hours of dedicated programme for concerned employee per year • 1 Training per Quarter for all Sales and Technical Services Team on basics of cement, sales and business orientation
		• Greater exposure of functional / technical / managerial skills	
		• Greater integration of MCS in new operation zones	
Digitisation for an agile organisation	Automation for higher productivity	• Project Sudhar: A process excellence initiative for integration and synergy in various systems running parallelly like SAP, Sales Force, E-joining Portal, etc.	• Time saving and cost saving • Automation of statutory compliances (labour laws)
		• Statutory Compliances	• Strengthening of following areas: a. Masking b. Central Database c. Detailed Deployment Report
		• Strengthening of existing Contract Labour Management System	

Attracting and Nurturing Talent

At JK Lakshmi Cement, hiring individuals with the right ethos is just as important as hiring those with the right capabilities. To ensure this, several measures are in place from selection to development.

For positions up to the level of DGM, candidates undergo rigorous screening including online assessments and panel interviews. GM and above candidates go through an Assessment Centre with external assessors and interviews, including one with the Senior Management. Further, skill and culture fitment related tests (paper and pencil) are also administered to assess the overall fitment and long-term growth prospects of the candidates with the Company.

For an enhanced new joinee experience, we have E–joining and robust onboarding / induction of new hires.

A robust organisational system is in place for fast hiring, seamless onboarding and high-performance delivery to stakeholders. After successful induction and two performance appraisals, high-performing employees are given the opportunity to participate in a Mini Assessment Centre. This centre evaluates and develops their competencies according to the JKO Emerging Leadership Competency Model. Other development interventions include individual development plans, training, job rotation, projects, CSR exposure and themed competitions in teams.

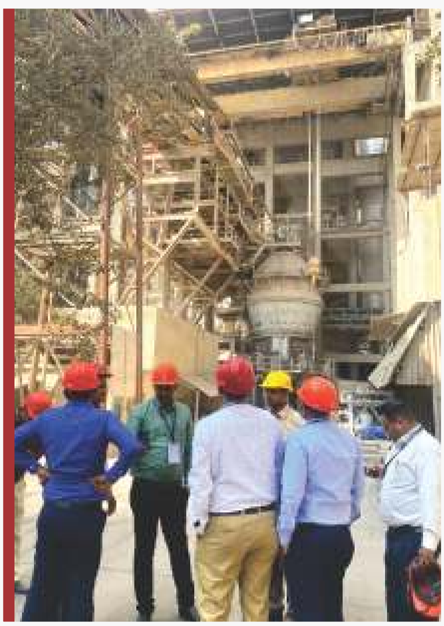
Human Capital - Capability Building

In the financial year, JK Lakshmi Cement remained dedicated to developing talented individuals with the following objectives in mind:

- Support a culture of innovation
- Talent management
- Supporting business by leveraging human capital
- Training for effective engagement
- Being brand ambassadors

The decisions about leadership development and performance improvement are made through a Strategic Business Plan, Goal Setting Workshop and various Management Committee Meetings. In order to align development efforts with the business goals, talent development plans and programmes are aligned with Strategic Business Plan (SBP) of the Company. The contents of trainings are designed by internal / external faculty and duly validated by HODs and HR to enhance or improve the following operational excellence parameters:

- Production
- Sales Volume
- Net Sales Realisation
- Profitability
- Dealer Network
- Innovation and Creativity



Our Talent Management System aims to identify, develop and motivate skilled employees. It follows the "Grow Your Timber" philosophy for internal leadership pipeline, aligning talent with future company needs and bridging gaps through strategic planning and action. Once selected, the identified candidates undergo development at centres in partnership with world leaders at various levels.

Building future-ready capabilities for a rapidly changing world

In order to prepare our workforce to navigate the evolving business landscape with the power of adaptability, agility and innovation, we prioritised continuous learning to help them acquire new skills and knowledge relevant to their roles. We achieved this by providing contemporary concepts through various platforms; ensuring they are equipped for the future.

- Customised Outbound Skill Development Programme organised at Jim Corbett (Uttarakhand)
- Customer Orientation Programme for sales and technical services employees under project 'Mission 60'
- Basics of cement and technical aspects
- Behavioural training on JKO Leadership Competencies such as executing with agility, partnership building and proactive customer support
- Finance for non-finance employees
- Workmen Development Programme under the theme 'Hamari Company, Hamari Shakti'

The programmes are aimed to foster strong bonds and lasting connections among participants, while enhancing leadership skills, trust-building, goal-oriented mindset, conflict resolution and rapport with colleagues. More interactive exercises, role plays, debates and impactful videos were used to help participants internalise knowledge for effective application at work.

Connecting with Future Talent

We focus on fostering connections with educational institutions and providing valuable insights to students through lectures, presentations, seminars, job fairs and industrial training opportunities. In the financial year, the Company undertook various initiatives to attract top talent from reputed B-Schools and Engineering Colleges.

Senior Executives' Visits: Delivering presentations at educational institutions, conferences and workshops on management, technical fields and industry practices

Industry Tours: Organising plant visits for B-schools and Engineering Colleges students for practical exposure to real-world applications and processes

Industrial Trainees: Inviting trainees each year to learn under expert guidance, gaining hands-on experience

Thought Leadership: Holding key positions in prestigious associations such as FICCI, CII, QCFI and ISTD

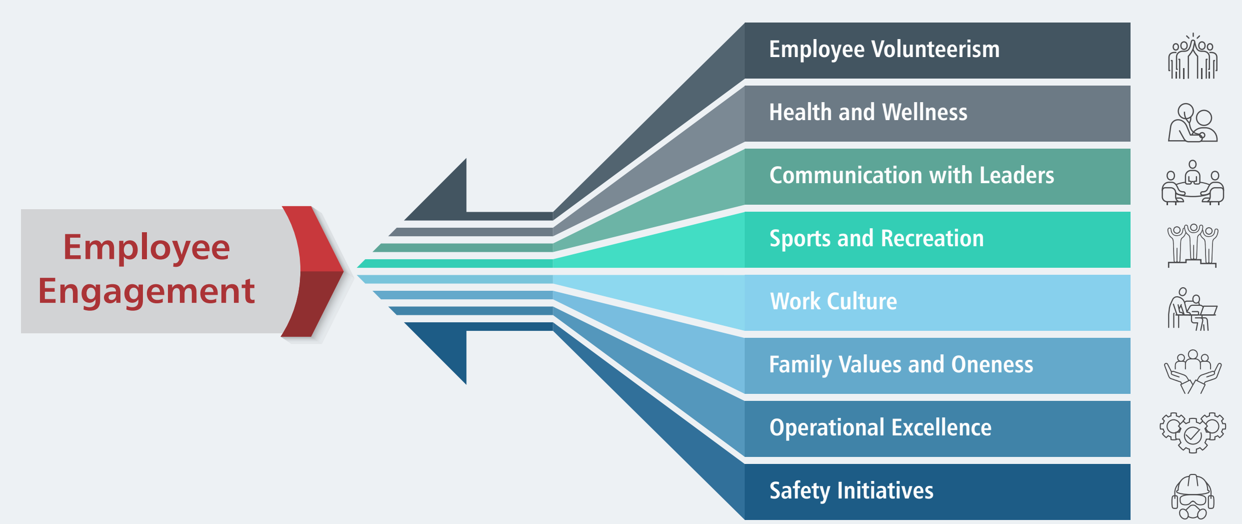
Job Fair Participation: Actively engaging in local job fairs to attract fresh and experienced talent

Performance Management & Goal Setting

Our Performance Management System is built on four pillars: Performance Planning, Performance Managing, Performance Appraisal and Performance Development. Following the 80-20 Rule, we prioritise business and individual development by setting joint targets, fostering inter-departmental collaboration, providing feedback and encouraging self-reflection. Regular discussions with superiors and HR facilitators guide and support both personal and organisational growth. Performance is reviewed semi-annually and annually by superiors and HR facilitators to support individual and organisational growth.

Employee Engagement

Our company has continually enhanced the span, scope and nature of employee engagement initiatives to align with evolving employee aspirations. This differentiated approach yields high impacts on performance, productivity and retention levels, as supported by robust data.



JK Lakshmi Cement Ltd. stands out with the highest engagement level across JKO, reaching an impressive 89%. This exceptional figure reflects the Company's remarkable employee morale, motivation and loyalty.

Human Capital - Safety and Health

Safety is ingrained in our processes at JK Lakshmi Cement, guiding every action to create a secure work environment with zero risks. Measures like safety training, awareness building and safety processes ensure a secure work environment; preventing accidents, injuries and illnesses. The Company also encourages its subsidiaries, vendors and dealers to implement health and safety measures.

A proactive hazard identification process is in place to conduct SAP-based Hazard Identification and Risk Assessment. Safety systems are constantly monitored, including HAZOP study and fire load assessment, with control measures implemented. Regular safety committee meetings are held to ensure Occupational Health and Safety (OHS) and address identified hazards.

JK Lakshmi Cement is aligned to various OHS standards: ISO 9001:2015 for Quality Management System | ISO 14001:2015 for Environment Management System | ISO 50001:2018 for Energy Management System | ISO 45001:2018 for Occupational Health & Safety Management System

Safety is more than just a priority; it is ingrained in the culture.

OH&S Vision

To be a recognised leading company promoting healthy and safe workplace for achieving goal of 'Zero Harm'

OH&S Mission

To develop and implement user-friendly and effective OH&S Management System that fits to the organisation and drive Risk Prevention Culture

The environment policy applies to the Company's operational spaces and aims to promote a healthy environment on the premises and in the surrounding area.

Journey of Excellence in Safety

(Since inception of plant)
- PTW, LOTOTO, Emergency Plan and PPE Standard

2012
- BBS Imp (Apr 2012)

2014
- HIRA, TBT, BBS Observation and NM Module (Apr 2014)
- FE RFID Tagging for Insp. and Maint. (Nov 2014)

2015
- CSM System (Oct 2015)

2016
- Plant Safety Insp. Module (Apr 2016)
- Safety Visit APP (Sep 2016)
- Utility Inspection APP (Sep 2016)

2017
- Logistic Safety Mgt. System (Mar 2017)
- Kiosk for Self Assisted Learning (Aug 2017)

2018
- FE Legal Record Auto Generation (Jun 2018)
- Safety Department KRA Monitoring System with Daily Self Appraisal (Jun 2018)

2019
- LOTOTO Digitisation (Feb 2019)
- Logistic Safety APP (April 2019)
- DSO KRA Monitoring System (Apr 2019)
- Standard for Scaffolding (Apr 2019)
- Hydrant System IOT for 24X7 Monitoring (Aug 2019)

2020
- APP for Permit to Work (Jun 2020)
- Contractor Safety Visit APP (Dec 2020)
- PPE Compliance Monitoring APP (Dec 2020)

2021
- Digitisation of Emergency Management System (Jan 2021)

Making Safety a Way of Life at Operations

In FY 2022-23, multiple safety initiatives were implemented to ensure compliance with safety standards, address potential hazards and embed a culture of well-being.

COVID-19 Measures:

100% of our employees are vaccinated with a double dose for COVID-19.

Safety Forums and Protocols:

- Formation of safety and risk forums, including EHS Policy, CFT, Risk Mitigation Team and Safety Committee
- Regular Internal & External Audit and Assessments
- Safety Golden Rules: Familiarise employees, visitors and business partners with safety policies, procedures and guidelines
- Distribute "Surksha Margdarshika" safety manual and "Agni Suraksha Margdarshika" fire safety pocket guide
- Display key SOPs and do's and don'ts prominently

Fire Safety Preparedness:

- Fire Hydrant and Smoke Detector System installed
- Periodic mock drills conducted for fire and other identified emergencies
- Utilise Kevlar suits for heat and flame protection
- Pre-recorded audio alarms for alerts during cyclone unblocking and conveyor start-ups
- Ensure healthiness of portable fire extinguishers with RFID tagging

Well-being Programmes:

- Managing stress and holistic health workshops
- Gym room and fortnightly yoga sessions
- Acupressure camp held quarterly
- Club House canteen / cafeteria for employees

Safety Equipment and Training:

- Workers and drivers trained in adopting various behaviour-based safety practices
- Personal Protective Equipment (PPE) provided to employees for workplace safety
- Digital Emergency Management System and Installation of CCTV Cameras
- Trainings to educate employees on the proper use of tools, equipment and machinery
- Labels and signs at hazardous areas and materials with appropriate signage
- Staff trained in administering first aid identified and first-aid kit placed at conspicuous locations with marking

High-Risk and Height Work:

- Use CCTV cameras for remote monitoring
- Employ Suspended Rope Platforms (SRP System) for inspection and repair work on silos and chimneys
- Equip mining equipment with various safety features like cameras, proximity sensors and emergency braking systems
- Utilise water mist systems and vacuum sweeping machines for dust suppression

Medical Facilities and Health Awareness:

- Dispensary, doctor, ambulance and first-aid facility inside the factory
- Nearby chemist shop for emergency medical needs
- Equipped facilities with 300 mA digital X-ray machine with CR, Audiometry booth, Spirometry equipment, Oxygen concentrators, CBC counters, etc.
- Disease / Health awareness sessions, webinars and workshops conducted periodically
- Regular health check-ups facilitated for all employees at our own Occupational Health Centre as well as network hospitals

Human Capital - Diversity and Inclusion

JKLC believes synergising strengths by integrating best talent across decades, nationalities, cultures, ethnicities, skills and capabilities into our human capital. We are equal opportunity player irrespective of culture, gender, race, colour, religion, national origin, physical or mental disability, or age and adopts practices to address the same. We actively monitor and improve our Human Rights Policy at the Company level; promoting diversity and creating an inclusive work environment that supports the holistic well-being of our diverse workforce through progressive and inclusive systems, procedures and culture.

FY 2022-23 | Key Performing Indicators
1.11 % of Female Employees
9.18% of Female Workers
16 hours of dedicated programme for the concerned employee per year

A diverse combination of academic and professional talents has also been fostered at the Board level. The Board of Directors comprises directors from several industries, including banking and insurance, corporate / business, audit services, public policy and political history, cement sector, emerging markets and finance, legal services, technology and IT.

Our actions speak volumes; exemplified by the remarkable leadership of VCMD Smt. Vinita Ji Singhania. An inspiring figure in the manufacturing industry, she is forging the road untravelled as the first female president of the Cement Manufacturers Association. Recognised with numerous accolades, she has made an indelible mark through her exceptional contributions to both the industry and society as a whole.

We encourage our staff to take maternity and paternity leave to share parental responsibilities. Values such as inclusion and ethical behaviour, instilled by senior management, create a pleasant, safe, and inclusive workplace, fostering freedom of expression and independent thinking.

No incidents of racism or violence were reported in the prior fiscal year.

Initiatives undertaken:

- Established mentorship programme for the female executives in our organisation to provide them platform to excel
- POSH compliance and ICC to safeguard the interest of women
- Induction of female staff at shop floor
- Hiring based on merit
- Recruiting people from nearby villages and small towns, and educate them by giving various required training for their betterment
- Fresh campus recruitments of GETs / MTs from across India providing equitable opportunities
- Equal treatment for contractual / outsourced employees with access to organisation facilities (canteen, transport, dispensary, health check-up, etc.)
- Equal opportunities provided to employees on various occasions such as Energy Conservation Day, World Environment Day, National Safety Week, Mines Safety Week, etc. to showcase their unique skills of creativity

Human Rights

Human rights are integral to our strategy. We believe in promoting the fundamental rights and liberties of employees as outlined in the Indian Constitution, forming the bedrock of our business ethics. We respect the human rights of our workforce, communities and stakeholders, including contractors and suppliers. Our processes are aligned with recognised frameworks.

The Company is committed to:

- Prohibiting all forms of harmful child labour, forced / trafficked labour, discrimination and harassment
- POSH: SHAW committee is in force to take care of the Sexual Harassment at Workplace, which meets quarterly to review and quarterly returns are sent to The District Programme Officer
- All employees have right to freedom to practice their religion and professional endeavours
- All employees have right to freedom of professional expression and suggestions
- All employees must live with social dignity

The national legislation of India governs fundamental human rights issues, such as child labour, forced labour and sexual harassment. JKLC ensures compliance with the laws of the land. In addition to the legislative framework mentioned above, we have internal committees dedicated to addressing human rights issues related to child labour, sexual harassment and more.

Awards and Recognition

Conferred with the 'Dream Companies to Work for - Manufacturing - Cement 2022' award by ET Now and World HRD Congress

Recognised with the Rajasthan 'Best Employer Brand Awards 2022' at the World HRD Congress in 2022

Awarded the 13th Exceed Occupational Health & Safety Gold AWARD - 2022 (Kalol)

Received Safety Innovation Awards - 2022 from The Institution of Engineers (India) at two locations (Jhajjar and Kalol)

Honoured with the Golden Peacock Occupational Health & Safety Award - 2022 instituted by IOD (Durg)

Received the Apex India Occupational Health & Safety Award 2022

Natural Capital

Conserving Resources. Enriching Ecosystem.

Strengthening our green footprint.

Now is the time, more than ever, to take urgent actions to preserve our natural capital. As one of the leading cement companies in India, sustainability lies at the very heart of our vision and values. We firmly believe that ensuring environmentally-friendly growth is the only path to pursue progress.

Cement production is a resource-intensive and energy-demanding process. To truly make a difference, JK Lakshmi Cement is prioritising resource conservation, responsible consumption and resource rejuvenation throughout our operations. Each year, we relentlessly advance on the path of environmental stewardship, adopting strategies that are more resolute than ever before and mitigating increasing impact on the climate.

Highlights FY 2022-23

- **35%** Share of Green Power in Total Power Requirement
- **4X** Water Positive
- Total Water Discharged (in kilolitres): **0**
- GHG Emissions: **554 Net CO_2 (Kg / Ton Cement Equivalent)**
  - Total Scope 1 Emissions: 53,80,820 MTCO2e
  - Total Scope 2 Emissions: 4,34,543 MTCO2e
- Thermal Substitution Rate: **4.11%**
- Total Electricity Consumption (Renewable Energy): **8,39,377 GJ**
- Total Waste Reused and Recycled: **30,827.20 MT**
- **68%** Blended Cement

Highlights FY 2022-23

We acknowledge the concerns surrounding the environmental impact of our production processes, product utilisation and end-of-life product disposal; particularly as we operate in the challenging 'hard-to-abate' sector. Embracing the principles of circularity, we have woven environmental sustainability into the very fabric of our business.

Focus Areas FY 2022-23

Water Management

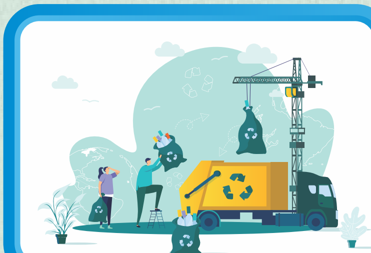
- Water Conservation
- Water and Sanitation
- Water Recycling
- Zero Water Discharge
- Water Efficient Technologies
- Rainwater Harvesting

Climate Change

- Reducing our Carbon Footprint
- Emissions Management
- Thermal Substitution Rate
- Increasing Share of Renewable Energy

Energy and Emissions

- Energy Efficiency
- Environmental Impact Assessments
- No Net Loss



Circular Economy

- Waste Management
- Recycled or Reused Input Material
- Industrial Waste to Blended Cement
- Industrial Waste as an Alternative Fuel
- Municipal Solid Waste as an Alternative Fuel
- Concrete Recycling

Biodiversity

Natural Capital - Climate Change

Exploring alternatives. Enhancing efficiencies.

As part of our climate action strategy, we are shifting towards using alternate fuels and raw materials, installing solar and wind power plants, Waste Heat Recovery Systems (WHRS) and sourcing renewable energy through Power Purchase Agreements (PPA). A strategic roadmap has been developed to reduce our carbon footprints to achieve sustainable growth.

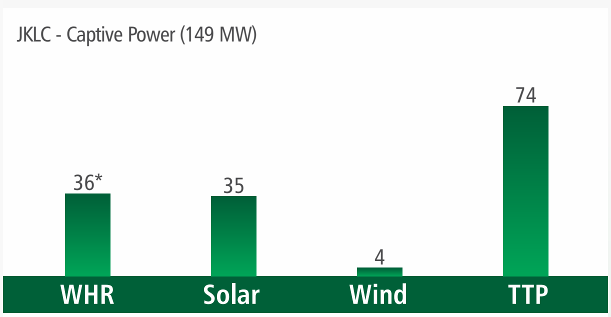
Reducing Carbon Footprint

Our operations' primary sources of Greenhouse Gas Emissions (GHG emissions) are cement production, raw material, and finished product transportation. Our primary goal is to manufacture products with a low-carbon footprint. Our sustainability and roadmap for climate action clearly define the targets aligned with the prioritised strategic areas to build a low-carbon future and high resiliency to climate change.

Increasing Share of Renewable Energy

Green Power

Share of Renewable Energy in Total Installed Captive Power Capacity (MW) at JK Lakshmi Cement



Share of Green Energy in Total Power requirement is **35%** at JK Lakshmi Cement

*WHRs Capacity as per Turbine Designed Capacity and 4 MW PPA for Hybrid Power

JK Lakshmi Cement has significantly enhanced its utilisation of renewable energy; accounting for 35% of the total power requirement in FY 2022-23. We are well on track to surpass the 50% milestone by the year 2025 with the aim of achieving a renewable energy share of 80% or more by the year 2030.

Renewable Energy Projects at Premises

To reduce our carbon footprint, all our plants have started using renewable energy sources by setting up a solar power plant at their plant premises. In addition, we have tied up with various offset wind and solar power suppliers to use wind and solar power instead of using electricity generated from coal-fired power plants.

CDM and Verified Carbon Standard (VCS) Projects

JK Lakshmi Cement has further outlined its commitments and targets concerning the commitments made by the Nation at the COP26 event in 2021. We are registered with various Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) [now Verra] projects with United Nations Framework Convention on Climate Change (UNFCCC); working proactively towards mitigating climate change

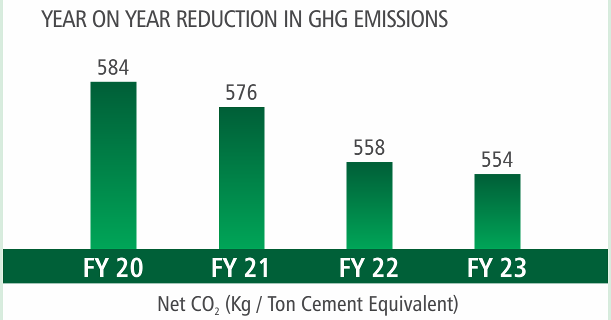
CDM Projects:

- Replacement of fossil fuel by biomass in Pyro-Processing, Rajasthan
- 15 MW Waste Heat Recovery based power generation, Rajasthan
- II6 MW Solar PV-based power generation, Rajasthan

Verra (VCS) Projects:

- Bundled Manufacturing Solar PV-based power plants
- AAC Blocks

GHG Emissions Performance



Over the years, our company has achieved a notable decrease in emissions. To further reduce our Scope-I CO_2 emissions, we are focusing on maximising the utilisation of alternative fuels to reduce our dependency on conventional fuels. Additionally, procure locally to try to minimise distance between source and project sites and have initiated the use of LNG trucks in our logistic operations to reduce our Scope-III CO_2 emissions.

Prioritising Internal Carbon Pricing in Strategic Planning

JKLC is prioritising internal carbon pricing in its long-term strategy planning to transition to a carbon-neutral future. This helps the company assess opportunities and risks related to greenhouse gas regulations and move towards net-zero emissions. Carbon pricing drives low-carbon investments in energy-efficient technologies and alternative fuels, lowering JKLC's product carbon footprint. The Company incorporates carbon pricing in its CAPEX policy to evaluate climate change related investments. It analyses financial risks from rising CO_2 costs and assesses each CAPEX project's contribution to decarbonisation goals. This ensures that JKLC's investments align with its commitment to sustainability.

Harnessing Renewable Energy

In our commitment to harness the power of renewable energy, we implemented a 500 KWp solar power plant at Cuttack grinding unit to utilise renewable energy. This endeavour marks a milestone in switching to clean and sustainable energy sources. Additionally, we commissioned an 8 MWp solar project at Sirohi unit, contributing to 44% of the unit's total electricity requirement from renewable sources. Going ahead, we have placed an order for a 56 MWp solar project in Open Access Group Captive mode for our Durg unit; aiming to fulfil approximately 80% of our total electricity needs through renewable energy.

Natural Capital - Circular Economy

We are committed to the circular economy, conserving resources, reducing CO_2 emissions and managing waste efficiently. In FY 2022-23, we implemented comprehensive circular economy practices and programmes throughout all our operations. By restricting the disposal of waste in landfills, we actively contribute to the preservation of natural resources and the mitigation of climate change. Our focus firmly remains on producing environmentally beneficial slag-based cement, reinforcing our commitment as a sustainable manufacturer.

KEY HIGHLIGHTS:

- 100% of hazardous waste generated from auxiliary processes (such as used oil, used grease, etc.) is recycled through authorised recyclers approved by the Central / State Pollution Control Board
- Solid organic waste is converted into nutrient-rich compost and vermicompost
- 100% of domestic wastewater generated is treated in Sewage Treatment Plants (STPs) and the treated water is utilised for plantation and greenbelt development
- 100% of fly-ash, generated as waste from captive power plants, is utilised in the production of blended cement

Waste Management

We uphold our ambition of zero waste to landfills through active minimisation combined with technology investment in recycling and streamlining systems and processes. While there is a constant effort to reduce waste generated through the adoption of sustainable practices in operations, the biggest differentiator is the in-campus treatment of all the organic waste (comprising food waste, garden waste and STP sludge); following a true net-zero approach. Embracing the concept of 'waste to wealth, we wholeheartedly adopt the 'Reduce - Reuse - Recycle' (3Rs) principle since the project's inception.

Waste Generation vs Recycling	FY 2022-23	FY 2021-22
Total Waste Generated (MT)	33,646.44	66,606.01
Total Waste Recovered (MT)	30,827.20	64,581.27

Key initiatives undertaken by the Company in FY 2022-23 to ensure effective Waste Management

- JK Lakshmi Cement applied for Extended Producers Responsibility (EPR) registration under the Plastic Waste Management (PWM) Rules 2016 as amended. We have achieved the 25% target for FY 2021-22 and we have achieved the 70% target for FY 2022-23. Our product, cement, is packaged in Polypropylene (PP) bags that are often reused for construction or storage purposes. We do not reclaim the same material used in our product packaging material but the discarded plastic bags are recycled by authorised waste recyclers. JKLC efficiently utilises waste as Refused Derived Fuels (RDFs) in co-processing cement kilns. Additionally, we have successfully met our targets with the assistance of recyclers authorized by CPCB.
- Our cement manufacturing process does not generate any e-waste. However, e-waste is produced solely through office operations, and it is sold to registered recyclers approved by Central Pollution Control Board (CPCB).
- During cement manufacturing, we utilise only the used oil generated by operational machinery in our plant. This used oil, considered hazardous waste, is stored at designated locations within our plant boundary. We sell this used oil to recyclers authorised by the State Pollution Control Board (SPCB) or Central Pollution Control Board (CPCB). Additionally, we employ hazardous waste from other industries as alternative fuel and raw materials (AFR) in our cement manufacturing process.
- We have adopted the Vermicompost process in our plant to convert organic waste into nutrient-rich Vermicompost. Additionally, we have used 5-year-old lab-tested cemented cubes to create walkways. In our efforts to reduce paper waste, we follow paperless processes through the implementation of the S/4HANA SAP system. We have also implemented a closed-loop cement manufacturing process, ensuring that any waste generated during manufacturing is utilised within the cement manufacturing process.

Natural Capital - Alternate Raw Materials

Recycled or Re-used Input Material

At JKLC, we continuously prioritise the substitution of hazardous and toxic chemicals in our products with environmentally friendly alternatives. Therefore, our products are completely free from such harmful substances. Moreover, we have successfully incorporated alternative raw materials like fly-ash, chemical gypsum and granulated slag in our cement production processes.

Input Material	Recycled or Re-used Input Material to Total Material	
	FY 2022-23	FY 2021-22
Chemical Gypsum /Gypsum Waste	4%	4%
Fly-ash	18%	20%
Red Ochre	1%	2%
Marble Waste	1%	1%
Iron Slag	2%	2%
Granulated Slag	1%	1%

70% of the raw materials used for cement production, such as Fly-ash, Gypsum and Slag, are sourced sustainably. This sustainable sourcing eliminates the need for an equivalent amount of virgin natural resources. The Company has a policy in place for sustainable sourcing and utilises a digital vendor registration process. This process requires vendors to provide information on sustainability aspects such as social accountability, ESG (Environmental, Social and Governance) factors, waste management and ISO registrations. Vendors can only proceed with registration upon successful completion of the survey.

Product Category	Reclaimed Products and their Packaging Material as % of Total Products sold in respective Category
Cement and PP Bags	25% (FY 2021-22) 70% (FY 2022-23)

Sustainable Sourcing

JK Lakshmi Cement places a strong emphasis on sustainable sourcing during its procurement practices through focusing on four core key areas:

Considering safety and environmental aspects alongside commercial considerations when finalising vendors

Striving to source raw materials from optimised low-lead sources

Prioritising transportation through rail mode whenever possible, to further minimise its carbon footprint

Co-processing various industrial wastes, effectively replacing virgin raw materials and natural resources to mitigate environmental hazards and risks

JK Lakshmi Cement prioritises suppliers who reduce their environmental impacts and compliance with applicable laws and regulations. We also hold the right to exclude suppliers who do not exhibit the aforesaid measures.

We realise that sustainable sourcing is an ongoing process that continually evolves and are committed to upholding practices in line with these evolving standards.

Energy Efficiency

Embracing energy efficiency is no longer just a necessity, it is both an imminent responsibility and a compelling opportunity. By revolutionising traditional processes, exploring renewable energy sources and implementing advanced technologies, we are unlocking a new era of sustainable production at our plants and premises. By doing so, we are minimising our ecological footprint while maximising productivity and profitability.

Energy conservation remains our utmost priority and FY 2022-23 served as a strong affirmation of our commitment to conserving energy; with the implementation of numerous measures across multiple units.

Major Conservation Measures:

- Installing Iteca Seal in the kiln to reduce the ingress of false air through the kiln inlet seal
- Optimising the kiln cooler for improved efficiency
- Upgrading the motors of the cement mill from IE0 (low-efficiency with IE3 (high-efficiency) motors
- Replacing low-efficiency ID fans with high-efficiency fans in the Waste Heat Recovery System (WHR) to enhance performance
- Installing a Waste Heat Recovery System to capture and utilise waste heat generated
- Converting CPH (Condensing Pre-Heater) coils to economizer coils in the WHR system to improve heat recovery
- Incorporating a Variable Frequency Drive (VFD) in the bag filter fan of the packing plant to reduce power consumption
- Optimising the thermal power plant at low load conditions through fuel mix optimisation and size reduction measures
- Replacing conventional lights with LED (Light Emitting Diode) lights for energy efficiency

Total GHG avoided by the Energy Efficiency Measures (MTCO2e)	**2,915.2**
Total Investments (₹ Crore)	**32.96**

Performance, Achieve and Trade Mechanism

Our Sirohi and Durg plants are registered as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. Durg was registered in PAT Cycle III with a baseline year of 2015-16. The assessment year was FY 2019-20 and all targets were successfully met in Cycle III. In the case of Sirohi, during PAT Cycle I, we were assigned a target to reduce SEC (Specific Energy Consumption) by 4.91%, but we surpassed expectations by achieving a reduction of 14.77%. As a result, we obtained the 38,987 Certificates for exceeding the target.

In PAT Cycle II, our target was to reduce SEC by 4.8%, but we only achieved a reduction of 2.33%. To compensate for the shortfall, we utilised banked certificates from PAT Cycle I. Currently, we are in PAT Cycle VII and our goal is to reduce SEC by 3.4%. Our roadmap to achieve this includes increasing the use of renewable energy, enhancing the utilisation of Alternative Fuel and Raw Materials (AFR) and improving plant energy efficiency.

In FY 2022-23, independent assessment / evaluation / assurance were carried out by several external agencies:

- National Productivity Council (Across JKLC locations)
- Bureau Veritas (India) Pvt. Ltd. (For Kalol and Surat Plants)
- DN.VGL (Across locations)
- TUV NORD CERT GmbH (For Durg and Cuttack Plants)
- Vexil Business Process Services Pvt. Ltd. (For Sirohi and Jhajjar Plants)

Awards and Recognition

JK Lakshmi Cement has been bestowed with some of the most prestigious awards at both national, as well as the international levels.

NCCBM Second Best Award for Energy Excellence in Grinding Units 2022-23

First Consolation Prize for Environment Excellence in Grinding Units 2022-23

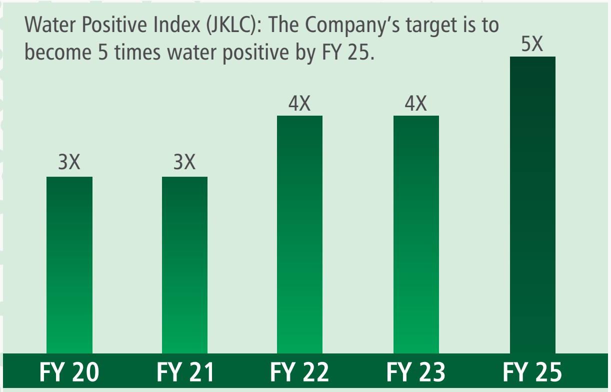
FAME National Award for Environment Management - 2022- 23

Natural Capital - Water Positivity

Water Management

Effective water management inside and outside the premises of our sites is an important aspect of our environmental performance and sustainability strategy. Our management approach and policy reinforce our dedication to preserving water resources in and around our sites, focusing on quantity conservation and maintaining water quality. We are committed to minimise freshwater withdrawal and consumption by implementing recycling systems and promoting responsible and efficient water usage and discharge practices. The specific water usage at the Sirohi and Durg sites was 0.16 and 0.07 / ton of cement, respectively.

JK Lakshmi Cement is a water-positive business, with a water positivity index of 4.0(P), signifying that we produce more water than we need. Our goal is to achieve a five-fold increase in water positivity by the year 2025.

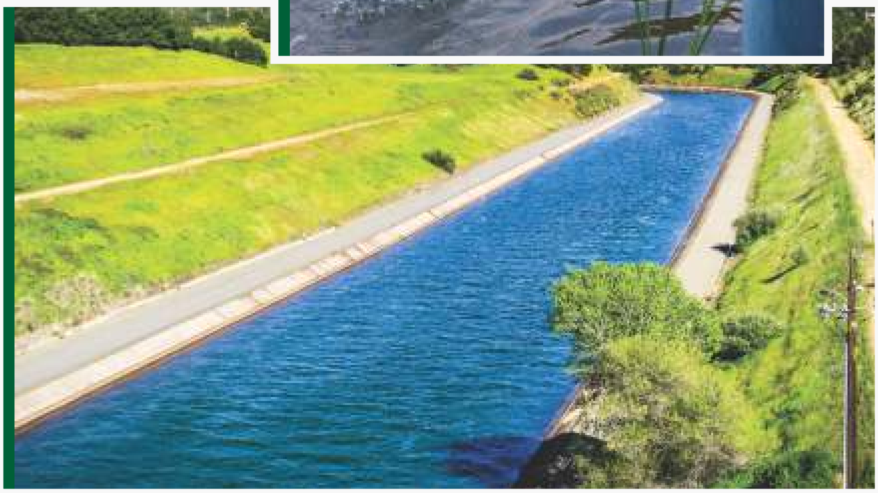


Rainwater Harvesting

Rainwater harvesting is a fundamental approach to sustainable water management. In this regard, the installation of a scientifically designed 'cooling tower' is a significant milestone. By harnessing natural rainwater for the makeup of the cooling tower, the consumption of fresh water can be effectively minimised, thereby reducing the dependence on fresh water.

Zero Liquid Discharge

The Cement manufacturing process primarily employs a dry method requiring direct utilisation of water. Water is utilised for industrial cooling purposes and no wastewater is generated during the cement manufacturing process. JKLC maintains its Zero Liquid Discharge (ZLD) status by implementing various measures. Specifically, Sewage Treatment Plants (STPs) are strategically placed to handle domestic sewage, while Effluent Treatment Plants (ETPs) effectively treat wastewater generated from automobile workshops. The treated water is subjected to 100% recycling to ensure compliance with ZLD requirements. This recycled water is subsequently reused for essential purposes such as dust suppression and greenbelt development.



Thermal Substitution Rate

In FY 2022-23, JKLC has achieved a TSR% of 4.1%

To enhance the TSR%, we have ordered pre and co-processing facilities

TSR% to be increased to 20% at JKLC by FY 2029-30

We are currently working on enhancing the AFR (Alternative Fuel and Raw Material) capability at our Sirohi plant. Our goal is to achieve a Thermal Substitution Rate (TSR) of 20% by FY 2029-30. To kickstart this initiative, we have placed an order for an AFR pre and co-processing system for one of our kilns in Sirohi. Additionally, we have begun renovating our existing AFR facilities in two other kilns at Sirohi. In the first phase of the project, we aim to increase our TSR to 12% and in the second phase, we will further raise it to the desired 20% level.

Biodiversity

Biodiversity is of paramount importance as it underpins the stability and resilience of ecosystems, directly impacting crucial factors such as water supply, food availability, natural resources and temperature regulation. Moreover, it plays a pivotal role in sustaining business operations and supply chains; exposing us to considerable risks. We prioritise biodiversity preservation as an integral part of our business decision-making process; strengthening our commitment to stakeholders, particularly the local communities.

Key Highlights:

- NA 16.29-hectare area has been developed as a green belt to balance emissions and prevent topsoil erosion
- The Forest Department has been provided with one vehicle to watch and monitor elephant movements for anti-depredation purposes
- A corpus fund of ₹ 4.06 Crore has been provided to the Forest Department to undertake activities aimed at preventing wildlife depredation and related activities
- The Company is implementing various Corporate Social Responsibility (CSR) activities in the villages near the plants, providing support to other stakeholders in their development initiatives
- As part of our plantation drive initiative, we distribute free plants and saplings every year, not only to schools but also to villages, police stations and communities. Additionally, free Tree Guards are distributed to protect the plants. We understand that trees are the perfect solution to mitigate Greenhouse Gas (GHG) emissions

Social and Relationship Capital

Cementing Relationships. Connecting Hearts.

Strengthening our trust footprint.

Building trusting relationship with our communities, customers and suppliers is critical for commercial success. Our Social and Relationship Capital directs us to priortise the interest of our stakeholders. At JK Lakshmi Cement, our relationship with stakeholders is not just a responsibility but also an opportunity. It allows us to build trust, foster collaboration, drive innovation and contribute positively to the communities in which we operate and the country at large. Our stakeholders encompass employees, partners, customers, suppliers, Government bodies, investors and local communities, each with unique requirements and expectations. Effectively addressing these diverse needs is our responsibility. We continue to spearhead a range of systematic engagement and intervention initiatives on a continual basis.

While building a circle of trust paves the way for nurturing mutually beneficial relationships; at JK Lakshmi Cement, the greater goal is to accelerate sustainable growth and build a brighter and equitable future for all.

Highlights FY 2022-23

During the financial year, JK Lakshmi Cement made significant investments that had a positive impact on the lives of numerous community beneficiaries. Additionally, the Company achieved notable milestones by embracing new engagement platforms and expanding its loyalty programme to reach a wider range of dealers.

₹ 939.15 Lakhs of Investment

Directly impacted lives of 1,84,281 Beneficiaries

More than 50% of Beneficiaries are Vulnerable and Marginalised Families / Individuals

2nd Cement Company to reach 500K Followers on Facebook

92% Dealers covered in Loyalty Programme

The Company was honoured with the prestigious title of 'The Economic Times Iconic Brand of the Year 2022'

Focus Areas FY 2022-23

Community
Working towards the overall well-being of the Society

Customers
Working towards Customer Satisfaction and Loyalty

Supply Chain
Working towards a Mutually Beneficial and Sustainable Business Relationship

Social and Relationship Capital - Community

Working towards the overall well-being of the Society.

At our core, we uphold ethical values and strive for economic development while enhancing the lives of our workforce, their families and the wider community. We believe that the Company's long-term viability and ability to produce value are tied to how much it contributes to the life of communities in which it operates. The commitment to corporate social responsibility at JK Lakshmi Cement is exemplified through a comprehensive life cycle approach, encompassing projects that cater to the needs of all age groups.

From pregnant mothers to infants, children, youth, adults and the elderly, we have designed and delivered impactful CSR initiatives.

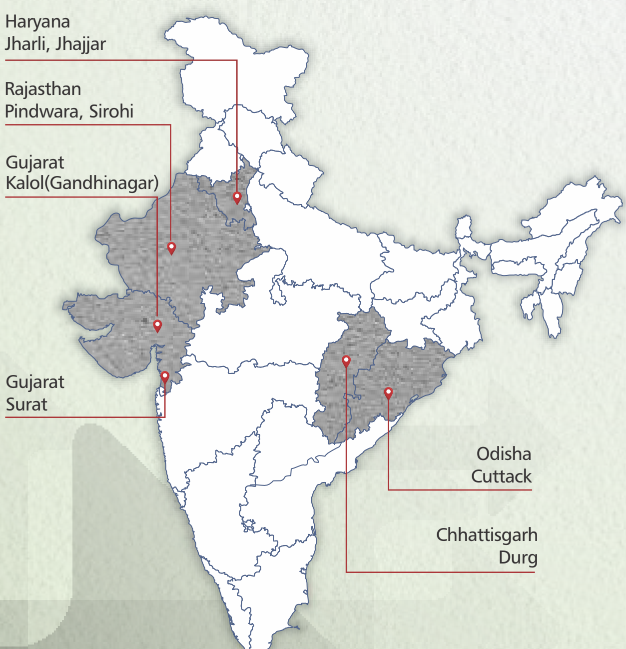
Vision:

To strengthen community relationship and to bring sustainable change in quality of life of neighbourhood community through innovative solutions in Health, Education, Livelihoods and Rural Development.

Thrust Areas:

- Health, Water and Sanitation
- Education
- Livelihoods and Skill Development
- Rural Development

Since inception, long before the CSR Law came into existence, we made it a priority and commitment to serve society and improve the quality of life for communities at large. The concept of socially responsible business is deeply ingrained in our corporate DNA from the very beginning. Over the years, we have been at the forefront, pioneering and delivering numerous CSR projects for those in need and vulnerable communities and families.



Each year, we directly impact the lives of over 2.25 lakh individuals across our business operations, bringing about positive and meaningful changes.

₹ in Lakhs

Project	FY 2022-23	FY 2021-22
JK Lakshmi Aarogya	82.81	61.55
JK Lakshmi Vidya	162.08	60.45
JK Lakshmi Aajivika and JK Lakshmi Kaushal Prashikshan	458.96	49.93
JK Lakshmi Swajal and Swacchta	81.69	56.17
JK Lakshmi Gramin Vikas	153.61	182.95
COVID Relief Activities in the Neighbourhood	-	57.73
Total	939.15	468.78

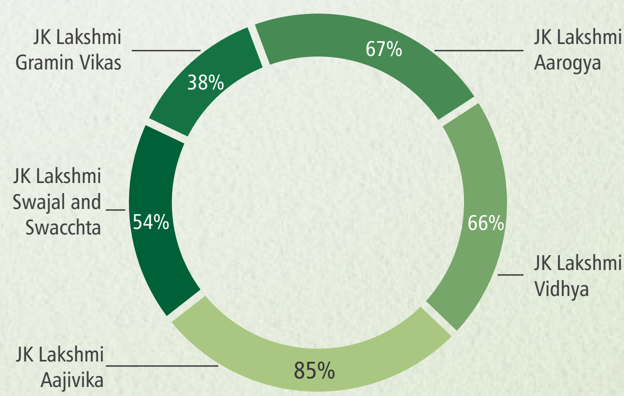
These purpose-driven projects were meticulously designed and implemented to address the specific needs of marginalized and vulnerable families. Not only did they make a tangible difference in people's lives, but they also aligned with and contributed to the broader Sustainable Development Goals 2030. By undertaking initiatives that both address community needs and align with the SDGs, we are able to create a lasting impact and contribute to the global guidelines and milestones.

Majority of our beneficiaries are from vulnerable and marginalised groups

S.No.	CSR Project	No. of Person directly Benefited / Impacted
1.	JK Lakshmi Aarogya	59,732
2.	JK Lakshmi Vidya	10,366
3.	JK Lakshmi Aajivika and JK Lakshmi Kaushal Prashikshan	11,939
4.	JK Lakshmi Swajal and Swacchta	48,335
5.	JK Lakshmi Gramin Vikas	53,909
	Total Beneficiaries	**1,84,281**

More than 50% targeting of vulnerable and marginalised families / individuals in all projects

% of Vulnerable and Marginalised Beneficiaries



JK Lakshmi Aarogya Project

Overview:

The JK Lakshmi Aarogya Project is aimed to provide timely, high-quality and free / low-cost medical services to communities residing near the plants. The key objectives were to improve overall well-being, reduce the Infants Mortality Rate (IMR), increase registration of Antenatal Care (ANC) Mothers in the first trimester, promote institutional deliveries, ensure zero maternal mortality, encourage family planning methods and provide nutritional support to vulnerable MDR-TB patients.

Interventions:

Naya Savera for improving Mother and Child Health (Sirohi)

- Conducted a total of 772 medical camps, benefiting 25,516 patients (Sirohi, Durg and Cuttack)
- Undertook 7,564 home visits for prenatal care, postnatal care and neonatal care; benefiting 7,607 individuals (Sirohi)
- Organised two batches of training sessions on home-based natal care and growth monitoring for 60 Aanganwadi Workers (Sirohi)

Door-to-Door Garbage Management (Durg)

Implemented daily door-to-door garbage management, benefiting more than 10,000 families

Nutritional Support for MDR-TB Patients (Surat, Kalol)

- Provided 552 food kits to the most needy and neglected Multi Drug Resistant (MDR)-TB patients, following WHO recommendations
- Established a partnership with the District Health Department of Gandhinagar and Surat

Support the holistic development of adolescents in Jaykaypuram and Durg through a series of awareness sessions, eye camps, haemoglobin tests, dental camps and reproductive tract infection treatments.

Outcomes:

By implementing these interventions, the JK Lakshmi Aarogya Project successfully addressed various healthcare needs and achieved positive outcomes for the community. The initiative directly impacted thousands of individuals, improving their access to healthcare services, promoting healthy pregnancies, ensuring safe deliveries, enhancing family planning practices and providing critical nutritional support to MDR-TB patients.

Furthermore, the project deepened its bond with influencers in marketing zones and logistics, conducting a total of 165 medical camps that benefitted 11,762 patients. Three eye camps were organised, provided eye care services to 245 truck drivers and two HIV/AIDS awareness programmes were conducted, benefiting 169 truck drivers.

Social and Relationship Capital - JK Lakshmi Vidya Project

Enhancing Education. Empowering Communities.

JK Lakshmi Cement has made a significant impact on education with Project Vidya's comprehensive interventions. We universalised schooling, supported drop-outs, improved quality learning, scholarships, coaching, infrastructure enhancement and career counselling.

Support to Pre-school Education	▪ Supported number of Aanganwadi centres for making them child-friendly
Universalising 12 years of schooling and supporting drop-outs for completing education	▪ Out-of-school enrolment for 84 tribal children, including 40 girls ▪ Drop-out Support for 84 drop-outs, empowering them to complete their education
Supporting Government Schools for quality learning	▪ Sponsored 5 teachers for improved Teacher-Student ratio benefiting 300 students ▪ Provided 100 test papers to Std IX and X students, facilitating their exam readiness ▪ Distributed 2,035 school bags in 21 Government schools ▪ Organised 28 medical camps, offering general, dental, eye and haemoglobin check-ups for 6,865 students
Improving learning and supporting students for sustaining education	▪ Meritorious scholarships to 174 deserving students ▪ Remedial classes for 122 students (50% girls) from Std I-X ▪ Entrance Exam coaching for 80 Std XII students, with a focus on JEE, NEET and PNT entrance exams ▪ Coaching to 115 Std V students (50% girls) ▪ NMMS Scholarship coaching for students (67% girls) for the NMMS Scholarship exam, with 15 students passing and receiving a monthly scholarship ▪ Educational visits for 47 students from Government high-school ▪ Archery training to 25 tribal students from 2 Government schools
Improving school infrastructure and making Aanganwadi centres child-friendly	▪ Benefited 3,003 students through improvements in school infrastructure ▪ Renovated 8 Aanganwadi Centers, benefiting 542 children ▪ Career counselling and guidance for students of Std X-XII ▪ Conducted pre-assessment and career counselling sessions by certified counsellors for 545 students from 4 schools (Std X to XII) ▪ Provided personal career counselling with parental guidance to 467 students (55% girls)
Scholarship support to needy and meritorious students under JK Lakshmi Vidya Scholarship Programme	▪ Total 487 students received scholarship
Career counselling and guidance programme	▪ Total of 545 students from standard X to XII benefitted from structured career counselling classes

JK Lakshmi Aajivika Project

Empowering Skilling Development and Income Generation.

JK Lakshmi Cement's Aajivika Project successfully enhanced livelihoods, promoted income generation and empowered individuals and communities. Through skill development, business support and agricultural interventions, the project positively impacted the lives of numerous beneficiaries, creating a more sustainable and self-reliant society.

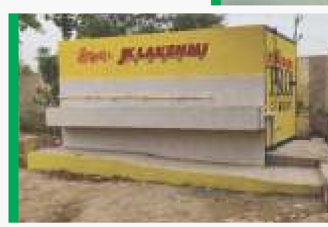
From school drop-outs to corporate employees:	In partnership with the Head Held High Foundation, a 4-month employability-linked training programme initiated for local youths in Jaykaypuram and Durg units. 70 youths (35 males and 35 females) successfully completed the training; out of them 46 (65%) secured placements while 6 were supported for self-employment
Promoting small business:	Supported 203 individuals, including 43% women, in starting small businesses
Women empowerment:	1,056 women benefited from the training, leading to improved livelihoods, economic independence and the ability to provide for their families
Youth livelihood training:	Total of 273 youths benefited from various skill trainings
Support for agriculture development:	1,178 farmers received multiple forms of support to enhance agricultural productivity and income
Livestock development:	Awareness camps, poultry training for 2,633 animal rearers, door-to-door visits for primary treatment of cattle and camps for deworming, first-aid and vaccination for 13,823 animals were conducted
Mobile veterinary unit service:	Mobile veterinary unit to provide doorstep veterinary services for livestock care

Social and Relationship Capital - JK Lakshmi Swajal and Swacchta Project

Strengthening Water Infrastructure. Improving Health and Wellness.

Implementation
Water Tanks: Provided water tanks to number of water scarce villages during peak summer
Water Hut: Established in remote areas as a convenient water source
Water Conservation: Deepened and cleaned existing ponds for improved water storage
Renovation of Water Harvesting Structures: Restored check-dams and reservoirs for efficient water management

Impact
Improved Health: Reduced waterborne diseases, benefiting the community
Sustainable Water Management: Enhanced conservation and utilisation practices
Community Empowerment: Enabled healthier lifestyles and personal development
Environmental Benefits: Preserved and restored the local ecosystem



JK Lakshmi Gramin Vikas Project

Strengthening Relationships. Facilitating Community Engagement.

Through the effective prioritisation of rural development and active engagement with stakeholders, the Gramin Vikas Project aims at improving quality of life through improved rural infrastructure, connectivity, productive capacity and linkages to the markets.

Implementation
Development of Community Park
Project Muskaan for Elders
Construction of a Community Hall

Impact
Improved the Physical Infrastructure
Fostered a sense of social cohesion within the villages, resulting in a more dynamic and empowered Rural Society

Caring for people and being a socially responsible citizen are core organisational values which drive corporate social responsibility at JK Lakshmi Cement Ltd. As an organisation, we strongly believe that building an inclusive society and contributing to the empowerment of underprivileged communities are at the core of nation building. Our business priorities co-exist with the commitment to bring transformative changes in the lives of underprivileged through focused and well-executed CSR programmes in collaboration with the local community.

Smt. Vinita Singhania
Vice Chairman and Managing Director

> I thank JK Lakshmi Cement for arranging this training. I have witnessed not only the transformation it has brought to my life but also the benefits it has bestowed upon others.

In a remarkable journey of empowerment, Nirmala's life underwent a profound transformation through the unwavering support and training provided by JK Lakshmi Cement. Earning a substantial income of around ₹13,000-15,000 per month, Nirmala's accomplishments were recognised on International Women's Day when she received the prestigious "Women with Wings" award from the Deputy Commissioner of Jhajjar. Her story stands as a shining example of resilience and triumph for one and all.

Annapurna, a resident of nearby community with her family of eight was determined to improve her situation. She enrolled in the Basic Sewing Training program offered by our project. With initial challenges of limited orders, the CSR team stepped in to assist her. Today, Annapurna has transformed her life, earning a steady income of ₹ 8,000-10,000 per month through her sewing skills. Her success is a testament to the power of skill development.

> Thanks to JK Lakshmi CSR programme, I can now save money after managing household expenses. I am grateful for the financial support provided to many women like me when no one helped before.

> Now I am scared to think how my life and my kids' lives would have been without this. Thanks to JKLC for the support.

Jayshri, a 26-year-old divorcee and mother of two, completed a four-month employability training in January 2023. She now works as an executive with a company, earning a monthly salary of ₹ 18,675. Her journey from a small village to professional success is an inspiration, showcasing the power of determination and resilience.

18-year-old Ms. Kaali from a village near our plant became a role model by securing a job at a company after employability training. Despite economic constraints, she realised her dream of working for a reputable firm, earning a salary of ₹ 12,000.

> Today, I am a changed person, more confident and ready to conquer the world.

Leading Responsibly. Attracting Accolades

JK Lakshmi Cement received prestigious awards which not only brought immense pride to the Company but also reaffirmed our belief in the transformative power of CSR.

Durg Unit: Golden Peacock Award 2022 for CSR Excellence in the Cement Sector

Jharli Unit: Indian CSR Award for Best Women Employment Initiative of the Year (Corporate)

Social and Relationship Capital - Customers

Working towards customer satisfaction and loyalty.

Through dedicated efforts focused on performance-driven brand building, the Company has successfully cultivated a significant brand reputation among customers, ensuring a lasting impression. Our commitment to sustaining brand recognition in the minds of customers and occupying a premium position has remained unwavering.

Brand Building

JK Lakshmi Cement demonstrated its strong brand presence as an Associate Sponsor during the India vs Bangladesh Cricket Series. The Company effectively utilised various on-ground properties, gaining significant visibility and exposure. Similarly, the brand enjoyed notable prominence through perimeter branding during the India vs England Cricket Series.

Notable campaigns included special days based L Band campaigns like Union Budget, PM Speech on Independence Day and Rath Yatra in Odisha. We also utilised an innovative Channel Flipping Bug on Tata Sky and Airtel DTH during the T20 World Cup.

The Company's collaboration with Indian Cricket continued as we proudly welcomed Indian Cricket Team Captain, Rohit Sharma, as our brand ambassador.

'India Ka Best Performer' campaign was developed highlighting the exemplary performance of both JK Lakshmi and Rohit Sharma. The campaign featured three films with Rohit in the lead role and garnered 2.5 M views (5.8 M impressions) on YouTube and 2.7 M views (6 M impressions) on Facebook.

Trade-centric Business

FY	2021-22	2022-23
Trade %	57%	56%
Non-trade %	43%	44%

Customer Engagement

JK Lakshmi Cement's digital media presence and outdoor communication were strategically centered around captivating the target audience through impactful campaigns, engaging contests and compelling content. As a result of our dedication to fostering engagement, the initiatives received well-deserved recognition and prestigious awards.

Digital Media Outcomes

- Became the 2nd Cement Company to reach 500K followers on Facebook with 33% increase in followers during the year
- 20% increase in followers on LinkedIn with 8th position in the Industry
- 54% increase in followers on Instagram with 7th position in the Industry
- 105% increase in followers on Twitter - 3rd position amongst industry brands
- Ran a dealership-lead generation campaign through which 16 new dealers were made

Outdoor Communications Initiatives

JK Lakshmi Cement's brand was reinforced throughout its market through effective use of various outdoor mediums.

- 450+ nos. of hoardings across highways, inside city and places of high congregation
- 1.2 Crore+ sq. ft wall painting / shop painting
- 1300+ nos. of impact wall paintings
- Launched campaign of JK Lakshmi Cement in East UP with innovative displays: metro pillars, metro track bridge panels, traffic booths, bus shelters and unipoles with impact display
- OOH campaigns at airports - Ahmedabad, Raipur and Udaipur
- Innovative low floor bus campaign in Udaipur

Given the utmost importance of our brand's visibility in the States where our plant is situated, we emphasise on extensive outdoor advertising.

Milestones and recognitions

- 2nd highest number of followers on Facebook in the Cement Industry
- Awarded as the 'Brand of the Year 2022' award
- Recognised as 'Economic Times Iconic Brand of the year 2022'
- Recognised as the '3rd fastest growing Indian Cement Company in the large category, at the 6th Indian Cement Review Awards Ceremony in Hyderabad'

Social and Relationship Capital - Customers

Technical Service Cell

Our Technical Service Cell comprises of qualified civil engineers who provide pre and post-sales support. They aim to create brand awareness and generate demand by conducting site visits, addressing customer complaints within 24-36 hours and demonstrating product attributes.

We emphasise durability through services like cover blocks, shuttering tapes and slab supervision. We also offer Design Mix of concrete based on local materials. Our efforts have successfully converted numerous sites from competing brands. Additionally, we operate Mobile Concrete Labs, providing quality checks and testing services at construction sites.

Various demand generation activities undertaken during FY 2022-23 are listed below:

- 2.69 lakh+ site visits
- 12,500+ site guidance activities
- 33,500+ product quality demos
- 16,075+ slab supervisions
- 235+ individual household builder meets with participation of 5,470+ IHB
- 2.09+ lakh tons conversion through 25,216 sites
- 1,880+ road shows

Channel Partners' Support

Working towards synergistic and sustainable partnerships.

Fostering strong collaborations was made possible by JK Lakshmi Cement effective channel partner's management. through strategic alliances, exceptional technical support and network management.

Dealers and Depots

FY	2021-22	2022-23
No. of Dealers	4,993	5,189
No. of Depots	241	265

We focus on delighting our channel partners by ensuring that they remain motivated, engaged and satisfied by working with us. We ensure brand visibility around the catchment areas of their shops through wall and shop painting. Additionally, in-shop branding, merchandising items, display standees and boards help us maintain the brand visibility at their shops.

Some of the initiatives undertaken in FY 2022-23 include:

- 2,500+ dealer boards
- 3,000+ retailer and small consignee boards
- 440+ dealer shop hoardings
- 500+ in-shop branding

Loyalty Programme

We have implemented a loyalty programme called JK Lakshmi SKY specifically designed for our dealers. The primary goals of this programme is to enhance product sales, motivate participants, foster engagement and provide aspirational value. We have introduced exciting new ways for members to earn bonus points and incorporated additional touchpoints.

To enhance the sense of belonging and exclusivity, we have renamed the dealer categories as Royal, Elite, Aristocrat and Classic Clubs for increased dealer participation.

In FY 2022-23, we introduced a prestigious tier called the "President Club" exclusively reserved for exceptional achievers. Members of this club receive special benefits, exclusive gifts and recognition throughout the year. They were also privileged to attend an exclusive Meet and Greet programme with our esteemed brand Ambassador, Rohit Sharma.

Some notable highlights of FY 2022-23 are:

- 92% dealers covered in loyalty programme
- Fulfilled complete redemption of all loyalty programme members
- 71% increase in the President's Club members
- Personalised innovative gifts for President Club members
- Engagement campaigns - 'Diwali Dil Se', 'Hit it' with Rohit and show your hidden talent with a participation rate of 20% members

During the year, we engaged with our channel partners in various ways to motivate, incentivise and re-energise them by conducting various engagements across our markets viz. live matches, dealer conferences, achiever's conclave, festive celebration, etc.

Influencers' Relationship

To strengthen relationships with masons and contractors, we developed a mobile APP-based loyalty programme with over 1 lakh members. The programme incentivises them to recommend our products and we continually engage with them. One initiative is hosting quizzes on our APP to enhance their technical knowledge and craftsmanship. We also organise competitions for the children of programme members, providing a holistic experience. Moreover, we offer accidental insurance to members under a group personal accident policy. We regularly conduct training sessions and meetings for contractors, enabling skill development and knowledge of construction practices. Health camps are also organised for masons, contractors and their families as part of our CSR activities. To honour Engineer Dr. M. Visvesvaraya, we celebrated Engineers' Day throughout September with various events and meetings. We launched the "JK Lakshmi SAMMAN" loyalty programme for architects and engineers, enrolling over 3,000 professionals. Additionally, knowledge sharing sessions were held for architects and engineers to facilitate valuable information exchange.

Influencer engagement activities implemented in FY 2022-23:

- 735+ mason meets
- 1,045+ contractor meets
- 2,467+ shop counter meets of contractors and masons
- 1,300+ concrete labour gang meets
- 44+ architect and engineers' meetings
- 2,510+ engineers' engagement

Statutory Reports and Financial Statements

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 83rd Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2023.

FINANCIAL RESULTS

₹ in Crore

Particulars	2022-23	2021-22
Sales & Other Income	**6,133.28**	5,108.03
Profit before Interest, Depreciation & Tax (EBIDTA)	**766.50**	868.52
Profit before Depreciation & Tax (PBDT)	**675.00**	772.21
Profit after Tax (PAT)	**330.23**	417.56

DIVIDEND

Yours Directors are pleased to recommend a Dividend of ₹ 3.75 per Equity Share (75%) on the Equity Share Capital of ₹ 58.85 Crore for the Financial Year ended 31st March 2023. Total Dividend outgo will be ₹ 44.13 Crore. The Dividend is subject to the approval of the Members at the ensuing Annual General Meeting (AGM) and also subject to deduction of tax at source, as may be applicable. The Dividend pay-out is in accordance with the Dividend Distribution Policy of the Company.

RESERVES AND APPROPRIATIONS

The amount available for appropriation including Surplus for the Year stood at ₹ 1,658.70 Crore. The Directors propose this to be appropriated as under:

₹ in Crore

Particulars	2022-23	2021-22
Dividend	**58.84**	44.13
Surplus carried to Balance Sheet	**1,599.86**	1,328.47
Total	**1,658.70**	**1,372.60**

PERFORMANCE REVIEW

India became the fastest-growing major economy at ~ 7% in FY 22-23, despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits in net importing economies. Increased investment in infrastructure sector provides a critical push to the potential growth of the economy. The outlay for capital expenditure in FY 2022-23 was increased sharply by 35.4% from ₹ 5.5 Lakh Crore in the previous year (2021-22) to ₹ 7.5 Lakh Crore, of which approximately 67% has been spent from April to December 2022 as per the Economic Survey 2022-23.

During the FY 2022-23, the Cement Industry grew by 9%. The growth was higher in the first quarter on a lower base of the previous year due to pandemic-related issues. Cement growth in the second quarter moderated after the base of the same quarter in the previous year corrected. In the third quarter, demand was good after a slowdown in October 2022 due to festivals. In the fourth quarter, demand tapered off resulting in a low single-digit growth.

In FY 2022-23, your Company achieved a growth of 9% in its cement production and 12% in its cement sales. The combined growth of cement and clinker stood at 7%. The Company improved its Cement capacity utilisation to 80% in FY 2022-23 from 74% in FY 2021-22, while Company achieved 89% capacity utilisation in the last quarter of FY 2022-23. The Grinding Units at Surat, Kalol, Jharli and Cuttack have also shown remarkable resilience in bouncing back to normal. At Udaipur Cement Works Limited, a subsidiary of the Company, Cement production rose by about 13%.

The Company has witnessed a sharp rise in fuel prices (Petcoke and coal), diesel prices and other input costs which have significantly impacted the profitability. This has increased our freight cost both for outward materials as well as for inputs. As there is considerable overhang of the cement supplies over the demand, we found it hard to pass on the increase in inputs costs to the customers. To reduce the surging cost impact on margins, the Company has been assiduously working on adopting innovative solutions such as waste heat recovery, solar or renewable energy and improving its operational efficiencies at all levels and maximizing its realisation per tonne by optimising the product mix, introduction of new brands and augmenting the distribution network and optimising its distribution cost. The Company could maintain its Net realization despite price corrections being seen in major markets.

The Company has always followed the philosophy of sustainable growth. Share of renewable energy at 47% in our total energy basket is amongst the best in the industry and we have set a target of achieving above 87% share in total energy consumption by FY 2024-25. Similarly, we are continuously working to increase the use of Alternative Fuels and Raw Materials (AFR); reduce water consumption; and reduce carbon emissions. It may be noted that through various measures taken in this regard, the Company has been able to reduce CO_2 emissions. In Scope I, we have been able to reduce CO_2 emission to 554 kg per ton of cement equivalent in FY 2022-23 from 558 kg per ton of cement equivalent in FY 2021-22. Similarly in Scope II, we have been able to reduce CO_2 emission to 45 kg per ton of cement equivalent in FY 2022-23 from 64 kg per ton of cement equivalent in FY 2021-22.

Our specific water consumption is also one of the lowest in the industry and we aim to become 5 times water positive by the FY 2024 -25.

These measures towards sustainable operations shall stand in good stead in time to come and help the Company to raise finances at a lower cost for its future growth plans and ambitions.

The Company registered an EBIDTA of ₹ 766.50 Crore as against ₹ 868.52 Crore in the previous Financial Year, while the Net Profit is at ₹ 330.23 Crore as against ₹ 417.56 Crore in the previous Financial Year.

SUSTAINABILITY

At JK Lakshmi Cement Limited, sustainability has always been at its core of business strategy and operations. The company has always believed in being "Lean and Green". This approach has helped us to reduce our specific energy consumption in our product manufacturing. On the other hand, this has helped us to reach renewable energy usage percentage to around 47%. The Company has consistently strived to reduce dependence on conventional fuel for heat requirement in our processes and this has helped us in achieving the Thermal Substitution Rate (TSR) level to 4.11%. In order to give impetus to our Sustainability agenda, the Company has taken a significant step in promoting LNG trucks in our logistic operations which has helped to reduce CO_2 emission by 51.96 MT in just five months, which is a benchmark step for greener future and sustainable development. Your Company is also approximately 4 times water positive.

To further push our sustainability agenda, the Company has voluntarily taken the memberships of various global agencies like UNGC, SBTi, RE100, EP100 and GCCA-India. These agencies drive global sustainability agenda and help companies to achieve their sustainable goals.

As a responsible entity, the Company has always taken steps for community developments through its various CSR initiatives and the social performance improvement covers its entire value chain which has been the commitment of the Company.

NET DEBT FREE COMPANY

The Company has continuously been focussing for last several years on reducing its debt and has now become a Net Debt Free Company as of 31st March 2023. The Treasury Corpus of the Company as of 31st March 2023, now exceed its Total Borrowings as on that date.

CREDIT RATING

Efficient Debt Management and improvement in various Operating parameters has enabled the Company to maintain its Long-term Credit Rating from CRISIL and CARE at AA (Double A) with a Stable Outlook. The Company continues to enjoy the highest possible rating of A1+ (A One Plus) from both CRISIL and CARE for its Short-term borrowings.

KEY HIGHLIGHTS: FINANCIAL YEAR 2022-23

During the Financial Year 2022-23, the Company has achieved several new landmarks, few of which are given hereunder: -

1. Turnover crossed ₹ 6,000 Crore.
   - Turnover at ₹ 6,071 Crore increased by 20% during FY 2022-23.
   - Sales Volume increased by 7%.
   - All Grinding Units achieved record Production and Dispatches.
2. Net Debt Free Company
   - Reduced Borrowings by ₹ 175 Crore.
   - Increased Liquidity.
   - Improved Leveraging and Other Financial Ratios.
   - Reduction in Interest Costs.
3. Reduction in Interest Cost by 5 %
   - Interest Cost reduced from ₹ 96 Crore to ₹ 92 Crore.
   - Prepayment of Loans.
   - Efficient Working Capital Management.
   - Reduced Borrowings for Working Capital.
4. Green Initiatives
   - Commissioned a 7 MW Solar Power Plant at Sirohi, Rajasthan.
   - Another 7 MW Solar Power Plant planned in the coming year.
   - Commissioned the **first of its kind** a Floating Solar Power Plant of 1 MW at UCWL.
5. Supply Chain Management
   - Implemented OTM system for Efficient Logistics Management.
   - First Cement Company to deploy LNG trucks to reduce CO_2 emissions.
   - Deployed Bulk Containers for dispatches.
6. Increased ESG Culture
   - Reduction of CO_2 emission across Plants.
   - Share of Renewable Energy increased to 47% (consolidated).
   - Increased use of AFR.
   - Reduced Water consumption.
7. Brand Building
   - Increased share of premium products.
   - Leveraged Digital media and increased Customer connectivity across segments.

- Increased Product positioning and Market share in key markets.

8. Digitalization
    - Rapid digitalization across functions.
    - Optimization of Systems and Processes.
    - Plant Efficiency improvement.
    - Efficient Capital Working Management.

9. Focus on Value Added Products (VAP)
    - VAP recorded 28% growth in Turnover to ₹ 478 Crore.
    - Increased Market Share.
    - Focus of Market Penetration.

AWARDS AND RECOGNITIONS

Your Company has been bestowed with prestigious awards on both national as well as international level. Some of the accolades and awards received during the year are as follows:

- "Brand of the year 2022" Award.
- Rajasthan - "Best Employer Brand Awards 2022", awarded at World HRD Congress.
- 3rd Fastest Growing Cement Company in the Large Category at the 6th Indian Cement Review Awards 2023.
- "Golden Peacock Business Excellence Award for the year 2023".

PROGRESS OF THE PROJECTS AND EXPANSIONS

Udaipur Cement Works Ltd; the Expansion Project is progressing satisfactorily and is expected to be commissioned in 2024.

INTERNAL FINANCIAL CONTROLS

The Company has in place a strong Internal Financial Control System, Policies and Procedures which ensures accuracy and completeness of Accounting Records and helps also in timely preparation of the reliable Financial Statements. These Internal Financial Control Systems are designed for safeguarding the assets of the Company and for the prevention and detection of errors & frauds commensurate with the size, nature and complexities of the Operations of the Company. These Policies and Procedures were found by the Statutory Auditors of the Company to be adequate for smooth, orderly & efficient conduct of the business of the Company.

The Company has in place specific Standard Operating Practices (SOPs) for its various functions. These SOPs are periodically reviewed by the External and Internal Auditors of the Company and exceptions are reported for corrective actions.

The Internal Financial Control Systems are regularly reviewed to ensure their effectiveness, taking into account the essential components of Internal Financial Controls as stated in the Guidance Note on the Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on such assessments carried out by the Management, no reportable material weaknesses in the adequacy in the System of Operations of Internal Financial Controls were observed during the year.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is a socially responsible corporate citizen which truly believes that business priorities co-exist with commitment for inclusive development. Since its inception and well before the Corporate Social Responsibility (CSR) law come into existence, serving the Society towards improving the quality of life of the communities at large has been a priority and commitment for the Company. The concept of socially responsible business is deeply ingrained in our corporate DNA right from the inception and we have been pioneering and delivering multiple need based and high impact CSR projects for needy and vulnerable communities & families living around our business operations. The Company's CSR vision clearly states to strengthen community relationship and to bring sustainable change in the quality of life of neighbourhood community through innovative solutions in Education, Health, Water & Sanitation, Skills Development, Livelihood Promotion and Rural Development.

CSR is the continuing commitment by the Company to behave ethically and contribute to economic development, while improving the quality of life of the work force, their families as well as of the local community and society at large. The Company has adopted life cycle approach and had designed & delivered various CSR projects for all age groups – pregnant mothers, infants, children, youth, adults and old age people. Through its various need based and high impact CSR projects, the Company has been able to directly impact and bring positive changes in the lives of more than 1.80 lakh people spread across its business operations.

During the reporting period, the Company designed and implemented community need based CSR projects and targeted marginalised & vulnerable families with an aim to improve their lives through projects like JK Lakshmi Aarogya, Vidya, Aajivika, Swajal & Swachhta, Gramin Vikas, Kaushal Prashikshan, etc. These projects have been aligned and contributed to various Sustainable Development Goals 2030. Some of the key initiatives during the reporting period were launch of JK Lakshmi Vidya Scholarship on "Vidyasaarathi Portal" in partnership with NSDL & TISS, organising career counselling program for the students of standard X to XII in Government Senior Secondary Schools, job linked skill development training for school & college dropouts, launch of mobile veterinary unit for livestock improvement and setting up skill training centre in partnership with District Child Welfare Office, Jhajjar, Haryana among others. To give big impetus to skilling & livelihoods, the Company started setting up of skill development centre at its plant in Pindwara, Sirohi, Rajasthan.

The Company demonstrated its commitment towards CSR and implemented several "Ongoing Projects" in thrust areas of Health, Water & Sanitation, Education, Skilling & Livelihood and Rural development. Under Project Aarogya, medical camps were organized, reproductive and child health services were delivered at the doorsteps to reduce maternal and infant's mortality among tribal communities, while at few locations, food kits were provided to Multi-Drug Resistant -TB patients from poor families to improve their nutritional status for speedy recovery. Company undertook activities for holistic development of adolescents under Project Vidya (Education) and also organized bridge and remedial classes for out-of-school and school drop-out children for their mainstreaming into government schools, supported government schools for improvement in physical & classroom infrastructure and facilities, provided various types of support to students and continued our support to school's working for Special children and their families. Students were provided scholarships to support their school, college and technical education like ITI, Polytechnic, Nursing and B. Ed. Under Project Aajivika, the Company undertook multiple on-farm and off-farm activities including small enterprise development, skill trainings and vocational trainings to support youth and families to ensure sustainable income. The Company has undertaken several activities for empowering women especially tribal women in the areas of education and for income generation through providing them trainings on various trades & skills like Madhubani painting, food processing, computer, stitching, beautician, etc. Under JK Lakshmi Gramin Vikas Project, the Company supported infrastructure development in the nearby communities. Under JK Lakshmi Swajal & Swachhta project, the Company's initiatives include setting up water facilities for domestic use, repair of anicut for watershed development, pond deepening, setting up of water huts, provision of water tanks and recharging of water bodies, fogging, door to door garbage management among others. These initiatives in the CSR benefited number of disadvantaged, vulnerable and economically marginalized communities like Scheduled Castes and Scheduled Tribes, Below Poverty Line families, small and marginal farmers, landless groups, women-headed families, special children, person suffering with chronic diseases like MDR-TB and youth with no skills for either employability or resources for small business. The Company also strategically endeavoured towards facilitating "last-mile-connectivity" for the poor to access various State and Central Govt. Schemes aimed at poverty alleviation.

One of the breakthrough achievements during the reporting period has been increased coverage and outreach which has impacted thousands of families in the villages around the Company's plants. Company's CSR initiatives have been able to bring qualitative changes in the lives of the communities around its plant locations. One of the key impacts has been empowerment of women due to improvement in their income resulting into their higher familial and societal status.

Your Company is also promoting employee engagement in various CSR projects to create socially responsible behaviour among its employees. Number of employees were provided appreciation certificates for their contribution to CSR activities around various plant locations.

The Company received number of accolades and awards for its meaningful and life-changing CSR initiatives during the year. Company's Durg unit received "Golden Peacock Award 2022 for CSR Excellence" in Cement Sector and Jharli unit received "Indian CSR Award for Best Women Employment Initiative of the Year (Corporate)".

The Company has requisite Corporate Social Responsibility Policy in accordance with the provisions of the Companies Act, 2013 (Act) and Rules made thereunder, as amended. The CSR Policy along with brief description of CSR projects is disclosed on the website of the Company at www.jklakshmicement.com.

The Annual Report on the CSR activities undertaken by the Company during the Financial Year under review, in the prescribed format, is annexed to this Report as Annexure 'A'.

RELATED PARTY TRANSACTIONS

During the Financial Year ended 31st March 2023, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Form AOC-2 containing the details of the material Related Party Transactions entered into during the Financial Year 2022-23 as per the Related Party Transactions Policy (RPT Policy) is attached as Annexure 'B' to this Report and forms part of it. The RPT Policy is available on the website of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The particulars of loans given, guarantees or securities provided, and investments made as required under Section 186 of the Act are given in the Notes to Financial Statements.

CONSERVATION OF ENERGY, ETC.

The details as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 are annexed to this Report as Annexure 'C' and forms part of it.

AUDITORS & THEIR REPORTS

(a) Statutory Auditors

In accordance with the provisions of the Act and Rules made there under, M/s S.S. Kothari Mehta & Company, Chartered Accountants, were re-appointed as Statutory Auditors of the Company for their second term of five consecutive years from the conclusion of the 80th AGM held on 28th August 2020 until the conclusion of the 85th AGM to be held in the year 2025.

The observations of the Auditors in their Report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. Further, no fraud has been reported by the Auditors to the Audit Committee or the Board.

(b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the Financial Year 2022-23.

The Report given by him for the said Financial Year in the prescribed format is annexed to this Report as Annexure 'D'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

(c) Cost Auditors

M/s R.J. Goel & Co., Cost Accountants, conducted the Audit of cost records of the Company for the Financial Year 2021-22 and as required, Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Company has duly maintained requisite Cost Accounts and Records pursuant to Section 148(1) of the Act.

The Audit of the cost records of the Company for the Financial Year 2022-23 is being conducted by the said firm and the Report will be duly filed.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2022-23 have been prepared in accordance with the Act read with the Rules made thereunder and applicable Indian Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

In compliance with Section 129(3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and associate included in the consolidated financial statements is presented in a separate section in the Annual Report. Please refer AOC-1 annexed to the financial statements in the Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements, the consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

During the Financial Year under review, no Company has become or ceased to be your Company's subsidiary or joint venture or associate.

DEPOSITS

Pursuant to the approval of Members by means of a Special Resolution passed at the AGM held on 4th September 2014, the Company has continued to accept deposits from the public, in accordance with the provisions of the Act and the Rules made thereunder.

The particulars in respect of the deposits covered under Chapter V of the said Act, for the Financial Year ended 31st March 2023 are as under:-

(a) Accepted during the year: ₹ 20.94 Crore;

(b) Remained unclaimed as at the end of the year: ₹ 0.42 Crore;

(c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year: Nil;

(d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act: Nil.

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure 'E'.Further, particulars of employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report. However, in terms of provisions of Section 136 of the Act, the Annual Report including Accounts for the Financial Year 2022-23, is being sent to all the Members of the Company and others entitled there to, excluding the said Particulars of employees. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company upto the ensuing AGM. Any Member interested in obtaining such particulars may write to the Company Secretary.

ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Act read with Rules made thereunder is available on the website of the Company at https://www.jklakshmicement.com/annual-return/

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Act, Shri Bharat Hari Singhania (DIN: 00041156) retires by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

The Members at the AGM held on 17th August 2022 had approved appointment of Shri Sadhu Ram Bansal (DIN: 06471984) as an Independent Director for a term of three consecutive years w.e.f. 1st July 2022 and Shri Arun Kumar Shukla (DIN: 09604989) as President & Director of the Company for a term of three years w.e.f. 1st August 2022 and he was appointed by the Board of Directors as Key Managerial Person from the said date. Further, during the year under review, Dr. K.N. Memani (DIN: 00020696), Independent Director, resigned from the Board of Directors of the Company w.e.f. 26th April 2022, due to personal reason including health; Dr. Shailendra Chouksey (DIN: 00040282) and Shri Sushil Kumar Wali (DIN: 00044890) ceased to be Directors of the Company w.e.f. 1st August 2022 after expiry of their term of office as Whole-time Directors on 31st July 2022 and Shri B.V. Bhargava (DIN : 00001823) ceased to be a Director of the Company w.e.f. 31st August 2022 on completion of his second term as an Independent Director on 30th August 2022.

The Board has also taken on record the declarations and confirmations received from all the Independent Directors of the Company regarding their independence pursuant to Section 149 of the Act and Regulation 16 of the Listing Regulations.

Shri Amit Chaurasia, appointed as the Company Secretary, a whole time Key Managerial Person, of the Company w.e.f. 1st September 2022, in place of Shri Brijesh Kumar Daga, Sr. Vice President & Secretary of the Company who ceased to be the Company Secretary with effect from the said date.

There were no other changes in the Directors/Key Managerial Personnel of the Company during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which could impact the going concern status of the Company and its future operations. Further, no application was made or no proceeding was pending as at the end of the year under the Insolvency and Bankruptcy Code, 2016.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

During the Financial Year under review, there was no change in the nature of business of the Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report of the Company for the Financial Year 2022-23 in the prescribed format, giving an overview of the initiatives taken by the Company for Environmental, Social and Governance perspective and disclosures regarding the performance of the Company against nine principles of the 'National Guidelines on Responsible Business Conduct', is given in a separate section of the Annual Report and forms a part of it.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to the Listing Regulations, Management Discussion and Analysis and Corporate Governance Report along with Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of this Report as Annexure 'F' & 'G' respectively.

The Corporate Governance Report which forms part of this Report, inter alia, covers the following:

(a) Particulars of the four Board Meetings held during the Financial Year under review;

(b) Salient features of the Nomination and Remuneration Policy;

(c) The manner in which formal annual evaluation of the performance of the Board of Directors, of its Committees and of individual Directors has been made;

(d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism;

(e) Details regarding Risk Management Committee;

(f) Dividend Distribution Policy;

(g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

COMPLIANCE OF SECRETARIAL STANDARDS

Based on the Secretarial Audit Report of the Secretarial Auditor, the Company has duly complied with the applicable Secretarial Standards on Meetings of Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Act, your Directors state that:-

(a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) such accounting policies have been selected and applied consistently and judgments and estimates made 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 and of the profit and loss of the Company for that period;

(c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a going concern basis;

(e) The internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

(f) The proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors wish to place on record and acknowledge their appreciation for the continued support and valuable co-operation received from the Financial Institutions, Banks, Government Authorities, Dealers, Suppliers, Business Associates and Company's valued Customers and the esteemed Members for the faith they continue to repose in the Company.

Your Directors also record their appreciation for the dedication and hard work put in by "Team-JK Lakshmi", which has enabled the Company to continue its growth journey in these challenging times.

On behalf of the Board of Directors

Place: New Delhi
Date: 19th May 2023

Bharat Hari Singhania
Chairman

ANNEXURE 'A' TO BOARD'S REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH 2023.

1. **Brief outline on CSR Policy of the Company:**

The philosophy of giving back to the society was laid down by the founding fathers of JK Group over a century ago and the Group takes this as a moral responsibility to build a better society through contributing towards community services as well as working towards uplifting and empowering the disadvantaged sections of the society. The Mission statement of the Company unequivocally state to be a "socially responsible corporate citizen". For JK Lakshmi Cement Ltd., the business priorities coexist with the commitment for extending the help to the poor and the needy. This realization had given our organization a great opportunity to systematically develop and adopt an effective CSR approach to implement multiple interventions in the surrounding area of our business and plant locations.

The Corporate Social Responsibility Policy (the Policy or the CSR Policy) has been framed in accordance with Section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) as amended from time to time. The Policy shall apply to all CSR projects and activities to be undertaken by the Company and contains the approach and direction given by the Board of Directors, considering the recommendations of the CSR Committee. The CSR Policy also lays down the guiding principles for selection, implementation, and monitoring of activities as well as formulation of the Annual Action Plan to carry out CSR Projects by the Company. During the year, the Policy was amended to align with the changes notified by Ministry of Corporate Affairs vide its Notification dated 20th September 2022 with respect to implementation of CSR activities.

The CSR Policy of the Company strongly reflects the commitment towards inclusive growth and development. The vision of the Company's CSR is "to strengthen community relationship and to bring sustainable change in quality of life of neighborhood community through innovative solutions in Education, Health, Livelihoods and Community Development".

The major CSR thrust areas of the Company are Health; Water & Sanitation; Education; Skill development and Livelihoods; Environment sustainability and Rural development.

The Company's CSR Policy clearly delineates on formulation and implementation of CSR projects and activities; its approval by the Board; monitoring; documentation; impact assessment and disclosures.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Vinita Singhania	Chairperson/Executive Director	2	2
2	Shri Arun Kumar Shukla ^	Member/ Executive Director	1	-
3	Amb. Bhaswati Mukherjee	Member/ Independent Director	2	2
4	Dr. Shailendra Chouksey*	Member/Executive Director	1	1
5	Shri Sushil Kumar Wali*	Member/ Executive Director	1	1

^ Shri Arun Kumar Shukla,appointed as Member of the Committee w.e.f. 1st August 2022.

* Dr. Shailendra Chouksey and Shri Sushil Kumar Wali, ceased to be Members of the Committee, consequent to cessation of their directorships of the Company w.e.f. 1st August 2022, on completion of their existing terms as Whole-time Directors on 31st July 2022.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:**

Composition of CSR Committee: https://www.jklakshmicement.com/listing-composition-of-committees/

CSR Policy and CSR Projects: https://www.jklakshmicement.com/CSRCompositionPolicy.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable

5. (a) Average net profit of the company as per section 135(5) : ₹ 46,956.00 Lakh

   (b) Two percent of average net profit of the company as per section135(5) : ₹ 939.13 Lakh

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

   (d) Amount required to be setoff for the financial year, if any : Nil

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 939.13 Lakh

6. (a) Amount spent on CSR Projects (Both Ongoing & Other than Ongoing Projects):

   During the reporting period, the Company implemented Ongoing projects such as JK Lakshmi Aarogya, JK Lakshmi Vidya, JK Lakshmi Aajivika, JK Lakshmi Kaushal Prarshikshan, JK Lakshmi Swajal & Swachhta and JK Lakshmi Gramin Vikas. A total amount of ₹ 916.81 Lakh has been spent on these Ongoing Projects.

   (b) Amount spent in Administrative Overheads : ₹ 22.34 Lakh

   (c) Amount spent on Impact Assessment, if applicable : Not Applicable

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 939.15 Lakh

   (e) CSR amount spent or unspent for the financial year : Not Applicable

Total Amount Spent for the Financial Year (in ₹/ Lakh)	Amount Unspent (in ₹ / Lakh)				
	Total Amount transferred to 'Unspent CSR Account' as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
939.15	N.A.	N.A.	N.A.	N.A.	N.A.

   (f) Excess amount for set off, if any : Not Applicable

7. Details of Unspent CSR amount for the preceding three financial years

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section(6) of section 135 (in ₹/Lakh)	Balance Amount in Unspent CSR Account under sub-section(6) of section 135 (in ₹/Lakh)	Amount Spent in the Financial Year (in ₹/Lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹/Lakh)	Deficiency, if any
					Amount (in ₹/ Lakh)	Date of Transfer		
1.	2021-22	144.99	122.58	22.41	N.A.	N.A.	122.58	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

   ○ Yes ● No

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable .

Vinita Singhania
Chairperson, CSR Committee

Arun Kumar Shukla
President & Director

Place: New Delhi
Date: 19th May 2023

ANNEXURE 'B' TO BOARD'S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the 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 arm's length transactions under fourth proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year ended 31st March 2023 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, including committee, if any	Transaction Amount (₹ in Crore)
Udaipur Cement Works Ltd. – Subsidiary Company	Clinker Sale & others	June 2013 ongoing	Sale of Clinker/other at Arm's length price	N.A.*	5.70
Udaipur Cement Works Ltd. – Subsidiary Company	Sale of Cement	June 2018 ongoing	Sale of Cement at Arm's length price	N.A.*	261.93
Udaipur Cement Works Ltd. – Subsidiary Company	Sale of Petcoke/Coal etc.	June 2018 ongoing	Sale of Petcoke/Coal etc. at Arm's length price	N.A.*	123.28
Udaipur Cement Works Ltd. – Subsidiary Company	Purchase of Cement & others	August 2018 onwards	Purchase of Cement at Arm's length price	N.A.*	571.88
Udaipur Cement Works Ltd. – Subsidiary Company (UCWL)	Corporate Guarantee Given	Upto FY 2036-37	Corporate Guarantee given on behalf of UCWL to Lenders of UCWL to secure the financial assistance granted to UCWL in respect of its Expansion Project	27th May 2022 & 22nd August 2022	750.00
Udaipur Cement Works Ltd. – Subsidiary Company (UCWL)	Loan Given	One Year upto 1st January, 2024	Interest rate of 8% p.a. Amount will be utilised for implementation of UCWL's ongoing Cement Expansion Project and the repayment of said amount along with interest accrued and/or due thereon shall be adjusted against the Share Application money to be paid by the Company as Promoter's Contribution against its Rights Entitlement in the proposed Rights Issue of UCWL.	2nd January 2023	85.40

* Not applicable since the contract was entered into in the ordinary course of business and on arm's length basis, market rate.

Note: All transactions with Udaipur Cement Works Ltd. have been disclosed irrespective of whether they are covered under Section 188 of the Companies Act, 2013 or not. No advance was paid for any transaction mentioned above.

On behalf of the Board of Directors

Place: New Delhi
Date: 19th May 2023

Bharat Hari Singhania
Chairman

ANNEXURE 'C' TO BOARD'S REPORT

A. Conservation of Energy

(I) Steps taken for Conservation of Energy

Energy conservation dictates show efficiently a Company can conduct its operations. Energy conservation has always been in the top priority of the Company and recognized the importance of energy conservation in decreasing the harmful effects of Global Warming and climate change.

Major energy conservation initiatives/steps taken during 2022-23

- Installation of Latest generation classifier in Coal Mills.
- Installation of VFD in Raw Mill
- Optimisation of Armour ring angle in VRM
- Installation of Fresh air damper in RM-3
- Optimisation of Grinding Media pattern in Ball Mill
- Belt weigher installation on mill outlet belt conveyor
- Installation of Weigh feeder in Place of Vibro feeder in Coal reclaimer circuit
- Reduction in false air ingress across VRM Circuit
- Mill separator seal gap has been minimized by Loctite material in RM-3
- Modification in WHR with additional arrangement of sealing and installation of Additional wear resistant plate,to reduce in false air percentage in the boiler and increase boiler tube life.
- Through continuous monitoring & optimizing of cement mill & VRPM auxiliary, reduced 11KW/Hr. in auxiliary power thereby saving of 75250 KWH units which accounts for 61705 Kg CO_2eq GHG reduction per year.
- Panel Cooling Fans replaced with low power exhaust fans in siemens MV VFD.
- Installation of VFD in cooling tower motor installed.
- Bag filter fan removed in VRPM section resulting in power, savings of 18619 KWH units which accounts for 15258 Kg CO_2eq GHG reduction per year.
- Installation Temperature Control System for all exhaust fans in substation.
- Install Low Pressure switch in Bag Filters Purging system.
- VFD Cooling fan on/off with interlock of VFD feedback.
- Fluidization Air Blower control through new logic interlock.
- Joined RE100 and EP100; becomes 4th Global Cement Company to Pledge 100% Renewable Energy by 2040. Targeted to be carbon neutral by 2047-Durg
  - 10th Indian Headquartered company to join RE100
  - 11th Indian Headquartered company to join EP100

(II) Steps taken by the company for utilizing alternate sources of energy.

- Uses of Biomass in Thermal Power Plant.
- Installation of 7 MW Solar Plant.
- Increase in % co processing of Hazardous waste.
- Low voltage VFD panel of motor and installed in AFR feeding belt for optimum feeding of solid AFR.
- Continuous development in the Existing solid AFR for enhance TSR %, in kiln and CPP Boiler.
- Increase in use of Renewable Energy Resources.

(III) Capital Investment on energy conservation equipment

Sr. No.	Equipment Name	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1	Installation of Latest generation classifier in Coal Mills	424	37
2	Installation of VFD in Raw Mill	6.5	4.7

B. Technology Absorption

(I) Efforts made towards technology absorption

- Installation of Latest generation classifier in Coal Mills.
- In house modification in control wiring of GRID/20 MW/WHR to sustain 20 MW TPP in house load during grid disturbance to avoid black-out condition.

  Additional In-house arrangement made as a backup power supply for kiln auxiliary drive during black out condition, for Kiln operational safety.
- Adopting Model predictive Control for Kiln operation, doing all feasible efforts for sustainable operation of kiln with MPC for Thermal and Electrical energy saving, in existing Process.
- For mitigate unwanted shutdown and breakdown, resulting improving plant utilization Factor and Availability by real time monitoring sensors.
- Installation of IOT /OMS sensors for real time monitoring of critical equipment to enhance availability.
- Installed vibration motors at various locations of VRPM Elevator & Silo Feed Elevator to control formation of coating and ensure continuous plant operation.
- 1400 KW motor replaced with 1250 KW motor in VRPM main drive to improve operational efficiency of VRPM.
- Installation of IOT /OMS sensors for real time monitoring of critical equipment to enhance availability.
- Installation of Nitrogen injection system for fire prevention at transformer

(II) Benefits derived like product improvement, cost reduction, product development or import substitution.

- Enhanced output from upgraded classifier.
- Reduction of Contract Demand due to consistent availability of WHR, Solar and Thermal Power Plant.
- Shifting of CBA from plant to mines, resulting in consistency in limestone quality. It is related to kiln operation, availability and clinker quality.
- Optimized and Enhanced Coal Firing Capacity for Kiln in reference to AF firing in calciner.
- Operating with Cost-feasibility Fuel Mix. for KILN and CPP.
- Reducing power cost by Operating of Power plant with feasible power Mix and Maximum use of in power plant.
- Modification of coal firing system for high ASH coal consumption in KILN.
- Maximum utilization VRM for Cement Grinding.
- Maximum Production of COC at 20 %.
- Exploring and Adopting AI and ML in the process.
- 13% LF Slag replaced with Granulated slag resulting ₹ 37.7 Lakh saving.

(III) In case of imported technology (imported during the last three years reckoned from the beginning of financial year):

a. The details of Technology Imported

   - Flue Gas Desulphurization (FGD) for Captive Power Plant (CPP) at Sirohi.

b. The year of import

Particulars	Year of Import
FGD for TPP at Sirohi	2021-22

c. Whether the technology has been fully absorbed: **Yes**

d. If not fully absorbed, areas where absorption has not taken place and reason thereof: Not Aplicable

(IV) The expenditure incurred on Research and Development:

S. No.	Particulars	Amount (₹ in Crore)
1.	Capital Expenditure	-
2.	Revenue Expense	7.63
	Total	7.63

C. Foreign Exchange Earnings and Outgo

S.No.	Particulars	Amount (₹ in Crore)
1.	Foreign Exchange Earnings	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, Capital Goods, Consultancy Charges, Know-How Fee, etc.)	711.08

On behalf of the Board of Directors

Place: New Delhi
Date: 19th May 2023

Bharat Hari Singhania
Chairman

ANNEXURE 'D' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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,
JK Lakshmi Cement Limited
Jaykaypuram
District Sirohi - 307019 (Rajasthan)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JK Lakshmi Cement Limited** (CIN: L74999RJ1938PLC019511) (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 my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 (Audit Period), 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during the audit period)

  (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

  (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;

  (g) Securities and Exchange Board of India(Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - (Not applicable to the Company during the Audit Period),

  (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (Not applicable to the Company during the Audit Period);

(vi) Management has identified and confirmed the following laws as being specifically applicable to the Company and complied with:

  (a) Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988

  (b) Mines Act, 1952 read with Mines Rules, 1955

  (c) Cement Cess Rules, 1993 and

  (d) Bureau of Indian Standards Act, 2016 and Cement (Quality Control) Order made thereunder

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

(i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,

(ii) The Listing Agreement(s) entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes that took place in the composition of Board of Directors with respect to Executive and Independent directors during the audit period, were in accordance with provisions of the Act and the SEBI Regulations.

Adequate Notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, 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.

I further report that, during the audit period, no major events have taken place, except the following:

- Members of the Company, in terms of sections 180 (1)(c) and 180 (1) (a) of the Act, authorised the Board of Directors for borrowing monies upto Rs. 4,000 crores and creating security by mortgage or charge in favour of the lenders, vide special resolutions passed at their Annual General Meeting on 17th August 2022.

This report is to be read alongwith the following-

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures 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.

Place: New Delhi
Date: 13th May 2023
UDIN: F000234E000303119

Namo Narain Agarwal
Secretarial Auditor
FCS No. 234, CP No. 3331

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended 31st March 2023:

A. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year**

Non-Executive Directors: Shri Bharat Hari Singhania, Chairman, 34.13; Shri Nand Gopal Khaitan, 2.01; Shri Ravi Jhunjhunwala, 1.82; Dr. Raghupati Singhania, 1.85; Dr. K.N. Memani, Nil (Ceased to be director w.e.f. 26.04.2022); Shri B.V. Bhargava, 0.82 (Ceased to be director w.e.f. 31.08.2022); Shri Sadhu Ram Bansal, Director w.e.f. 01.07.2022 - 1.28 and Amb. Bhaswati Mukherjee, 1.61.

Executive Directors: Smt. Vinita Singhania, VC&MD, 228.50; Shri Arun Kumar Shukla, President & Director w.e.f 01.08.2022 - 25.48; Shri Sushil Kumar Wali, 15.63 (Ceased to be director w.e.f 01.08.2022) and Dr. Shailendra Chouksey, 15.60 (Ceased to be director w.e.f 01.08.2022).

B. **The percentage increase/ (decrease) in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year** – (i) Shri Bharat Hari Singhania, Chairman- (71.48%) (ii) Smt. Vinita Singhania, VC & MD- (11.45%) (iii) Shri Arun Kumar Shukla, President & Director w.e.f. 01.08.2022 - 100% (iv) Dr. Shailendra Chouksey, Ceased to be director w.e.f 01.08.2022 - (71.94%) (v) Shri Sushil Kumar Wali, Ceased to be director w.e.f. 01.08.2022 - (71.93%) (vi) Dr. Raghupati Singhania- (13.65%) (vii) Shri B.V. Bhargava, Ceased to be director w.e.f. 31.08.2022- (61.79%) (viii) Amb. Bhaswati Mukherjee- (16.53%) (ix) Shri Ravi Jhunjhunwala- (14.89%) (x) Shri Nand Gopal Khaitan - (11.68%) (xi) Shri Sadhu Ram Bansal, Director w.e.f. 01.07.2022- 100% (xii) Shri S.A. Bidkar, CFO - 8.24% (xiii) Shri B.K. Daga, Sr. VP & CS, Ceased to be Company Secretary w.e.f 01.09.2022- (55.51%) (xiv) Shri Amit Chaurasia, Company Secretary w.e.f. 01.09.2022- 100%

C. **The percentage increase in the median remuneration of employees is 8.53%.**

D. **The number of permanent employees on the rolls of Company - 1,699.**

E. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration** – During the Financial Year 2022-23 on an average employee received an annual increment of 9% with individual increment varying from 0 to 20%. There was decrease of 36.56% in managerial remuneration during the current financial year. Such decrease was mainly attributable to decrease in commission & ceasing to be the Executive Directors.

F. **Affirmation that the remuneration is as per the remuneration policy:** We affirm that the remuneration paid during the Financial Year 2022-23 is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: 19th May 2023

Bharat Hari Singhania
Chairman

ANNEXURE 'F' TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK FOR INDIAN ECONOMY, INDUSTRY STRUCTURE & DEVELOPMENTS

The Financial Year 2022-23 started when global uncertainties were rife. Barely had the pandemic receded and the Russia-Ukraine war broke out in February 2022, that led to a sharp rose in the prices of food, fuel, and fertiliser. They remained at elevated levels for several months. The risk of another round of supply chain disruptions emerged, but they were not as severe as feared. Nonetheless, both the price and the availability of essential commodities had the potential to dent the industry's optimism on consolidating the recovery of FY22 and further accelerating it. Despite all the above challenges, it is fair to say that the Indian Economy recovered well and staged a broad-based come back across sectors to get back to the pre-pandemic growth path in FY23. Overall, Gross Value Added (GVA) by the Industrial Sector, based on data available for the first half of the FY23, rose 3.7%, which is higher than the average growth of 2.8% achieved in H1 of the last decade. While India's retail inflation rate peaked at 7.8% in April 2022, above the RBI's upper tolerance limit of 6%, the overshoot of inflation above the upper end of the target range in India was however one of the lowest in the world.

With high allocation under the Union Budget 2022-23 for infrastructure, affordable housing government schemes such as MGNREGA, PM Garib Kalyan Rozgar Abhiyan and Road & Railway projects to fuel the economy, the domestic cement industry poised for a volume surge and boost the demand for cement. Under the housing for all segment, 8 million households were identified under Pradhan Mantri Awas Yojana (PMAY), both rural & urban and ~ ₹ 48,000 Crore was allocated for the purpose. The Government also approved an outlay of ~ ₹ 1,99,107 Crore for the Ministry of Road Transport and Highways and this step is likely to boost the demand for cement. In the FY 23, Indian Government built 5.28 million houses under the flagship rural housing scheme which was 25% higher than the houses built in the FY 22 and has proposed to build 5.73 million houses by FY 24, to achieve the target to build 29.5 million houses under PMAY.

India's cement production and consumption both grew by ~ 9% in FY23 on a y-o-y basis, driven by the Government's push for infrastructure development and increased real estate activity. EBITDA margins of cement players declined by almost 10% y-o-y in H1FY23 mostly due to an increase in power and fuel cost on the back of a sharp surge in coal prices. Limestone prices also escalated during H1FY23. There has been a 3% y-o-y increase on an average in wholesale cement prices in FY23. While the prices have remained flattish in Q3, Q4 witnessed a further marginal decline in prices. As projected, industry was likely to add 30-35 million tons of capacity in FY23 reaching 590-595 million tons of Pan India cement capacity. Lower double-digit demand should see a rise in capacity utilisation by about 2% to ~ 66% level.

Industry is likely to see ~9% to ~10% y-o-y volume growth in FY23, supported by sustained demand from infrastructure projects and recovery in individual housing demand. Long term growth expectations to be in the range of ~7% to 8% mainly based on higher projected growth coming from these two segments. The current global uncertainty and fear of global recession due to prolonged Russia-Ukraine war is likely to cast its shadow in the construction sector further. The industry which is already grappling with the impact of phenomenal rise in fuel and transportation costs would find it difficult to pass on the cost increase to the market when the off take is low.

Key energy items like Pet coke/Coal were marginally down vs FY 22 average, but owing to the higher cost inventory, benefits are unlikely to percolate fully. Additionally, after a gap of two years, busy season surcharge (@ 15%) was reintroduced by railways from October-22, which has impacted the freight costs. Diesel price trend has been sideways in past few months and is a relief. Due to divergent and volatile trends in major cost items, individual companies' costs are likely to be influenced by inventory levels and rail mix of each company. Further, the acquisition by large cement players and competitive posture has brought some turbulence in the market. In an uncertain environment, most manufacturers have been focussing more on volumes than on prices to mitigate high costs. Industry is attempting to close the gap between billing and transactional prices for better transparency and working capital utilisation with the channel.

Going forward, while FY24 appears to be a year full of opportunities as well as uncertainties and challenges; however, we remain optimistic for the outlook for the cement sector which according to us would firmly remain in long-term trajectory of sustainable annual growth ranging from 6% to 8%. As per CRISIL Ratings, the Indian cement industry is likely to add ~80 million tonnes (MT) capacity by FY24, the highest since the last 10 years, driven by increasing spending on housing and infrastructure activities. Overall, the Outlook for the cement industry is very positive. The increasing demand for infrastructure and green construction materials will help to drive significant growth in the coming years.

FINANCIAL PERFORMANCE

During the Financial Year 2022-23, the Company's Cement Production was higher by 9% at 93.82 lac tonnes as against 86.16 lac tonnes achieved during the last Financial Year. The Company's Sales during the Financial Year ended 31st March

2023 were up by 7% at 107.58 lac tonnes against 100.94 lac tonnes logged in the last Financial Year.

The Turnover of the Company during the Financial Year 2022-23 increased by 20% from ₹ 5,108 Crore in Financial Year 2021-22 to ₹ 6,133 Crore in Financial Year 2022-23. The Company registered an EBIDTA of ₹ 767 Crore as against ₹ 869 Crore in the previous Financial Year, while the Net Profit is at ₹ 330 Crore as against ₹ 418 Crore in the previous Financial Year.

KEY CHANGES IN FINANCIAL INDICATORS

The various Financial Ratios for the year under review as compared to the same of the previous Financial Year are given hereunder:

Sl. No.	Particulars	Unit	As at 31.3.2023	As at 31.3.2022	Comments
1	Operating Profit Margin	%	12%	16%	Reduction in Operating Profit primarily emanating from steep increase in the Fuel & Other Input costs.
2	Net Profit Margin	%	5.44%	8.28%	Reduction in Net Profit primarily emanating from steep increase in the Fuel & Other Input costs.
3	Return on Net-Worth	%	12.76%	18.43%	Reduction in Net Profit due to steep increase in Fuel & Other Input costs and higher Net Worth.
4	Interest Coverage Ratio	Times	8.38	9.02	Reduction in Operating Profit due to steep increase in Fuel & Other Input costs.
5	Debt Service Coverage Ratio	Times	2.72	2.01	Reduced Debt Repayment obligation during the Current Year.
6	Current Ratio	Times	1.39	1.34	Improved Liquidity position & better Working Capital Management
7	Debt Equity Ratio	Times	0.30	0.39	Reduced Leverage through Debt Repayment.
8	Net Debt Equity Ratio	Times	-0.03	0.03	Reduced Leverage & higher Liquidity
9	Net Debt to EBIDTA	Times	-0.10	0.08	Reduced Leverage & higher Liquidity
10	Inventory Turnover	Times	10	12	Better Working Capital Management
11	Debtors Turnover	Times	164	146	Increased in Turnover

OPPORTUNITIES AND THREATS

The cement industry has seen an uptrend in volume growth because of the economic recovery, urban housing demand, Government's thrust towards infrastructure and rural development considering the 2024 elections and fast-tracking of infrastructure projects like metro, roads and highways.

While residential and commercial construction will continue to be pivotal in the growth of Cement demand, industry's real boost will come from an increase in the pace of Infrastructure creation and housing sectors. Higher allocation to infrastructure and expediting the tendering process in highway projects have the ability to generate a positive sentiment for cement industry.

The Government of India is strongly focused on infrastructure development to boost economic growth and is aiming for 100 smart cities. The Government also intends to expand the capacity of railways and the facilities for handling and storage to ease the transportation of cement and reduce transportation cost. These measures would lead to an increased construction activity, thereby boosting cement demand. The cement demand in India is estimated to cross 500 MT by FY 2027. As India has a high quantity and quality of limestone deposits throughout the country, the cement industry promises a high growth potential.

Increases in diesel prices have adversely impacted logistics cost of the industry. Companies have been trying new initiatives like CNG/LNG vehicles that will bring efficiency as well as cost relief for road transportation. This will also be a greener alternative thus reducing the carbon footprint.

Rising competition is limiting price increases, which have largely remained range bound despite good demand numbers in FY22-23. This is leading to a focus on volume push by the manufacturers coupled with efficiency improvement projects.

The Union Budget 2023-24 announced, 33% increase in allocation for key infrastructure sectors, 66% higher outlay for PMAY, highest ever outlay for railways in the last decade, and plans for 50 new airports. Each of these are expected to further boost the already robust demand for cement. Cement demand is expected to ride on Infrastructure and housing push. Increased outlay for infrastructure, housing and logistics are all positive for the cement sector, as is the focus on green energy, which should help to reduce costs.

The cement industry outlook is mixed with near-term challenges weighing on the mind of cement company's executives. The rise in energy and transportation costs, along with continued pressures from environment regulations, are top concerns. Additionally, overcapacity in China has led to increased exports of cement to other countries, which further complicates the global market landscape. Despite these challenges, there are also opportunities for growth in the coming years as demand for cement is projected to grow faster than the announced capacity additions. Organisations which are able to capitalize on these trends will be well positioned for success in the future.

RISKS AND CONCERNS

Risks are unavoidable aspect of doing business. In fact, fructification of certain risks also sometimes presents tactical opportunities. However, with a view to manage its risks appropriately in the long term, the Company actively identify, analyse and address key risks through a robust risk management programme. The Company has a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. Our commitment to strong ethical values and high levels of personal and organisational integrity adds a further layer of risk mitigation to our operations.

Increase in the costs of raw material, power and fuel due to inflation or global price trends may impact profitability. The Company is employing various means to reduce the impact of rising costs through better fuel sourcing, dynamic fuel mix capabilities to capitalise on changing trends in price and the use of alternative fuels. A focus on achieving better operating efficiencies and reducing coal and power consumption continues as a way of life. The Company continues to evaluate and assess long term strategic solutions from waste heat recovery systems to solar energy, from alternate fuel to alternate sources, etc. to manage costs in the medium and long term.

One of the concern and the expectations in Industry has is when each time, the GST council meets, the Industry eagerly hopes that the cement will be put under lower tax slabs than the sin slab of 28%. In the 49th GST Council meeting held on 18th February 2023, it was hoped that the Council may lower the GST rate, however, it did not come up with the fitment committee. Ever since the introduction of GST, the council is periodically reviewing the tax rates and is consistently bringing more and more commodities under lower tax slabs. Cement is now one of the very few commodities that is in highest tax slab and understandably because it is not easy for the Government of the day to let lose the tax cow. Like always, the Industry prefers to be positive and keep its hope alive for a favourable outcome.

Your Company has made various efforts to increase its market presence and market share in its natural markets and in the markets that are more economically beneficial. It is putting all efforts to considerably shrink the lead distances to optimise logistics cost further and increase the share of blended cement in its product portfolio. These measures would provide the Company cushion to absorb the impact of increase in various costs.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company believes that a strong Internal Control framework is an important pillar of Corporate Governance. The Company has a well-defined Internal Control System commensurate with the size, scale and complexities of the operations to support the Business Operations and also to ensure Statutory Compliances. These Internal Control Systems are periodically tested for their effectiveness by the Management and by the Statutory & Internal Auditors of the Company. These Internal Control Systems were found to be operating effectively during the year.

The Company has retained the services of our past Statutory Auditors to conduct internal audit for its all-integrated plants and also some of the split location Grinding Units. In addition, the Company also has an Independent In-house Internal Audit Department which is manned by Experienced Professionals. This Internal Audit Department carries out the Internal Audit based on a Systematic Audit Plan covering all key functions and aspects of the Business. This Audit Plan is approved by the Audit Committee at the start of the Financial Year. The Company has also engaged services of certain External Audit Firms for conducting Audit of its key Regional Offices & Depots. The Internal Audit Reports, of the external as well as In-house Audit Teams, are reviewed by the Top Management and are placed before the Audit Committee of Directors. The Audit Committee undertakes a total review of the audit observations and the actions taken by the Management on all the findings of the Internal Auditors. The implementation of the recommendations of the Internal Auditors is regularly reviewed and monitored by the Senior Management and the Action Taken Report is placed periodically before the Audit Committee. The Company also has an Internal Risk Management Committee comprising of Functional Heads. This Committee meets on a quarterly basis to evaluate the risk as also the mitigation plan put in place to minimise the impact of various internal and external risks to the Company's business. In addition, there is a Risk Management Committee at the Board Level to review the various risks which impact the Company's operations and the management plan to meet those risks.

The Company also has a robust MIS system and Budgetary Control System under which the operating and financial performances are reviewed on a monthly basis. The variations with the budget are analysed and corrective actions are taken to minimize the variations with the Budget wherever shortfalls are noticed. Further, the Company has also put in place Legal Compliance Monitoring Tool to ensure timely compliance of all the applicable Statutes at its different locations.

HUMAN RESOURCE - "OUR PEOPLE, OUR BIGGEST STRENGTH"

Our people are our biggest strength and the cornerstone of our business which we have always strived and believed to create a work environment of care, trust and respect.

Post COVID-19, we have endeavoured by leveraging the technology to create an environment of incessant communication with our employees at all levels, customers and stakeholders, in keeping them engaged and aligned with business requirements with health and safety on top priority all the time.

On the human resources front, our HR policies and guidelines are designed in a way that encourages teamwork and synergistic approach thereby strengthening agility, future readiness and enhancing employee experience. Our inclusive and progressive culture helps to motivate employees, strengthen the leadership pipeline, attract young talent, deliver results, grow market share and the operating profitability of the company.

Company is well prepared digitally to take on the challenges of the new world by enhancing latest digital capability building of our people through trainings and certification programmes. HR processes like Individual Development Plan, Recruitment & E-Joining, Performance Management System, Confirmation and Separation have been digitalized for enhanced productivity and employee experience.

On Employee Engagement front, key initiatives taken are Sharing of Success Stories – To boost up morale and motivation of the best performer and to motivate other Team Members, Har Ghar Tiranga (Tricolour in every household) Programme – On the occasion of India's 75th Independence Day, SANGAM - Interzone Quiz competition to create feeling of One Team One Family, Skip – Level meetings, BANDHAN – an employee connect initiative, UDAAN Competition, Virtual Family Engagement - "MANN KI BAAT", ensuring mental & psychological wellbeing of employees and their family members, Leadership & Personality Development, etc.

Innovations in information and communication technologies have changed the way of working like VC&MD's Communication Meeting across all locations with all levels and of Top Leaders with the team members and other work groups using virtual platform, transition towards a more digital working, etc.

Augmenting our human capital and investing in our people towards their all-round development has always been a passion at JK Lakshmi Cement Ltd. In line with the same, Outbound Skill Development & Customer Orientation Programme, Technical & Behavioral trainings (Internal & external), Physical & Mental Well Being sessions with Company's doctors, Safety & health and family-oriented subjects with employees as well as Dealers/ channel partners including their family members have created a win-win work environment.

Continuing with the Vision & Mission focused on Human Capital, Customers, Innovation, Technology, the Company has kept pace with competition and exceeded in specific domains. The journey of nurturing, grooming and preparing internal talents with the development opportunities, Company organized Development Centre in partnership with world leaders across the levels with post assessment support through world renowned assessment development centre agency for talent management to build a pipeline of young leaders for future readiness and strengthen its 'Grow Your Own Timber' approach for leadership roles by rewarding and providing a well-defined growth path.

Millennials are encouraged, prepared, and enabled to manage bigger chunk of areas and markets. It is aligned with assessing expectations of young generation and incorporating in the culture/HR strategy especially career growth strategies, R&R strategy to keep up with ambitions of employees/new age workforce.

Tactfully ascertaining changing aspiration of nearby community through HR & CSR partnership to prepare effectively for future along with a tacit commitment for a prolonged mutually beneficial association, has resulted into its high level of retention of talents and harmonious industrial relations for last 25+ years. The details of Number of people employed are given in Annexure - E to Board's Report.

The results of sustained people practices have been instrumental in JK Lakshmi Cement Ltd. being emerged with Highest Engagement Level across JKO Businesses @89% in Employee Engagement Survey (March 2022) which is a reflection of high morale, motivation and loyalty amongst employees and exhibits the importance we have placed on our teammates and the way our employees are groomed, nurtured, developed and retained.

CAUTIONARY STATEMENT

The Management Discussion and Analysis contains forward-looking statements, which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market positions, expenditures and financial results are forward looking statements.

Your Company's actual results, performance and achievements could thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

ANNEXURE 'G' TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The core values of the Company are:

- commitment to excellence and customer satisfaction;
- maximising long term shareholders' value;
- socially valued enterprise; and
- caring for people and environment.

In nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term Shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS

As on 31st March 2023, the Board of Directors of the Company consists of Eight Directors comprising two Executive Directors and six Non-executive Directors (NED) out of which four are Independent Directors (IND). Four Board Meetings were held during the Financial Year ended 31st March 2023 i.e. on 18th May 2022, 27th July 2022, 3rd November 2022 and 10th February 2023. Attendance and other details of the Directors for the Financial Year ended 31st March 2023 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (17.8.2022)	No. of Directorships and Committee Memberships/ Chairmanships held in other companies		
					Directorships $	Committee Memberships @	Committee Chairmanships @
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Shri Bharat Hari Singhania, Chairman	00041156	NED	4	No	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	4	Yes	5	-	-
Shri Nand Gopal Khaitan	00020588	IND	4	Yes	6	7	2
Dr. Raghupati Singhania	00036129	NED	4	Yes	7	2	1
Shri Ravi Jhunjhunwala	00060972	IND	4	No	9	5	2
Amb. Bhaswati Mukherjee	07173244	IND	4	Yes	3	4	2
Shri Sadhu Ram Bansal#	06471984	IND	3	Yes	5	7	2
Shri Arun Kumar Shukla ^ President & Director	09604989	Executive	2	Yes	1	-	-
Shri B. V. Bhargava*	00001823	IND	2	No	*		
Dr. Shailendra Chouksey, Whole Time Director&	00040282	Executive	2			&	
Shri Sushil Kumar Wali, Whole Time Director&	00044890	Executive	2			&	
Dr. Kashi Nath Memani~	00020696	IND				~	

$ Excluding Private companies, Foreign companies and companies under Section 8 of the Companies Act, 2013 (Act). Independent directorships held by the Directors are in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

@Only covers Memberships / Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

#Shri Sadhu Ram Bansal was appointed as an Independent Director on the Board of Directors of the Company w.e.f. 1st July 2022.

^ Shri Arun Kumar Shukla, President of the Company was appointed as 'President & Director' on the Board of Directors of the Company w.e.f. 1st August 2022.

*Shri B.V. Bhargava ceased to be Director of the Company w.e.f. 31st August 2022, on completion of his second term as an Independent Director on 30th August 2022.

& Dr. Shailendra Chouksey and Shri Sushil Kumar Wali ceased to be Directors of the Company w.e.f. 1st August 2022, on completion of their existing term as Whole-time Directors on 31st July 2022.

~ Dr. Kashi Nath Memani had resigned from the Board of Directors of the Company w.e.f. 26th April 2022, before expiry of his term in August 2022.

Details of other Listed companies where Directors of the Company are Directors and their category of directorship (as on 31st March 2023) are as under:-

Sl. No	Name of Directors	Name of Listed Company	Category of Directorship
1	Shri Bharat Hari Singhania	JK Agri Genetics Limited	Non- Executive
		JK Paper Limited	Non- Executive
		JK Tyre & Industries Limited	Non- Executive
		Bengal & Assam Company Limited	Non- Executive
2	Smt. Vinita Singhania	JK Paper Limited	Non- Executive
		HEG Limited	Non- Executive
		Udaipur Cement Works Limited	Non- Executive
		Bengal & Assam Company Limited	Non- Executive
3	Shri Nand Gopal Khaitan	Mangalam Cement Limited	Independent
		Reliance Chemotex Industries Limited	Non- Executive
		India Power Corporation Limited	Independent
		Agi Greenpac Limited	Independent
		Hindware Home Innovation Limited	Independent
		Shyam Metalics and Energy Limited	Independent
4	Dr. Raghupati Singhania	JK Agri Genetics Limited	Non-Executive
		Radico Khaitan Limited	Independent
		JK Tyre & Industries Limited	Executive
		Bengal & Assam Company Limited	Non-Executive
5	Shri Ravi Jhunjhunwala	HEG Limited	Executive
		RSWM Limited	Non-Executive
		Maral Overseas Limited	Non-Executive
		BSL Limited	Non-Executive
		India Glycols Limited	Independent
6	Amb. Bhaswati Mukherjee	Jindal Stainless Limited	Independent
		Udaipur Cement Works Limited	Independent
		Petronet LNG Limited	Independent
7	Shri Sadhu Ram Bansal	Hindusthan Urban Infrastructure Limited	Independent
		KEI Industries Limited	Independent
		GMR Airports Infrastructure Limited	Independent

Note: Shri Arun Kumar Shukla, President & Director does not hold directorship in any other Listed company.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

The Board has identified the following as core skills/expertise/ competencies required in the context of the Company's business and sector for it to function effectively:-

(i) financial and accounting knowledge; (ii) strategic expertise; (iii) risk governance; (iv) legal & corporate governance expertise; (v) technology/ knowledge pertaining to Cement industry; (vi) commercial experience; (vii) community service, sustainability and corporate social responsibility; and (viii) quality and safety experience.

All the Board Members possess above skills collectively that enable them to make effective contribution to the Board and its Committees. The core skills of individual Directors are: (a) the Executive Directors of the Company; namely- Smt. Vinita Singhania is an Industrialist and Entrepreneur with long diversified Industry experience including Cement & Paper, etc.; Shri Arun Kumar Shukla - Professional having technical knowledge pertaining to Cement industry, Quality, Safety, Risk governance, Sustainability and Community service, with experience in Commercial, Marketing, improving plant efficiency parameters and fixed cost reductions, etc. (b) the Non-executive Directors of the Company; namely- Shri Bharat Hari Singhania, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala are eminent Industrialists and Entrepreneurs with long diversified Industry experience; Shri Nand Gopal Khaitan – Attorney -At-Law having Corporate Governance Expertise and experience in Corporate and Arbitration matters, Commercial and Civil litigation, Merger & Acquisitions and Joint Ventures coupled with Financial and Accounting Knowledge; Amb. Bhaswati Mukherjee – former Ambassador of India to Netherlands, Educationist and a prolific Writer having rich experience on International Relations, Human Rights and Community Service and Shri Sadhu Ram Bansal, Ex Chairman & Managing Director of Corporation Bank and Executive Director of Punjab National Bank, having wide Banking & Financial knowledge and a competent Administrator.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. With a view to foster an improved compliance reporting and monitoring in the Company, the Company has a web based legal compliance tool called "Compliance Manager" developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors), which is strictly adhered to. In terms of the provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said Code is available on the Company's website (www.jklakshmicement.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Smt. Vinita Singhania, Vice Chairman & Managing Director.

Relationship between Directors inter-se: Shri Bharat Hari Singhania and Dr. Raghupati Singhania are brothers. None of the other Directors are related to each other within the meaning of the Act.

The number of Equity Shares of ₹ 5/- each held by the Non-executive Directors as on 31st March 2023 are: Shri Bharat Hari Singhania – 2,06,872 shares (includes 24 shares held as Karta of Shri Bharat Hari Singhania [HUF]), Shri Nand Gopal Khaitan – 15,948 shares and Dr. Raghupati Singhania – 4,43,348 shares [includes 1,30,316 shares held as Karta of Dr. Raghupati Singhania (HUF)].

Amb. Bhaswati Mukherjee, Shri Ravi Jhunjhunwala and Shri Sadhu Ram Bansal do not hold any share in the Company.

The Company does not have any outstanding convertible instruments.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 10th February 2023. Shri Nand Gopal Khaitan was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company and the weblink is https://www.jklakshmicement.com/Familiarisation-Sheet.pdf

5. PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Act and the Listing Regulations.

The Board of Directors has made formal annual evaluation of its own performance and that of its committees and individual Directors (including Independent Directors) pursuant to the provisions of the Act and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board carried out evaluation of the performance of individual Directors (including Independent Directors) on the basis of criteria such as attendance and effective participation and contributions at the meetings of the

Board and its committees, exercise of his / her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of the Non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive and Non- executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. RESIGNATION OF AN INDEPENDENT DIRECTOR

Dr. Kashi Nath Memani (DIN: 00020696), an Independent Director had resigned from the Board of Directors of the Company, w.e.f. 26th April 2022 due to the personal reason including health.

There is no other material reason for his resignation other than stated above.

7. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 1987. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations as amended from time to time.

The Committee consists of four Directors, out of which three are Independent Directors (IND) and one is Non-executive Director (NED). Four meetings of the Audit Committee were held during the Financial Year ended 31st March 2023.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
18th May 2022	4
27th July 2022	4
3rd November 2022	4
10th February 2023	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman, IND	4
Dr. Raghupati Singhania	NED	4
Shri Ravi Jhunjhunwala	IND	4
Shri B.V. Bhargava#	IND	2
Shri Sadhu Ram Bansal$	IND	2

Shri B.V. Bhargava ceased to be a Member of the Committee, consequent to cessation of his directorship of the Company w.e.f. 31st August 2022, on completion of his second term as an Independent Director on 30th August 2022.

$ Shri Sadhu Ram Bansal appointed as a Member of the Committee w.e.f. 27th July 2022.

The Audit Committee Meetings were attended by the Chief Financial Officer, the Head of Internal Audit, Company Secretary and the Statutory Auditors. The Company Secretary acts as the Secretary to the Committee.

8. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee at the Board level which consists of four Directors, comprising two Non-executive Directors (NED), one Independent Director (IND) and one Executive Director (ED). The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
18th May 2022	4
27th July 2022	4
3rd November 2022	4
10th February, 2023	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Dr. Raghupati Singhania	Chairman, NED	4
Shri Nand Gopal Khaitan	IND	4
Shri Bharat Hari Singhania	NED	4
Dr. Shailendra Chouksey*	ED	2
Shri Arun Kumar Shukla ^	ED	2

* Dr. Shailendra Chouksey ceased to be a Member of the Committee, consequent to cessation of his directorship of the Company w.e.f. 1st August 2022, on completion of his existing term as Whole-time Director on 31st July 2022.

^ Shri Arun Kumar Shukla appointed as a Member of the Committee w.e.f. 1st August 2022.

Shri Amit Chaurasia, Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transmission of shares, non-receipt of balance sheet and dividends, etc. During the Financial Year ended 31st March 2023, the Company received 12 complaints from the investors and the same were resolved to the satisfaction of investors.

The Board of Directors has delegated the power of transmission of shares and related matters to 'Share Transfer Committee'. The share transmission and requests of other related matters are attended as required. All valid requests for transmission of shares in physical form and requests of other related matters were processed in time and there were no pending transmission of shares or other related matters. During the Financial Year ended 31st March 2023, 17 Meetings of the Share Transfer Committee were held.

9. NOMINATION AND REMUNERATION COMMITTEE

As on 31st March 2023, the Company has a 'Nomination and Remuneration Committee' comprising three Directors, including two Independent Directors (IND) and one Non-executive Director (NED). The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations as amended from time to time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
18th May 2022	4
27th July 2022	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman, IND	2
Shri B.V.Bhargava#	IND	2
Shri Ravi Jhunjhunwala	IND	2
Shri Bharat Hari Singhania	NED	2

Shri B.V. Bhargava ceased to be a Member of the Committee, consequent to cessation of his directorship of the Company w.e.f. 31st August 2022, on completion of his second term as an Independent Director on 30th August 2022.

10. NOMINATION AND REMUNERATION POLICY

The Company's Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, inter alia, specifies the role and the criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The Policy is available at the website of the Company and the weblink is https://www.jklakshmicement.com/NRC_Policy.pdf. The salient features of the Policy are as follows:

(i) The role of the Nomination and Remuneration Committee of Directors (the Committee) shall, include formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy relating to the nomination and remuneration for the Directors, Key Managerial Personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; recommendation to the Board of Directors of all remuneration, in whatever form, payable to senior management and for every appointment of an Independent Director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.

(ii) The Committee shall take into consideration the following criteria for recommending to the Board appointment of any Director of the Company: (a) Qualifications & experience; (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc.; (c) In case the proposed appointee is an Independent Director, he/she should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations; (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of applicable Laws.

(iii) The Committee will recommend to the Board appropriate compensation to be paid to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other relevant factors. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iv) The Board will review the performance of the Board of Directors, its Committees and individual Director as per the parameters and manner of performance evaluation specified by the Committee from time to time.

(v) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.

(vi) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

11. RISK MANAGEMENT COMMITTEE

As on 31st March 2023, the Risk Management Committee (RMC) consists five Members, comprising three Directors including two Executive Directors (ED), one Independent Director (IND) and other two are the Senior Executives (SE) of the Company. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Regulation 21 of the Listing Regulations, which broadly include: Formulation of Risk Management Policy (Policy) covering identification of major internal and external risks, particularly the financial, operational, sectoral, sustainability (ESG related risks), information & cyber security risks, Business Continuity Plan and measures to monitor and review risk management and mitigation plan of the Company; oversee implementation and review of the Policy and inform Board on the effectiveness of the risk management framework, etc.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
15th July 2022	5
10th January 2023	5

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri N.G Khaitan	Chairman, IND	2
Smt. Vinita Singhania	ED	2
Dr. Shailendra Chouksey&	ED	1
Shri Sushil Kumar Wali&	ED	-
Shri Arun Kumar Shukla!	ED	2
Shri S.A. Bidkar	SE	2
Shri S. Ramesh	SE	1

& Dr. Shailendra Chouksey and Shri Sushil Kumar Wali ceased to be Members of the Committee, consequent to cessation of their directorships of the Company w.e.f. 1st August 2022, on completion of their existing term as Whole-time Directors on 31st July 2022.

! Shri Arun Kumar Shukla, President of the Company, appointed as President & Director w.e.f. 1st August 2022.

In addition, the Company has an Internal Risk Management Committee since 2005, comprising President & Director and Senior Executives which meets on a quarterly basis and evaluates the efficacy of the framework relating to risk identification and its mitigation and keep the Board informed.

12. REMUNERATION PAID TO DIRECTORS

(i) Executive Directors:

(₹ in Crore)

Sl. No	Name of Directors	Particulars of Remuneration				
		Salary	Perquisites etc.	Others (mainly contribution to Provident Fund)	Commission payable	Total
1.	Smt. Vinita Singhania Vice Chairman & Managing Director	8.00	2.45	0.08	11.00	21.53
2.	Dr. Shailendra Chouksey Whole-time Director (upto 31st July 2022)	0.60	0.85	0.02	-	1.47
3.	Shri Sushil Kumar Wali Whole-time Director (upto 31st July 2022)	0.60	0.85	0.02	-	1.47
4.	Shri Arun Kumar Shukla President & Director (appointed w.e.f. 1st August 2022)	0.60	1.15	0.14	0.50	2.39

The Tenure of Office of the Managing Director and the 'President & Director' is five years and three years, respectively from their respective dates of appointment. In the case of Executive Directors, their notice period is six months. Severance Fees for the Managing Director is remuneration for the unexpired residue of her term or three years, whichever is shorter. Further, the Company does not have Sweat Equity/Scheme for stock option.

(ii) Non-executive Directors:

During the Financial Year 2022-23, the Company paid sitting fees aggregating to ₹ 33.00 Lakh to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of Directors of the Company. Commission payable to NEDs is ₹ 312.00 Lakh; Shri Bharat Hari Singhania, Chairman - ₹ 250.00 Lakh, ₹12.00 Lakh each to Shri Nand Gopal Khaitan, Amb. Bhaswati Mukherjee, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala, ₹ 5.00 Lakh to Shri B.V. Bhargava and ₹ 9.00 Lakh to Shri Sadhu Ram Bansal. The NEDs did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

13. GENERAL BODY MEETINGS

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

Year	Location	Date	Time
2019- 20	Video Conferencing/Other Audio Visual Means	28th August 2020	2.30 P.M.
2020-21	Video Conferencing/Other Audio Visual Means	26th August 2021	2.30 P.M.
2021-22	Video Conferencing/Other Audio Visual Means	17th August 2022	2.30 P.M.

Details of Special Resolutions passed in the previous three AGMs: Special Resolutions for: (1)Borrowing of monies of upto ₹ 3,500 Crore and creation of security/charge for the borrowed funds of upto ₹ 3,500 Crore, were passed in the AGM held on 28th August 2020. (2) (a) Re-appointment of Smt. Vinita Singhania as Managing Director for a period of five years w.e.f. 1st August 2021; (b) Continuation of directorship of Dr. Raghupati Singhania, as Non-executive, Non-Independent Director liable to retire by rotation; (c) Adoption of new set of Articles of Association of the Company; (d) Re-appointment of Amb. Bhaswati Mukherjee as an Independent Director for a second term of five consecutive years w.e.f., 28th March 2022;(e) Continuation of Shri Bharat Hari Singhania, Chairman, as Non-Executive, Non Independent Director, liable to retire by rotation; (f) Payment of remuneration by way of commission or otherwise to Non-executive Directors (including Independent Directors) not exceeding three percent of the annual net profits of the Company for each financial year, were passed in the AGM held on 26th August 2021. (3) (a) Appointment of Shri Sadhu Ram Bansal, as an Independent Director of the Company for a term of three consecutive years with effect from 1st July 2022; (b) Appointment of Shri Arun Kumar Shukla as 'President & Director' of the Company for a period of three years w.e.f. 1st August 2022; (c) Borrowing of monies of upto ₹ 4,000 Crore and creation of security/charge for the borrowed funds of upto ₹ 4,000 Crore, were passed in the AGM held on 17th August 2022.

During the Financial Year 2022-23, no resolution was put through Postal Ballot. No Special Resolution passed last year through Postal Ballot. There is no immediate proposal for passing any Special Resolution through Postal Ballot.

14. DISCLOSURES

(i) **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: None

Suitable disclosures as required by Ind AS- 24 – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Act and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is https://www.jklakshmicement.com/JKLC-RPT-Policy.pdf

(ii) **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years:** There were no cases of non-compliance of any matter related to capital markets during the last three years.

(iii) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 25th July 2014 had established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behavior, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action. The details of establishment of such mechanism has been also disclosed on the website of the Company. During the year, no concerns or any fraud were reported. Further, it is affirmed that no personnel has been denied access to the Audit Committee.

(iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees.

During the year, there was no complaint filed with ICC and no complaint pending as on 31st March 2023.

(v) **Disclosure of commodity price risks and commodity hedging activities:** As a part of Risk Management Policy, the Company has identified fluctuations in major commodity prices as one of the risks. To mitigate the same, the Company undertakes commodity hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to ensure availability of raw material and prices under check.

Requisite details pursuant to SEBI Circular dated 15th November 2018: For the Financial Year 2022-23, Company's exposure in petcoke and coal was more than 10% of the total cost of production. Board of Directors considered Petcoke and Coal as 'Material' commodities for the purpose of disclosure as required under the aforesaid SEBI Circular.

(a) Total exposure of the Company to commodities: ₹ 1,227 Crore.

(b) Exposure of the Company to various commodities:

Commodity Name	Exposure in ₹ towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Petcoke	789 Crore	3.99 Lakh MT	Nil	Nil	Nil	Nil	Not Applicable
Coal	438 Crore	6.07 Lakh MT	Nil	Nil	Nil	Nil	Not Applicable

(c) Commodity risks faced by the Company during the year: Nil

(vi) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** During the Financial Year ended 31st March 2023; the Company has not raised funds through Preferential Allotment or through Qualified Institutions Placement.

(vii) **Certificate:** The Company has received a certificate dated 8th May 2023 from Shri Namo Narain Agarwal, Company Secretary in Practice (FCS No: 234, CP No. 3331) that none of the Directors on the Board of JK Lakshmi Cement Ltd. have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

(viii) **Subsidiary Companies:** The Financial Statements, in particular, the investments made by the unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meeting of the Company.

Udaipur Cement Works Limited (UCWL), a listed entity, incorporated on 15th March 1993 at Jaipur and currently having registered office at Shripati Nagar, CFA, P.O. Dabok, Udaipur, Rajasthan-313022, is a material subsidiary as defined in Regulation 16 of the Listing Regulations and the relevant requirements have been duly complied with. M/s Bansilal Shah & Co., Chartered Accountants are Statutory Auditors of UCWL, re-appointed for a second term of five consecutive years, at the AGM held on 17th August 2019 w.e.f. the said date.

The Company has formulated a policy for determining material subsidiary as required under above Regulation and the same is disclosed on the Company's Website. The web link is https://www.jklakshmicement.com/Policy-for-Determining-Material-Subsidiary.pdf

(ix) **Credit Ratings**

Ratings to various facilities of the Company by Rating Agencies are as under:

Sl. No.	Facility	Rated Amount (₹ Crore)	Outstanding as on 31.3.2023 (₹ Crore)	Rating Agency	Rating Assigned
A	**Long Term Bank Facilities**				
1	Long Term Bank facilities	1,054.50	688.93	CARE Ratings Ltd.	CARE AA; Stable (Double A; Outlook Stable)
2	Long Term Bank facilities	998.99	688.93	CRISIL Ltd.	CRISIL AA; Stable (Double A; Outlook Stable)
3	Fixed Deposits	100.00	65.31	CARE Ratings Ltd.	CARE AA (FD); Stable (Double A [Fixed Deposits]; Outlook Stable)
4	Fixed Deposits	100.00	65.31	CRISIL Ltd.	CRISIL FAA+ ; Stable (F Double A : Outlook Stable)
B	**Short Term Bank Facilities**				
1	Short Term Bank Facilities	1,100.00	-	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
2	Short Term Bank Facilities	1,100.00	-	CRISIL Ltd.	CRISIL A1(+) (A One Plus)
3	Commercial Paper	175.00	-	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
4	Commercial Paper	175.00	-	CRISIL Ltd.	CRISIL A1(+) (A One Plus)

(x) **Dividend Distribution Policy:** The Company has framed a Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations. The Policy has been posted on the website of the Company and the web-link is https://www.jklakshmicement.com/Dividend-Distribution-Policy.pdf

(xi) There were no instances where the Board had not accepted any recommendation of any Committee of the Board during the Financial Year ended 31st March 2023.

(xii) **Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part:** Details relating to fees paid to the Statutory Auditors are given in Note 51 to the Standalone Financial Statements. No fee has been paid by any of the subsidiaries to the said Statutory Auditors. Further, no fee was paid by any of the subsidiaries or by the Company to any entity in the network firm/network entity of which the Statutory Auditor is a part.

(xiii) **Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firm/companies in which Directors are interested by name and amount':** Nil.

15. MEANS OF COMMUNICATION

Quarterly, Half-yearly and Annual financial Results are generally published in the leading English newspapers, including, The Economic Times, Financial Express, Business Standard, Hindustan Times, Hindu Business Line & Mint and one regional daily newspaper namely Rajasthan Patrika (Pali), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the Company's website – www.jklakshmicement.com. Official news releases are also available on the Company's website.

Presentations made to Institutional Investors or to the Analysts, if any, are promptly displayed on the website of the Company.

16. GENERAL SHAREHOLDERS' INFORMATION

(i) Registered Office
Jaykaypuram- 307 019, Distt. Sirohi, Rajasthan.

(ii) Annual General Meeting (AGM)

(a) Date,Time and Venue: Please refer to Notice of the AGM

(b) A brief resume and other particulars of the Director seeking appointment/ re-appointment at the aforesaid AGM is given in the Explanatory Statement to the Notice convening the said AGM.

(iii) **Financial Year:** April 1 to March 31.

(iv) **Financial Calendar (Tentative)**

Financial Reporting • for the quarter ending 30.06.2023 • for the half-year ending 30.09.2023 • for the quarter ending 31.12.2023	Within 45 days of the end of the quarter
• for the year ending 31.03.2024 (Audited)	Within 60 days of the end of the financial year.
• Annual General Meeting for the Financial Year ending 2023-24	Between July to September 2024

(v) **Dividend Payment Date:** Within three to four weeks of conclusion of AGM.

(vi) **Date of Book Closure:** Refer AGM Notice.

(vii) **Names and address of Stock Exchanges where Equity Shares of the Company are listed:** The Equity Shares of the Company (Face Value: ₹ 5/- each) are listed on:

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.

The Annual Listing Fees for the financial year 2023-24 has been paid to both the aforesaid Stock Exchanges.

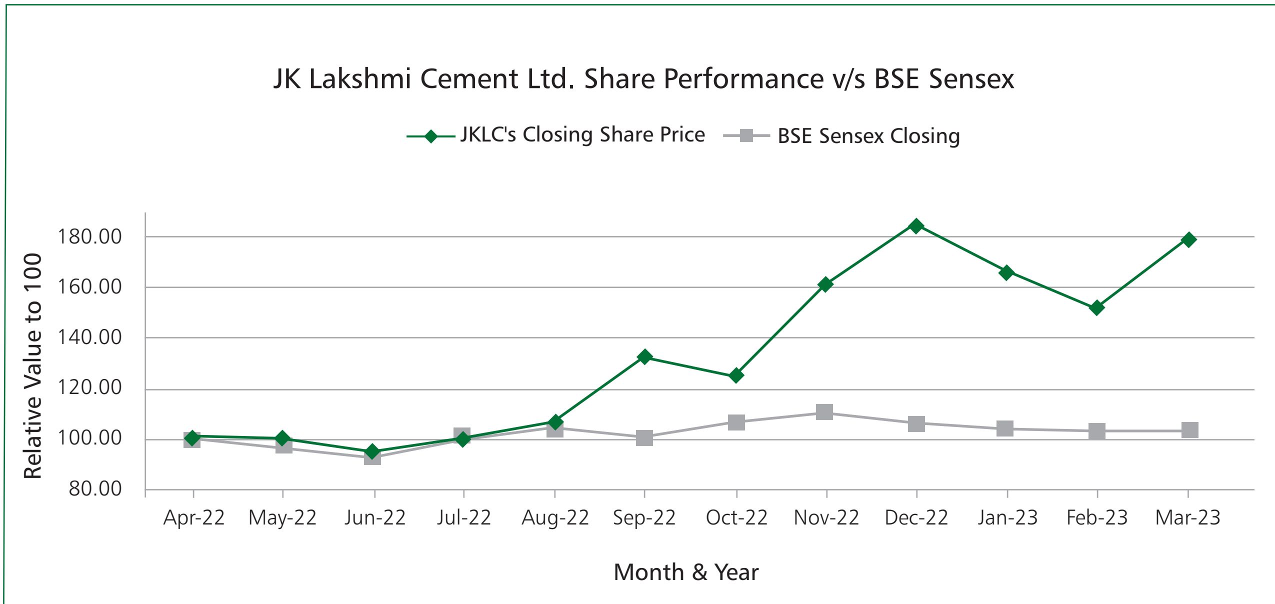
The securities of the Company are never suspended from trading.

(viii) **Security Code for Company's Equity Shares on Stock Exchanges and ISIN:**

BSE – 500380 and NSE – JKLAKSHMI, ISIN: INE786A01032.

(ix) **Stock Market Price Data**

Months (2022-23)	BSE Ltd. (₹)		National Stock Exchange of India Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2022	483.00	430.80	483.20	431.00
May 2022	505.95	368.65	505.80	366.25
June 2022	460.15	382.10	461.00	382.80
July 2022	467.00	412.10	467.00	412.00
August 2022	483.70	443.00	483.85	438.95
September 2022	683.85	464.20	684.50	465.10
October 2022	588.80	528.00	589.15	527.65
November 2022	719.05	543.60	719.10	549.05
December 2022	897.00	710.00	896.90	710.20
January 2023	824.10	701.25	824.35	702.10
February 2023	808.00	667.05	809.00	667.00
March 2023	797.00	646.40	798.40	646.35



(x) Distribution of Shareholding as on 31st March 2023

No. of Equity Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	58,54,629	4.97	1,15,885	97.00
501-1,000	14,79,288	1.26	1,979	1.66
1,001-5,000	25,06,695	2.13	1,193	1.00
5,001-10,000	11,43,182	0.97	156	0.13
10,001 & above	10,66,86,272	90.67	255	0.21
TOTAL	11,76,70,066	100.00	1,19,468	100.00

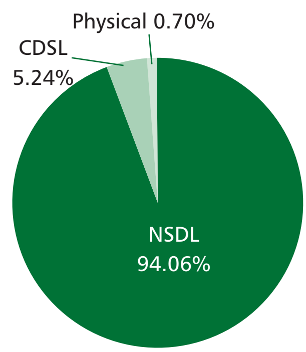
(xi) Share Transfer System

Pursuant to the provisions of the Listing Regulations, as amended vide SEBI's Notifications dated 30th November 2018 and 24th January 2022, read with SEBI's Circular dated 25th January 2022, transfer of shares in physical form is not permitted. Accordingly, transfer of shares shall be processed only in the dematerialised form with a depository. Further, transmission or transposition of shares held in physical or dematerialised form shall also be effected only in dematerialised form. On receipt of any request for duplicate issue / renewal / exchange / endorsement / sub-division / splitting / consolidation / transmission / transposition of share certificate by the Company, our RTA will issue a "Letter of Confirmation" in the prescribed format to effect issuance of shares in dematerialised form.

(xii) Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are actively traded on BSE and NSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their physical shares, with any one of the Depositories namely NSDL and CDSL. The ISIN for Equity Shares of the Company for both the depositories is INE786A01032. As on 31st March 2023, 99.30% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Particulars and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.

Shares held in Physical/Demat Form (with NSDL & CDSL) as on 31st March 2023



(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31st March 2023– NIL.

(xiv) **Commodity price risk or Foreign Exchange risk and hedging activities:** During the Financial Year ended 31st March 2023, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contracts.

(xv) **Plant and AAC Block Locations:**

(1) **JK Lakshmi Cement**
Jaykaypuram,
Dist. Sirohi - 307 019 (Rajasthan)

(2) **JK Lakshmi Cement**
Malpuri Khurd, Ahiwara,
District Durg-491001 (Chhattisgarh)

(3) **JK Lakshmi Cement**
Motibhoyan, Kalol
District Gandhi Nagar – 382010 (Gujarat)

(4) **JK Lakshmi Cement**
& Autoclaved Aerated Concrete (AAC) Block Unit
Village Bajitpur, P.O. Jhamri,
District Jhajjar-124507 (Haryana)

(5) **JK Lakshmi Cement**
Village Dastan, Taluka Palsana,
District Surat-394310 (Gujarat)

(6) **JK Lakshmi Cement**
Village Ghantikhal, Radhashyampur,
P. O. Khuntuni, District Cuttack-754 297 (Odisha)

(7) **JK Lakshmi Cement**
Autoclaved Aerated Concrete (AAC) Block Unit
Jawn, Anup Shar Road, Village Nagaula,
Aligarh - 202126

(xvi) **Address for correspondence regarding share related matters**

(1) **JK Lakshmi Cement Limited**
Secretarial Department,
Gulab Bhawan, 3rd Floor (Rear Block),
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002
Ph:(011) 6820 1862
Contact Person: Shri Amit Chaurasia
(E-mail: jklc.investors@jkmail.com)

(2) **Registrar & Share Transfer Agent (RTA) – MCS Share Transfer Agent Ltd.**
F-65, First Floor, Okhla Industrial Area,
Phase – I, New Delhi – 110 020,
Ph. (011) 41406149-50,
Fax No. (011) 41709881
E-mail: admin@mcsregistrars.com
Contact Person: Shri Ajay Dalal
E-mail: ajay.dalal@mcsregistrars.com

(xvii) This Corporate Governance Report of the Company for the Financial Year ended 31st March 2023 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xviii) Adoption of discretionary requirements specified in Part E of Schedule II to the Listing Regulations (a) The Board: The Chairman of the Company is Non-executive w.e.f. 1st October 2021.The Members at the Annual General Meeting held on 26th August 2021 have approved maintenance of Chairman's Office pursuant to Regulation 27(1) of the Listing Regulations; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jklakshmicement.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of Shareholders; (c) Modified opinion(s) in audit report: The Company has had a regime of financial statements with unmodified opinion of Auditors; (d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Shri Bharat Hari Singhania, Chairman, is a Non-Executive Director and is not related to the Managing Director of the Company; (e) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit Report to the Audit Committee on quarterly basis.

(xix) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub–regulation (2) of Regulation 46 of the Listing Regulations.

(xx) (a) Transfer of Shares to IEPF Authority:

In accordance with the Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPFA Rules), the Company has transferred 66,043 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF) Authority, during the year. The details of such Shareholders are available on the Website of the Company at www.jklakshmicement.com. The said shares can be claimed back by the Shareholders from the IEPF Authority as per the procedure laid down in the IEPFA Rules.

(b) Information in terms of Schedule V (F) of the Listing Regulations:

The Company does not have any share in the demat suspense account or unclaimed suspense account.

17. DECLARATION

This is to confirm that for the Financial Year ended 31st March 2023, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Vinita Singhania
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JK Lakshmi Cement Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by JK Lakshmi Cement Limited ("the Company"), as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the financial year ended March 31, 2023.

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Regulations. This certificate 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.

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN - 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 19th May 2023
UDIN: 23087294BGTGTV6657

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	:	L74999RJ1938PLC019511
2.	Name of the Listed Entity	:	JK Lakshmi Cement Ltd.
3.	Year of Incorporation	:	1938
4.	Registered Office Address	:	Jaykaypuram, Distt.: Sirohi- 307 019, Rajasthan
5.	Corporate Address	:	Nehru house, 4, Bahadur Shah Zafar Marg, New Delhi-110 002
6.	E-mail	:	lakshmi_cement@lc.jkmail.com
7.	Telephone	:	Ph. No.: 02971-244409/244410 Fax No.: 02971-244417
8.	Website	:	www.jklakshmicement.com
9.	Financial Year for which reporting is being done	:	1st April 2022- 31st March 2023
10.	Name of the Stock Exchange(s) where shares are listed	:	BSE Ltd. National Stock Exchange of India Ltd.
11.	Paid-up Capital	:	₹ 58.85 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Shri Arun Kumar Shukla President & Director Tel. Number - +91 11 68201877 E-mail id : arun.shukla@jkmail.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	:	The disclosures under this Report are made on a standalone basis.

II. Products / services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Cement Manufacturing	Cement Manufacturing & Selling	92%

15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Cement & Clinker	2394	92%

III Operations

16. Number of locations where plants and/or operations / offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2 Integrated Cement Plants & 4 Grinding Units	28	34
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	18 States & UTs
International (No. of Countries)	One (Only India)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable as the Company is not exporting cement.

c. A brief on types of customers

Trade customers- IHB- Individual home builders who built their home on a plot of land

Non-Trade- Institutional customers -entities who buy cement from the Company for various housing and commercial / government projects.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
			EMPLOYEES			
1.	Permanent (D)	1476	1461	99%	15	1%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D+E)**	1476	1461	99%	15	1%
			WORKERS			
4.	Permanent (F)	223	223	100%	0	0
5.	Other than Permanent (G)	2069	1871	90%	198	10%
6.	**Total workers (F+G)**	2292	2094	91%	198	9%

b. Differently abled Employees and Workers:

S. No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent(D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D+E)**	0	0	0	0	0
			DIFFERENTLY ABLED WORKERS			
4.	Permanent(F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F+G)	0	0	0	0	0

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	8	2	25%
Key Management Personnel *	4	1	25%

* Including two Executive Directors

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.7%	0.3%	10.0%	10.2%	0	10.2%	10.3%	0.4%	10.7%
Permanent Workers	1.28%	0	1.28%	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding* / subsidiary /associate companies / joint ventures (A)	Indicate whether holding*/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? Yes/No)
1.	Hansdeep Industries & Trading Company Ltd.	Subsidiary	100%	No
2.	Udaipur Cement Works Ltd.	Subsidiary	Equity -72.54%	No
3.	Ram Kanta Properties Pvt. Ltd.	Subsidiary	100%^	No
4.	Dwarkesh Energy Ltd.	Associate	Equity – 35%	No

* The Company does not have any holding company; ^ Wholly Owned Subsidiary of Hansdeep Industries & Trading Company Ltd.

VI. CSRDetails

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹) 6071.05 Crores

(iii) Net worth (in ₹) 2723.74 Crores

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Rem-arks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NIL	NIL	NIL		NIL	NIL	
Investors (other than shareholders)	NIL	NIL	NIL		NIL	NIL	
Shareholders	Yes** www.jklakshmicement.com	12	0	**	10	1	** (Pending Complaint resolved)
Employees and workers	NIL	NIL	NIL	NIL	NIL	NIL	
Customers	178	178	NIL	All Resolved	173	NIL	All Resolved
Value Chain Partners	NIL	NIL	NIL		NIL	NIL	
Other – Community	NIL	NIL	NIL	NIL	NIL	NIL	

** The Company has a dedicated Manager level employee who regularly keeps a track of the complaints received from shareholders and promptly responds (say 3 to 5 days) to the Complainant to ensure that the complaint is resolved immediately to the satisfaction of the Shareholder without any delay. All the complaints of shareholders received during a quarter, if any and actions taken thereon are placed before a Board level Committee, constituted under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

24. Over view of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

The Company has identified various risks on key material aspects that relate to all dimensions of sustainability to mitigate and create opportunity through innovation and consistency. Some key risks identified out of material aspects are given below:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Economic Value & Business Performance	R	Poor business performance affects employee morale, productivity and innovation. It further hampers the reputation of the Company and implies reduced business opportunities for an enterprise, meaning lower dividends for shareholders and increased cost of capital.	To be among the top five EBDITA players in the industry	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Customer Satisfaction	R	Lack of initiatives towards sustaining customer satisfaction hampers customer loyalty, leading to reduced market reputation and lower revenue from sales.	Company has key focus on the customer centricity and robust mechanism to resolve their grievances	Negative
3.	Integrity and Transparency	R	Unethical acts by an enterprise can bring about substantial reputational damage to a Company, hence affecting its future earnings besides regulatory penalties.	Policies in place.	Negative
4.	Compliance to Regulations	R	Sanctions and financial penalties may be imposed on an enterprise by the regulatory authorities for acts of non-compliance.	Strong internal compliance system in place	Negative
5.	Human Capital Development	R	Lack of human capital development initiatives will lead to reduced employee productivity and poor turn-around time, leading to weak performance at the operational level. Also hampers Company's overall performance and progress towards its strategic targets, leading to decline in revenues.	Various initiatives	Negative
6.	Community Development	R	Lack of community development initiatives can bring about hostility and unrest among the local community, thus endangering the Company's social license to operate.	Strong CSR initiatives	Negative
7.	Occupational Health and Safety	R	Insufficient investment towards ensuring occupational health and safety of employees has a direct negative impact on labour costs through lower productivity. Lower performance not only poses threat to a Company's reputation and staff morale, but also results in increased operating costs in the form of fines and other contingent liabilities.	Maintain Zero Loss Time Injury Frequency Rate (LTIFR)	Negative
8.	Energy and Emissions	R	Having a poor track record in energy consumption and emissions management is likely to experience reduced trust from investors and stakeholders. The regulatory authorities may impose penalties on the Company due to poor energy and emissions performance.	Increased usage of solar and other renewable source of energy	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Water Management	R	Lack of water management initiatives will lead to depletion of water resources in an area and impacting social and biodiversity value.	Various water stewardship projects	Negative
10.	Resource Conservation	R	Poor resource management will have impact on Company's long lasting existence and performance, it will also lead to resource depletion.	Enhanced use of Alternative Fuel and Raw Material (AFR) and pro-active resource conservation initiatives	Negative
11.	Sustainable Supply chain partners	O	Build sustainable Supply chain and mitigate disruption and reputational risks	Focus on sustainable sourcing	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No) NOTE: These policies, have been signed approved by President & Director of the Company.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	It has been the Company's practice to upload all the policies on the intranet for the information and implementation by internal stakeholders. The Code of Conduct for Board Members and Senior Management and other relevant policies are available on the website of the Company at https://www.jklakshmicement.com/code-of-conduct/ and https://www.jklakshmicement.com/companies-policies-other-information/ Weblink of ESG/ sustainability policy is below- https://www.jklakshmicement.com/esg-policies/								
2. Whether the entity has translated the policy into procedures. (Yes /No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies are based on all the above prescribed principles. The key focus of these policies is to follow the spirit of national and international standards like ISO45001; UNGC Guidelines; GRI Standards; WBCSD and others wherever applicable.								

	P1- Quality management (ISO 9001:2015) P2- Quality management (ISO 9001:2015); Energy management (ISO50001:2018); Occupational Health and Safety management (ISO45001:2018); Environment Management (ISO14001:2015) NABL Lab (ISO/IEC 17025) PPC [IS 1489 (PART 2)]; Composite (IS 16415: 2015); Slag (IS 455: 2015); OPC (IS 269:2015) Green certification P3- Quality management (ISO 9001:2015) Energy management (ISO50001:2018) ;Occupational Health and Safety management (ISO45001:2018); Environment Management (ISO14001:2015) P4- Quality Management (ISO 9001:2015) P5- Quality Management (ISO 9001:2015) P6- Energy management (ISO50001:2018) ; Occupational Health and Safety Management (ISO45001:2018) P7- Quality Management (ISO 9001:2015) P8- Quality Management (ISO 9001:2015); Energy Management (ISO50001:2018); Occupational Health and Safety management (ISO45001:2018); Environment Management (ISO14001:2015) P9- Quality management (ISO 9001:2015)
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Goals and targets are set annually which are derived from Company Strategic Business Plan. Specific sustainability targets have been identified and the timelines for achieving carbon neutrality are being defined. All other specific targets – long term and short term -are periodically reviewed and approved by management.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	For all identified KPIs, performance reviews are conducted on annual basis by the top management in Business Review Meetings.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

   Being a responsible cement manufacturing Company, we at JK Lakshmi Cement Ltd. (JKLC) are committed for the BRSR and ESG principles, inclusive growth, UN Sustainable Development Goals and other commitments of the nation. We are committed to continuously strive for improving our ESG performance by not only mitigating social and environmental negative impacts but by creating positive externalities through our business operations.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Shri Arun Kumar Shukla President & Director
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Please refer response given at Question No. 8.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Halfyearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Performance review of selected key KPIs are conducted by President & Director at the defined frequency.									Annually								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Senior leadership team									Quarterly								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Independent assessment has not been done yet as we have been in the process of policy formation, deployment and its dissemination. This will be planned at an appropriate time. However, the respective functions evaluate the policy on regular basis internally based on the inputs received from stakeholders.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable (NA)

Questions	P 1	P 2	P 3	P 1	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors /	2	(i) Updates on Sustainability initiatives including CSR initiatives undertaken.	100%
Key Managerial Personnel	4	(ii) Updates on Whistle Blower Mechanism and Code of Conduct for Members of Board and Senior Management. The Board members has been updated with the above and the underlying principles thereby adding values.	100%
Employees other than BOD and KMPs	271	Ethics; code of conduct; safety; JKLC core values; vision; mission; competencies; Emergency plan; ERP; waste management; 5S; Sustainability; Whistle Blower; Prevention of Sexual Harassment at workplace and others	100%
Workers	3,265	Safety trainings; H & S; Emergency; Hazards; Waste Management; First Aid; Mission; Core Values and others	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In ₹)	Brief of the Case	Has an Appeal been filed
Penalty/Fine	Principle 9	Competition Commission of India	6.55 Crores	Competition Commission of India (CCI) vide its order dated 19th January 2017 had imposed a penalty on certain cement companies including a penalty of ₹ 6.55 Crores on the Company pursuant to a reference filed by the Government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said order. COMPAT has granted a stay on CCI's order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT. Based on the legal opinion, the Company believes that it has a good case in the matter.	Yes
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an Appeal been filed
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case details	Name of the regulatory / enforcement agencies/ Judicial institutions
The Competition Commission of India finally vide order dated 19-1-2017 held seven cement companies guilty of bid rigging and imposed fine of Rs. 205.73 in aggregate on them out of which JKLC alone has been penalized for ₹ 6.55 crores.	All the seven companies filed appeal before Competition Appellate Tribunal (now transferred to National Company Law Appellate Tribunal). JK Lakshmi Cement was first to file the appeal bearing no.- Transfer Appeal (Appellate Tribunal) (Competition) No 39 of 2017 (earlier appeal no. 2 of 2017 before COMPAT). The appeal is yet to be heard and finally disposed. We are ethically, and socially responsible Company and we very strongly reiterate that we have never been a part of bid rigging or any other wrongdoing in our business practices and would like to reassure to all our stakeholders that the Company has never indulged or was part of any bid rigging or has undertaken any unfair practices.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, we do have a policy. In addition, the required steps to ensure proper reporting of such incidents have been given in Vigil Mechanism /Whistle Blower Policy.

https://www.jklakshmicement.com/wp-content/uploads/2023/05/Anti-Bribery-Policy.pdf

https://www.jklakshmicement.com/Vigil-Mechanism.pdf

5. **Number of Directors / KMPs /employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery /corruption:**

	FY 2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	N.A.	NIL	N.A.

7. **Provide details of any corrective action taken or underway on issues related to fines /penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

NIL

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/ principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

Being a responsible organization we have been discussing and creating awareness among our stakeholders through formal and informal channels. We plan to conduct structured trainings and awareness programs for our value chain partners in coming years.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, we do have a process in place which is governed by the "Code of Conduct for Members of the Board and Senior Management" of JK Lakshmi Cement Ltd. Web link to the same is: https://www.jklakshmicement.com/code-of-conduct/

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	Details of improvement in environment and social impacts
R & D (₹)	7.63 Crores	7.43 Crores	Company's R & D is engaged in developing innovative green products, process improvement in cement manufacture, reduction in carbon emission and developing alternative building materials.
Capex (₹)	74.45 Crores	160.82 Crores	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the Company has a sustainable sourcing policy in place. We have digital vendor registration process in place which mandates vendors to provide information while registration on sustainability aspects like "Social accountability, ESG aspects, wastes management, ISO's registration, etc.". On successful completion of survey, vendors can only proceed further for registration.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   70% of input Raw Material sourced (i.e., Flyash / Gypsum except natural / Slag etc.), successfully eliminating the similar amount of requirement of virgin natural resource of raw material required for production of cement is attributable as industrial waste sustainable sourced materials.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   We believe in "waste to wealth" and from the very beginning of the project, we adopted the "Reduce -Reuse – Recycle (3Rs) " principle.

   - JKLC as brand owner has applied for registration against Extended Producer Responsibility (EPR) under Plastic Waste Management Rules, 2016 & as amended. As per EPR guidelines, we have achieved 25% target for FY 2021-22 and 70% target for FY 2022-23. The major product of JKLC is Cement, which is packed in cement bags. In most of the cases these bags are reused for construction purpose as well as for storing other items like grains, fodder etc. Plastic bags once discarded are also recycled by waste recyclers to make new bags. JKLC utilizes waste in form of Refused Derived Fuels (RDFs) in Co-processing Cement Kiln. Furthermore, we have also met our targets with the help of CPCB authorized recyclers.
   - Ours is a Cement product so there is no E-waste generated from the manufacturing process. However, the only E-waste generated is from the office operations and whatever E-Waste generated is being sold to the CPCB registered recyclers.
   - During cement manufacturing, only used oil generated from operational machinery (hazardous waste) from our plant. Used oil is stored at identified best isolation locations in plant boundary which is sold to SPCB/CPCB authorized recyclers. Moreover, we are utilizing hazardous waste as an alternative fuel and raw materials (AFR) in our cement manufacturing process, generated as waste/byproduct from other industries.
   - We have adopted Vermi compost process in our plant to convert organic waste into nutrient rich Vermi compost. We have also used 5 years old lab tested cemented cubes to make walkway. We follow paperless processes through adoption of S4HANA SAP system in our work to reduce generation of paper waste. We have adopted a closed loop cement manufacturing process. If any case whatever waste generated from the manufacturing process, it is being utilized in cement manufacturing process.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes. Extended Producer Responsibility (EPR) is applicable to us. We have submitted the waste collection plan, which is in line with the EPR plan, to concerned State pollution Control Boards and Central Pollution Control Board. As per EPR guidelines, we have achieved 25% target for FY 2021-22 and 70% target for FY 2022-23.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
We have planned for LCA of our products in the coming years.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused in put material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Chemical Gypsum /Gypsum Waste	4%	4%
Fly ash	18%	20%
Red Ochre	1%	2%
Marble Waste	1%	1%
Calcite	0%	0%
Iron Slage	2%	2%
Granulated Slag	1%	1%
FF Slag	0%	0%
Block Dust/Flyash -Rubber	0%	0%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

Note: - JKLC as brand owner manufacture Cement and Clinker where only Polypropylene (PP) bags are being used to pack cement products. We do not reclaim the same material used in our product packaging material but through CPCB authorized recyclers, we recycle the plastic packaging materials as per the guidelines of Extended Producer Responsibility (EPR). EPR is applicable to us. As per EPR guidelines, we have achieved 25% target for FY 2021-22 and 70% target for FY 2022-23.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging material as % of total products sold in respective category
Cement and PP Bags	25% (FY 2021-22)
	70% (FY 2022-23)

Note: - JKLC as brand owner manufacture Cement and Clinker where only Polypropylene (PP) bags are being used to pack cement products. We do not reclaim the same material used in our product packaging material but through CPCB authorized recyclers, we recycle the plastic packaging materials as per the guidelines of Extended Producer Responsibility(EPR). EPR is applicable to us. As per EPR guidelines, we have achieved 25% target for FY 2021-22 and 70% target for FY 2022-23.

PRINCIPLE 3: Businesses should respect and promote the well-beingofallemployees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number(B)	%(B /A)	Number(C)	%(C/A)	Number(D)	%(D/A)	Number(E)	% (E /A)	Number(F)	% (F /A)
Permanent employees											
Male	1461	1461	100%	1461	100%	NA	NA	NA	NA	NA	NA
Female	15	15	100%	15	100%	15	100%	NA	NA	15	100%
Total	1476	1476	100%	1476	100%	15	1%	NA	NA	15	1%
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number(B)	%(B /A)	Number(C)	%(C/A)	Number(D)	%(D/A)	Number(E)	% (E /A)	Number(F)	% (F /A)
Permanent workers											
Male	223	223	100%	223	100%	NA	NA	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	223	223	100%	223	100%	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	1871	1871	100%	1871	100%	NA	NA	NA	NA	NA	NA
Female	198	198	100%	198	100%	198	100%	NA	NA	198	100%
Total	2069	2069	100%	2069	100%	198	10%	NA	NA	198	10%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	As Per Act	As Per Act	Yes	As Per Act	As Per Act	Yes
Others- please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes the Company has a policy on diversity and inclusion and the actions are being taken.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company is committed to being an equal opportunity employer and ensure an inclusive workplace for all. The policy is being developed.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	Permanent Employees		Permanent Workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	100%	100%	N.A.	N.A.
Total	100%	100%	N.A.	N.A.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Company's policy and Union Meetings
Other than Permanent workers	Grievance Handling Mechanism
Permanent employees	As a part of our open and transparent culture, we follow open door policy. So every employee can share their concerns to their functional heads or leaders at any point in time.
Oher than Permanent Employees	They can directly approach the respective HODs/ In Charge and the same is addressed by the respective HODs/ In Charge.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association (s) or Union (B)	%(B/ A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union (D)	%(D/C)
Total Permanent Employees	342	0	0	352	0	0
- Male	338	0	0	347	0	0
- Female	4	0	0	5	0	0
Total Permanent Workers	219	219	100%	218	218	100%
- Male	219	219	100%	218	218	100%
- Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health Safety Measures		On Skill Upgradation		Total (D)	On Health Safety Measures		On Skill Upgradation	
		No. (B)	%(B /A)	No. (C)	%(C/A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Employees										
Male	1461	1461	100%	1271	87%	1445	1445	100%	1277	88%
Female	15	15	100%	14	93%	17	17	100%	15	88%
Total	1476	1476	100%	1285	87%	1462	1462	100%	1292	88%
Workers										
Male	223	223	100%	198	89%	218	184	84%	177	81%
Female	0	0	0	0	0	0	0	0	0	0
Total	223	223	100%	198	89%	218	184	84%	177	81%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1461	1461	100%	1445	1445	100%
Female	15	15	100%	17	17	100%
Total	1476	1476	100%	1462	1462	100%
Workers						
Male	223	223	100%	218	218	100%
Female	0	0	0	0	0	0
Total	223	223	100%	218	218	100%

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

JKLC is ISO 45001:2018 certified Company and Occupational Health and Safety Management system is implemented. All the integrated units as well as grinding units including marketing operations are ISO 45001:2018 certified

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

JKLC has a process for hazard identification that is ongoing and proactive. The processes consider the criteria as per Clause 6.1.2.1 of ISO 45001:2018. HIRA module is there in SAP system for carrying out Hazard identification and Risk Assessment and is available online for shopfloor use. HAZOP study is done for SNCR system and Fire load assessment is done for deployment of active and passive control measures.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, our commitment reflects in our OH&S policy, We encourage our employees to report identified near miss incidents through digital platform i.e., near miss reporting system, BBS observation module and Safety visit app as well as near miss reporting form available in hard form. We have Suggestion scheme for suggestions including safety suggestion and section level safety committee meetings are conducted monthly and apex level safety committee meetings are conducted quarterly for ensuring occupational health and safety and address identified work-related hazards.

d. **Do the employees / worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, all the employees including workmen have access to non-occupational & healthcare services in our plants. We have fully equipped Occupational Health Centers (OHC) in our township. Our OHC is opened for all staffs including workmen & their family members.

Our OHC have following facilities:

- One well experienced & certified doctor & two nurses (Male & Female) always available.
- X-Ray, lab & ECG facility.
- Separate wards for male & female.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.18
Total recordable work-related injuries	Employees	0	0
	Workers	0	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities) (Permanent disability and occupational disease)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Caring for people is one of our core values and we aim for Zero Harm. Our OH&S Vision is "To be a recognized leading Company promoting healthy and safe workplace for achieving goal of "Zero Harm"" and OH&S Mission is "To develop and implement user friendly and effective OH&S Management System that fits to the organization and drive Risk Prevention Culture". We sustained plant operations by identifying potential area proactively and address them in user friendly manner through digitalizing business processes. Some key initiatives include -

a) Learning kiosk for self-assisted learning.

b) Digital SAP based system for Hazard Identification and Risk Assessment, TBT & BBS Observation.

c) Digital SAP based system for capturing Near Miss incidence and ensure elimination of its root cause.

d) Digital SAP based system for plant safety inspection.

e) Mobile app for safety inspection of utilities and portable equipment and machines.

f) Mobile app for safety visit.

g) Digital system for permit to work and LOTOTO (Lock out tag out and try out).

h) RFID tagging system for ensuring healthy condition of firefighting equipment and generation of all legal records.

i) Digital SAP based KRA monitoring system for line function as well as safety function.

j) Mobile app for logistic safety.

k) Mobile app for Contractor site safety inspection and PPE compliance audit.

l) Hydrant system IOT for 24X7 healthiness monitoring.

m) Digital system for emergency mock drill.

n) Safety manual and Standards.

Through the effective implementation of Safety Management System, JKLC has built safety culture which has incubated safety in the day-to-day activities. It covers safety in all aspects of plants and facilities i.e., to control loss to personnel, equipment, material, and environment. With the top management driven approach, these systems are effectively implemented and being sustained according to the highest standard in the industry. Hazard identification & risk assessment, SOP's, Training, BBS, Incident management system, near miss reporting, Safety observation visit, logistic safety inspection through app, Safe start-up & shutdown procedures, Emergency response plans, Management of Change, Statutory compliances audits and need base Safety training are major elements of Safety Management System implemented at JKLC.

All our efforts have been recognized by several awards-

- National Award form DGFASALI, Ministry of Labor and Employment Government of India
- 1st Level: Sarvashreshtha Suraksha Puraskar "Golden Trophy" in Group D, by National Safety Council of India in 2021
- Outstanding achievement in the Industrial Safety by DISH Labour Dept. Govt. of Chhattisgarh in 2022
- Golden Peacock Occupational Health & Safety Award 2022

13. Number of Complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-relatedincidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

To address the significant risk arising from the assessment of health safety and working conditions, following measures have been taken-

- Ventilation study of Packing plant and Thermal power plant at Sirohi plant
- Installation of 300mA digital X-ray machine at Sirohi plant
- Installation of auto analyzer at Sirohi Plant
- Installation of oxygen concentrator at Sirohi plant
- Occupational health checkup
- Health camps like ENT, HIV-Aids, TB screening etc.
- Surveillance system for traffic control
- Centralized monitoring station for fire detection and alarm system
- Biometric access control for electrical load center for ensuring authorized entry.
- Fire retardant coating on cables and sealing of cable entry points
- Hydrant system IOT for 24X7 monitoring
- Auto fire suppression system for IT data center, transformers, coal mill AFR feeding system.
- Animation videos for mines safety, visitor safety and drivers safety
- Use of Kevlar suit for high-risk jobs at kiln
- Engineering controls in mining equipment like front blind spot camera, rear & front proximity sensor, rear view camera, advanced emergency braking system, down hill speed control and hill hold system etc.
- Mist system for crusher dump hopper
- Audio visual alarms and interlocks
- RCCB for electrical safety
- Display of visuals and models
- On the job observation, appreciation and influencing commitment for safe behavior.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes the Company extends life insurance and compensatory package in the event of death of both employees and workers. Employees are covered under social security laws like PF & ESI which ensures benefit (Compensatory package) in the event of death of employees & workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. Nil

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above),who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected employees / workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employ ability and the management of career endings resulting from retirement or termination of employment?**

Yes, as per the business requirement.

5. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No assessment was done during FY 2022-23. However, these considerations are standard terms of our contracts to maintain the best standard of health & safety practices.
Working Conditions	No assessment done during FY 2022-23. However, we are planning to conduct in near future.

6. **Provide details of any corrective actions taken or under way to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

The cement industry involves a variety of hazards like Dust; Chemicals; High temperatures; Heavy machinery; Electrical hazards; Slip trip & Falls; Noise; Manual handling etc. that can lead to serious injuries or fatalities. To mitigate these hazards, proper safety procedures are implemented, necessary personal protective equipment (PPE) are provided to workers, and it is ensured that workers are properly trained to perform their jobs safely.

Safety culture is developed through implementation of Behavior Based Safety Management System. Risk assessments are conducted on a regular basis to ensure that safety measures are effective. Safety policies and procedures, that are designed to ensure safe and healthy work place aimed at Zero Harm are communicated to all employees, implemented at shopfloor and are being updated regularly to reflect changing conditions. Safety training is imparted to all employees, including new hires and contractors at regular interval. Equipment and facilities are maintained in safe to use condition through periodical audits and inspection. Employees and contract workers are encouraged to report of hazards and near miss cases. Occupational disease prevention is ensured through workplace hygiene monitoring, engineering control, implementation of work practices, training and awareness, use of appropriate PPE and medical examination.

Workers participation and consultation is ensured in safety management by involving them in Hazard identification and Risk Assessment, safety observation, safety committee meeting, CFT meeting and safety suggestion etc.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The Company has strong business commitment towards shared value creation for various stakeholders and have accordingly mapped its internal and external stakeholders. The Company interacts with its various stakeholders throughout the year to ensure sustainable and harmonious relations. The Company's internal stakeholders include employees, whereas external stakeholders include business partners / suppliers, customers, communities around business operations, society, competitors, shareholders/ investors, and the governments.

Details are available in the Corporate Sustainability Report for the FYs 2016-18 at the Company website: https://www.jklakshmicement.com/the-sustainability-report/

The Company regularly engages with all its relevant stakeholders to create a positive impact across its value chain, and it has been running multiple programs under its CSR Health; Water & Sanitation; Education; Skilling & Livelihoods and Rural Development initiatives to bring transformational changes in the lives of vulnerable and the marginalized sections of society.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, letters SMS, Newspapers, Meetings, Company Website, Stock Exchange, other Statutory Authority, Roadshows	Regularly through Company's Website and website of Stock Exchange, through Annual General Meetings	Disseminating and sharing of information with the shareholders with a view to update and also to seek their approval etc. as may be required.
Institutional Investors	No	Annual General Meetings, Quarterly Concalls, Presentation on Website	Need based	ROI and ESG performance
Investors other than shareholders	No	Roadshows, Email, Newspaper, Company Website	Regularly	-
Employees & Workers	No	Roadshows, Email, Meetings, Communication from Top Management	Daily, Weekly, Monthly, Annually, Need Based	Employee well being, career development, grievance handling, industry scenario
Customers	No	Roadshows, Feedback surveys, Customer needs, Social media, Campaigns, Customer meets	Need based- periodically	Complaints handling, product communications
Value Chain Partners	No	Meetings, phone calls, emails	Weekly, monthly, annually, need based	Customer relationship, product knowledge
Communities	Yes	Meetings, message	Daily, weekly, monthly, need based	Community development including health, water, education, sanitation etc.
Statutory Body	No	Interactions, industry forum meets, compliance report	Need based	Compliance, industry concerns, government expectations

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feed back from such consultations provided to the Board.**

   Please refer to the stakeholder engagement section of Integrated Annual Report (IAR).

2 **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Please refer to the stakeholder engagement section of integrated annual report.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   JKLC consciously acts as a responsible corporate citizen and engages with the marginalized and vulnerable sections of the society. Our major engagement channels are with local communities and other stakeholders like masons, petty contractors, drivers etc., benefitting through our CSR interventions. We engage with them frequently through need assessment and other participatory methods to understand their needs and impact of our interventions. We have also provided essential COVID 19 relief to our various stakeholders such as communities around our plants, masons, employees, workmen and business partners. Please refer to CSR report and Social & Relationship Capital section in the IAR for further details.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. employees/workers covered (B)	% (B/A)	Total (C)	No. employees/workers covered (D)	% (D/C)
Employees						
Permanent	1476	1033	70%	1462	950	65%
Other than permanent	0	0	0	0	0	0
Total Employees	**1476**	**1033**	**70%**	**1462**	**950**	**65%**
Workers						
Permanent	223	110	49%	218	98	45%
Other than permanent	2069	1035	50%	2076	934	45%
Total Workers	**2292**	**1145**	**50%**	**2294**	**1032**	**45%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More then Minimum Wage		Total (D)	Equal to Minimum Wage		More then Minimum Wage	
		No. (B)	%(B /A)	No. (C)	%(C/A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Employees										
Permanent	1476	0	0	1476	100%	1462	0	0	1462	100%
Male	1461	0	0	1461	100%	1445	0	0	1445	100%
Female	15	0	0	15	100%	17	0	0	17	100%
Other than Permanent	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	223	0	0	223	100%	218	0	0	218	100%
Male	223	0	0	223	100%	218	0	0	218	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	**2069**	**683**	**33%**	**1386**	**67%**	**2076**	**816**	**39%**	**1260**	**61%**
Male	1871	485	26%	1386	74%	1865	605	32%	1260	68%
Female	198	198	100%	0	0	211	211	100%	0	0

3. Details of remuneration/salary/wages, in the following format:

S. No.	Particulars	Male		Female	
		Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
1	Board of Directors (BoD) - Executive Director (ED)*	1	2,39,97,695	1	21,52,47,675
2	BOD - Non EDs**	5	17,40,000	1	15,15,000
3	Key Managerial Personnel (KMP)***	2	4,16,88,593	-	-
4	Employees other than BoD and KMP	1458	10,58,184	14	12,13,968
5	Workers	223	5,45,999	-	-

* The remuneration of two Executive Directors (ED), who relinquished their office w.e.f. from 01.08.2022, is not considered in median calculation as their remuneration is only for the part of year.

** The remuneration of one Non Executive Director, who relinquished his office w.e.f. from 31.08.2022, is not considered in median calculation as his remuneration is only for the part of year.

*** The median remuneration of one Executive Director (KMP) is covered as a part of Board of Directors, therefore not included in the median remuneration paid to KMP and the remuneration of one KMP, who relinquished his office w.e.f from 01.09.2022, is not considered in median calculation as his remuneration is only for the part of year.

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   The fundamental human rights issues are governed by the national legislations of India for instance child labour, forced labour, sexual harassment etc. JKLC complies with laws of the land. In addition to above legislative framework we have internal committees to take care of human rights issues pertaining to child labour, sexual harassment etc.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   We comply with law of the land. In addition to the national legislative framework we have internal committees to take care of human rights issues pertaining to child labour, sexual harassment etc.

6. **Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour / Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   We have Code of Conduct and SHAW Policy. Additionally, we have education program on harassment and code of conduct for all the employees at all levels. We also follow the philosophy of protection of whistle blowers.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, in consonance with applicable legislation and rules made thereunder. The same has been made a part of our agreements and contracts.

9. **Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced / involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others–please specify	-

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Not applicable.

    The Company ensures proper screening of potential suppliers and partners that there are no child labour and forced/ involuntary labour. Our contracts with our value chain partners prohibit employment of child labour and forced/ involuntary labour. The Company strives to be a discrimination free Company and we do not allow discrimination & harassment based on religion, gender, cast disability, nationality, sexual orientation, race and age. In addition, we also expect all our value chain partners to uphold these principles and include guidelines on human rights in all our contracts.

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.**

   No complaints so far and therefore not applicable.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   The Company has internal control mechanisms to ensure human rights due-diligence. All external contracts contain strict guidelines on human rights issues and compliance is monitored constantly. No third party due diligence conducted for human right, in the current financial year.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   The Company is taking steps in this direction.

4. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour / Involuntary Labour	Nil
Wages	Nil
Others–please specify	-

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Not applicable for the current year but the Company intend to undertake assessment of vale chain partners in the coming years.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (In GJ)	2423080	2300410
Total fuel consumption (B) (In GJ)	22350590	24151012
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C) (In GJ)	24773670	26451422
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (in GJ/Rs.)	0.0004080	0.000525
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

CII Bench marking study was conducted at our Integrated Plants at Sirohi and Durg in FY 2021-22.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Yes, JKLC-Sirohi & JKLC-Durg units are registered as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) scheme of the Government of India.

JKLC – Durg was registered in PAT III cycle with base line year 2015-16 under which the assessment year 2019-20. **All the targets were complied** in cycle III.

JKLC Sirohi- During PAT Cycle-1 we were given the target to reduce SEC by 4.91% against that we have reduced SEC by 14.77%. We got 38987 certificates exceeding the target.

In PAT cycle-2 we were given the target to reduce SEC by 4.8% but we have reduced only 2.33% & Banked certificates in PAT Cycle I is used for compliance in shortfall. Now we are in PAT Cycle-7 , we have to reduce SEC by 3.4% and to achieve this our Road map includes increase in usages of renewable energy; increase in usages of AFR and plant energy efficiency improvement.

3. **Provide details of the following disclosures related to water, in the following format**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	419357	577718
(ii) Ground water	731891	614255
(iii) Thirdparty water	0	0
(iv) Seawater/desalinatedwater	0	0
(v) Others	797	539
Total volume of water withdrawal (in kilo litres) (i+ii+iii +iv+v)	1152045	1192512
Total volume of water consumption (in kilolitres)	1152045	1192512
Water intensity per rupee of turnover (Water consumed / turnover) (in KL/Rs.)	0.0000190	0.0000237
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The names of the external agencies are mentioned below:

- National Productivity Council (For entire JKLC locations)
- Bureau Veritas (India) Pvt. Ltd. (For Kalol & Surat Plants)
- DN.VGL (For entire locations)
- TUV NORD CERT GmbH (For Durg and Cuttack plants)
- Vexil Business Process Services Private Limited (For Sirohi& Jhajjar plants)

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Cement manufacturing is a dry process thus there is direct utilization of water in the process. Water is only being used for industrial cooling purposes. And there is no wastewater generated from cement manufacturing process. JKLC is maintaining its status of a Zero Liquid Discharge Unit (ZLD). We have placed Sewage Treatment Plants (STPs) for domestic sewage and Effluent Treatment Plants (ETPs) for wastewater generated from automobile workshops. We recycled 100% treated water to maintain ZLD. Treated water is being reused in Dust suppression, Greenbelt development, etc.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format**

Parameter	Please specify unit	FY 2022- 23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Ton/Annum	1342	1313
Sox	Ton/Annum	258	289
Particulate matter (PM)	Ton/Annum	17	28
Persistent organic pollutants(POP)	Ton/Annum	BDL	BDL
Volatile organic compounds(VOC)	Ton/Annum	BDL	BDL
Hazardous air pollutants(HAP)	Ton/Annum	BDL	BDL
Others – please specify	Ton/Annum	BDL	BDL

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Third party monitoring is an external agency for calibration of Stack and monitoring for emission during Co-processing of AFR in Integrated Cement Plants. Names of Other External Agencies are Bureau Veritas (India) Pvt. Ltd., TUV NORD CERT GmbH and Vexil Business Process Services Private Limited.

6. **Provide details of green house gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022- 23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5380820	5299169
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs,PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	434543	603374
Total Scope 1 and Scope 2 emissions per rupee of Turnover		5815363	5902543
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity (in Kg CO2/ ₹ turnover)		0.09579	0.11710

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**
   - Yes. In order to reduce our carbon footprint, all our plants have started using renewable energy sources by setting up a solar power plant at their plant premises. In addition, we have tied up with various off set wind and solar power suppliers to use wind and solar power instead of using electricity generated from coal fired power plants.
   - JK Lakshmi Cement Ltd. prefers to procure from suppliers who are proactive in reducing their environmental impacts and expects its suppliers to comply with relevant laws and regulations. JK Lakshmi Cement Ltd. has the right to exclude suppliers who do not exhibit the aforesaid measures. We buy local materials and try to minimize distance between source & project site to reduce transportation emission.
   - Under our Plantation Drive initiative, we distribute free plants and saplings every year not only to schools but also to the villages, police stations, and communities and distribute free Tree Guards for the plants. As we know that trees are the perfect solution to mitigate GHG emission.

8. **Provide details related to waste management by the entity, in the following format**

Parameter	FY 2022- 23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	29.53	41.69
E-waste **(B)**	0.186	3.52
Bio-medical waste **(C)**	0.192	0.180
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	14.40	8.13
Radio active waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	33.51	30.75
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	33568.63	66521.77
Total (A+B+C+D+E+F+G+H)	33646.44	66606.01
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	16.70	29.77
(ii) Re-used	30810.50	64551.50
(iii) Other recovery operations	0	0
Total	30827.20	64581.27

Parameter	FY 2022- 23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.19	0.17
(ii) Landfilling	0	0
(iii) Other disposal operations	2815.71	2025.00
Total	2815.90	2025.17

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. External Agencies are GEM enviro & Mobi trash for PP bags recycle. Names of Other External Agencies are Bureau Veritas (India) Pvt. Ltd., DN.VGL, TUV NORD CERT GmbH and Vexil Business Process Services Private Limited.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**
   - As such there is no hazardous waste generation from cement manufacturing process other than Used Oil from machinery operation. During cement manufacturing, only used oil generated from operational machinery (hazardous waste) from our plant. Used oil is stored at identified best isolation locations in plant boundary which is sold to SPCB/CPCB authorized recyclers. Moreover, we are utilizing hazardous waste as an alternative fuel and raw materials (AFR) in our cement manufacturing process, generated as waste/byproduct from other industries.
   - JKLC always strives to replace hazardous and toxic chemicals in our products with eco-friendly alternatives. As such, our products do not use any hazardous and toxic chemicals. We have also used alternative raw materials (Fly ash, Chemical gypsum, Granulated slag etc.) in cement production.
   - We believe in "waste to wealth" and from the very beginning of the project, we adopted the "Reduce -Reuse - Recycle " principle. Separate bins with labels are placed at dedicated points in the plant for waste collection and then according to the type of the waste, we will proceed for its reuse and recycling.

We have also implemented below Best Practices for Better Waste Management in our plant.

Waste Name	Best Practice
Organic Waste/ Food Waste / Plantation Waste	Food Waste Indication board placed at canteen is being used to sensitize employees about the importance of food and minimize the wastage of food. We collect organic waste like food waste, plantation waste etc., and then use in our in-house developed vermi compost system to make organic compost in our plant.
Construction Waste/ Tested Cement Cubes	Utilization of lab tested cement cubes in making of roads and landscape structures.
Used oil	We reuse the used oil in oiling and greasing of various mechanical parts and left one is sold it to the CPCB authorized vendors.
Discarded Single Use Plastic Bottles	Utilization of discarded single use plastic bottles and drums in plantation activities.
Paper Waste	Adopting paperless processes such as online issue voucher & PR system, Work permit system, Safety Audit etc. We reuse paper waste in in-house developed vermi compost system.
Metal Waste	We sell the metal waste to the authorized recycler for recycling purpose.
Liquid Waste/ Sewage/ Wastewater	The only liquid waste which is generated in our plant is sewage. Our plant is ZERO LIQIUD DISCHARGE UNIT. We collect and treat wastewater through Sewage Treatment Plants and then this treated water is being utilized in greenbelt development activities in our plant.
Co-processing	Utilization of wastes such as POP, fly ash, Chemical Gypsum (hazardous waste), fly ash, etc. which are generated in other industries. So, by utilizing it, we are reducing the burden on the landfill.
Cow Dung Flowerpot Machine	In nurseries, conventionally plastic bags are used to grow plant saplings. There are many disadvantages associated with plastic bags like not being bio-degradable, having nil porosity, and hence not being ecofriendly. Moreover, after germination, the bag has to be torn off to facilitate root growth and in case the bag is not torn properly the plant gets damaged. The cow dung pots decompose to provide the necessary nutrients for plants such as nitrogen, phosphorous and potassium.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests,coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	J K Lakshmi Cement Limited Village-Ghantikhal, Radheshyampur, Cuttack, Odisha.	Cement Grinding Unit	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
Proposed expansion of Stand-Alone Cement Manufacturing (Clinker Grinding) Unit from 1.5 MMTPA to 3.0 MMTPA by M/s. JK Lakshmi Cement Limited Proposal No: SIA/GJ/IND1/415108/2023	As per EIA Notification 2006	27.01.2023	Yes M/s. Ecogreen Enviro Services (Nabet Accredited) NABET/EIA/2023/ IA0070, Valid Till-22.12.2023	Yes	https://environmentclearance.nic.in/ proposal_status_state.aspx?pid =ClosedEC&statename=Gujarat

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N).If not, provide details of all such non-compliances,in the following format:

We have complied with all applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (In GJ)	839377	698174
Total fuel consumption (B) (In GJ)	1040895	834890
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C) (In GJ)	1880272	1533064
From non-renewable sources		
Total electricity consumption (D) (In GJ)	1583703	1602237
Total fuel consumption (E) (In GJ)	21309695	23316122
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	22893398	24918358

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

CII Bench marking study was conducted at our Integrated Plants at Sirohi and Durg in FY 2021-22.

2. Provide the following details related to water discharged

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilo litres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) To Ground water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Sea water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kilo litres)	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Names of External Agencies are Bureau Veritas (India) Pvt. Ltd. , National Productivity Council, DN.VGL, TUV NORD CERT GmbH and Vexil Business Process Services Private Limited.

3. Water withdrawal, consumption and discharge in areas of waters tress (in kilo litres): Not Applicable

For each facility /plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilo litres)		
(i) Surface water	-	-
(ii) Ground water	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilo litres)	-	-
Total volume of water consumption (in kilo litres)	-	-
Water intensity per rupee of turnover (Water consumed/turnover) (KL/ ₹)	-	-
Water intensity (optional) – the relevant metric may be selected by the Entity	-	-
Water discharge by destination and level of treatment (in kilo litres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Ground water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilo litres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022- 23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6,NF3, if available)	Metric tonnes of CO_2 equivalent	125528	132557
Total Scope 3 emissions per rupee of turnover	Kg CO2/ ₹	0.0020676	0.0026297
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Remarks: For FY 2022-23 under Scope -3 emissions, we have considered CO_2 emissions in upstream & downstream logistics operations and through employee commuting. However, FY 2022 we have inventorised CO_2 emission through upstream and downstream logistics operations.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Below are the major impact & mitigation measures of Wildlife Conservation Plan of our plant for which the information has been provided in Question 10.

Major Impact

- Impact on Soil & Air due to sound & pollution arising from plant operation.
- Sound from machinery and heavy vehicles may hamper natural movement of wildlife animals.
- The dust emission from plant may hamper the life of flora and fauna.

Some of the major mitigation and remedial measures undertaken by the Company are as below-

- 16.29-hectare area developed as green belt which balance the emission and prevent topsoil corrosion.
- One vehicle provided to the Forest department to watch & monitor elephant movement for the purpose of anti-depredation.
- Corpus fund of ₹ 4.06 Crores provided to the Forest department to undertake activities to prevent wildlife depredation and related activities.
- Company is implementing various CSR activities in the plant nearby villages and providing support to other stakeholders in their development initiatives.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as out come of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Use of Energy Efficient Light – LED Lights	We have installed LED lights in all locations of JKLC.	Reduction in GHG emissions.
2	Installation of scientifically designed "COOLING TOWER"	Natural Rainwater is being used in Cooling Tower to makeup so that usage of freshwater consumption can be reduced.	Water Conservation
3	All possible structures are covered with acrylic sheet	"Noise and dust emission reduced":- All possible structures are covered with acrylic sheet as under: a) Raw material unloading /loading and storage area is covered b) All the transfer points are fully enclosed and are equipped with bag filter, wherever required. c) All conveyor belts are provided with the conveyor covers to reduce dust emission.	To reduce noise and dust emission
4	Installation solar cleaning machine.	Optimum water is being utilized in cleaning activities of solar panels.	Water Conservation. Promote usage of renewable energy source.
5	Packaged Type Sewage Treatment Plant	Domestic purpose used water was collected through the pipeline and treated with STP Water treated from STP is used for the greenbelt development and gardening purpose	Fresh water conservation.
6	Rainwater harvesting	Utilize rainwater in plant operation instead of fresh water.	Conserve natural resources.
7	Chemical Gypsum/Gypsum waste Consumption	More usage chemical gypsum in cement manufacturing.	Conserve natural resources & to reduce land pollution.
8	Production: -PPC replaced with Composite Cement	We have promoted Composite production to replace PPC.	Reduction in GHG footprint. To reduce clinker consumption. Conserve natural resources
9	Greenbelt Development	We have developed more than 34% of greenbelt.	Trees Combat Climate Change Trees help keep environment clean and provide oxygen.
10	Lowest Water Consumption	We installed all possible location flow control valve. Installed "DIGITAL WATER METERS" for day-to-day monitoring of water consumption in plant for carrying out the water audit in plant. Pipelines laid over ground or just one meter underground to identify water leakage easily.	To reduce Fresh Water requirements and conserve natural resources.
11	Use of Fly ash Based AAC-Blocks & Bricks instead of Red mud Bricks	Fly ash based AAC Blocks were used in building construction in place of Red Mud Bricks, which resulted in saving of natural virgin red mud resource.	Green Building Initiative and Reduce GHG emission
12	In-house developed Organic Vegetable Farm	Unused land in plant premises near weight bridge has been developed as Farm for Organic Vegetable which will be used in cooking for officer's mess. Employees get pure vegetable and healthy food, and it will ultimately improve health of an employee.	Promote organic farming without using any chemical
13	Occupancy sensors and Transparent sheets	Occupancy Sensors and Transparent sheets have been provided in all Offices to switch off the Lights automatically when there is no one in the office.	Energy Conservation
14	VFD	Installation of VFD in Screw Compressor	Energy Conservation. Reduce GHG footprint.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
15	Power Saving Operation of Water Cooler	Timer based operation of water cooler	Energy Conservation. Reduce GHG footprint.
16	Logic Based Operation of Water Pump in Cooling Tower	The water pump operates only when the inlet temperature of water, coming into the cooling tower, reaches more than and equal to 32 'C. So by doing this, we are saving the power.	Energy Conservation. Reduce GHG footprint.
17	Power Saving Operation of Clinker Feeding System	Earlier the clinker first stored in clinker silo then from that it was transferred to clinker hopper. Now due to clinker of clinker Feeding System, the clinker is directly stored in hopper.	Energy Conservation. Reduce GHG footprint.
18	VFD	Installation of VFD in water pump system of cooling tower	Energy Conservation. Reduce GHG footprint.
19	VFD	Installation of VFD with CA Fan Motor	Energy Conservation. Reduce GHG footprint.
20	Water Saving Green belt development activities	Drip Irrigation and Sprinkler System for watering plants to reduce the water consumption	Water Conservation Initiative
21	Water Permit System	Water Permit System to control misuse or overuse of water. Every water discharge point is locked and opened once the permit with the meter reading is taken.	Sensitize Employees and workers towards water conservation
22	Air Cooled Heat Exchanger	Replaced the Water Cool Heat Exchangers with Air Cooled Heat Exchangers to eliminate the use of water in the cooling process. By doing this we are reducing the consumption of water.	Water Conservation Initiative
23	Rotary Screw Compressor	Replaced the Reciprocating Compressor with Rotary Screw Compressor which is an oil cooled compressor so there is no water used for cooling of the Rotary Screw Compressor. By doing this we are reducing the consumption of water.	Water Conservation Initiative
24	Paperless initiative	Adopting paperless processes such as online issue voucher & PR system, Work permit system, Safety Audit etc.	Waste Management initiative
25	Reuse of Construction waste	Utilization of lab tested cement cubes in making of roads and landscape structures.	Waste Management initiative
26	Environmental Heroes	Token of Appreciation is given to the workers who have done outstanding work for the conservation of environment in the plant like water/ power/ solid waste management/ maintain greenery/ cleanliness / Plantation etc.	Sensitize Employees and workers towards environment conservation
27	Installation of LP compressor in place of HP compressor	Installation of LP compressor in Cement Mill section for fly ash unloading, resulting in power savings.	Step towards sustainability
28	SNCR Installed to control the NOx emission from Kiln	Ammonia based SNCR system has been installed at integrated units to control the Nox emission from kiln.	After Installation of SNCR the Nox emission is in under the prescribed standard
29	Road Sweeping machine	Mechanically Road sweeping machines are under operation to control the fugitive dust emission from plant premises.	Fugitive Dust Emission is in under limit
30	Solar power installed at plant premises.	It is a pollution free and causes no greenhouse gases to be emitted after installation	We are conserving Natural Resources through installation of Solar plant
31	Optimization of waste heat recovery system	Optimization of waste heat recovery system by installation of hot air recirculation to reduce heat consumption and CO2 emission and increase in power generation for Kiln	Reduction in heat consumption, Reduction in CO2 emission and increase in power generation
32	Increased utilization of Alternative Fuel	Increased utilization of Alternative Fuel in Kilns viz. TDI Tar, Paint Sludge, CETP Sludge, Plastic Waste, Biomass, RDF fluff, De-Oiled cake, etc. in integrated plants.	Reduced consumption of Coal, Reduction in CO2 emission

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
33	Installation of PTFE Bags	Installed the most efficient pollution control devices i.e. PTFE glass fiber filter bags	Reduction in Particulate Matter emission
34	Natural resource conservation	Burning agricultural waste (biomass) into kilns for natural resource conservation (such as fossil fuel) and minimizing greenhouse gas emission during clinkerization in integrated units.	Reduction in Green House Gas Emission
35	Installation of CEMS	Installation of Online Continuous Emission Monitoring system.	Continuous monitoring of source Emission
36	Installation of CAAQMS Stations	Installed Continuous Ambient Air quality monitoring station for monitoring of ambient air quality data are being communicated to PCB.	Continuous monitoring of Ambient Air Quality
37	Installation of Waste Heat Recovery Power Plant	Installation of Waste Heat Recovery Power Plants. It saves natural resources and reduces Carbon dioxide emission.	Reduction in CO2 emission. Conserve natural resources.
38	Installation of FGD Plant in Captive Power Plant.	Flue Gas Desulphurization (FGD) plant is installed for removal of Sulphur dioxide from flue gases.	Reduction SO2 emission

7. **Does the entity have a business continuity and disaster management plan? Give details in100 words/ weblink.**

   Yes, we do have emergency prevention and preparedness plan in line with the State Factories Rules, and we conduct mock drill at regular interval. The Emergency plan contains information about preliminary hazard analysis, details of site, Emergency sites identified, Central Control Center (CCC), Incident control center (ICC), Handling of an emergency / disaster, List of certified trained first aider, location wise summary of fire fighting equipment, specifications of fire fighting equipment, location wise summary of fire detection and alarm system, Firefighting instructions, Building emergency evacuation plan, first aid measure for electrical shock / cardiac arrest, wound, fracture, burn, chemical burn, snake bite, dog bite, honey bee bite, chocking, details of OHC paramedical staff and facilities and mutual aid agreement etc.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   - There is no significant adverse impact to the environment, arising from the value chain of the entity because JK Lakshmi Cement Ltd. prefers to procure from suppliers who are proactive in reducing their environmental impacts and expects its suppliers to comply with relevant laws and regulations.
   - We are niche sustainable developer & has adopted sustainable purchase policy encompassing:
     - Our products are Greenpro certified, and our first preference is to buy Greenpro Certified Products.
     - Emission reduction - Buy local materials, try to minimize distance between source & project site.
     - Forest/Environmental protection: Buy Refrigerant free from CFC/HCFC/Halons and asbestos free products.
     - Health & safety - Buy low VOC paints, sealants and adhesives.
     - Conserve resources - Buy materials having more recycled content.
     - Avoid products having hazardous materials & encourage companies meeting safety standards & reliability.
     - Maximize purchase of nationally or internationally or IGBC certified sustainable products.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Not Applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   10

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Cement Manufacturers Association	National
2	PHD Chamber of Commerce & Industry	National
3	Rajasthan Chamber of Commerce	State
4	Udaipur Chamber of Commerce	State
5	Federation of Indian Mineral	National
6	Coal Consumer's Association of India	National
7	Indian Chamber of Commerce	National
8	National Safety Council	National
9	Ready Mixed Concrete Manufacturers	National
10	GCCA India (P) Ltd.	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	Competition Commission of India (CCI) vide its order dated 19th January 2017 had imposed a penalty on certain cement companies including a penalty of ₹ 6.55 Crores on the Company pursuant to a reference filed by the Government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said order. COMPAT has granted a stay on CCI's order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT. Based on the legal opinion, the Company believes that it has a good case in the matter.	All the seven companies filed appeal before Competition Appellate Tribunal (now transferred to National Company Law Appellate Tribunal). JK Lakshmi cement was first to file the appeal bearing no.- Transfer Appeal (Appellate Tribunal) (Competition) No 39 of 2017 (earlier appeal no 2 of 2017 before COMPAT). The appeal is yet to be heard and finally disposed. We are ethically, and socially responsible Company and we very strongly reiterate that we have never been a part of bid rigging or any other wrongdoing in our business practices and would like to reassure to all our stakeholders that the Company has never indulged or was part of any bid rigging or has undertaken any unfair practices.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others- please specify)	Web Link, if available
1.	Renewable energy/ AFR	Industry associations & bodies	-	Opportunity based/ Need based	-
2.	Alternative building materials	Seminars	-	Need / opportunity based	-
3.	Carbon emission reduction in cement industry	Seminars	-	Need based	-
4.	Water conservation	Industry associations & bodies	-	Opportunity based	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web Link
			Not Applicable		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being under taken by your entity, in the following format.

S. No	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R & R	Amount paid to PAFs in the FY (In INR)
				Not Applicable		

3. Describe the mechanisms to receive and redress grievances of the community.

The CSR team visits communities on day-to-day basis and meet various stakeholders including beneficiaries, panchayat representatives and others. The process of continuous engagement with the community is an ongoing process. The frequency of the engagement and interaction depends on nature of the stakeholder like project beneficiaries in local communities do happen on daily and weekly basis whereas that of panchayats and government line departments do happen on fortnightly and monthly basis. These day-to-day interactions help the CSR team to gather feedbacks and complaints if any. The feedback is used to improve and modify CSR projects. This system is an informal one and has helped to resolve issues and response to the demands of stakeholders to their satisfaction. The Company also undertakes materiality analysis on time-to-time basis as a part of its sustainability reporting initiatives. Based on this respective departments undertake engagement and activities to address materiality issues. Plants have a system of monthly review of all departments who have external stakeholders' interface.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:** The Company ensures to source all raw materials locally whichever feasible.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs / small producers	PP Bags 71%	PP Bags 75%
Sourced directly from within the district and neighbouring districts	AFR 18%	AFR 24%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question1of Essential Indicators above):

Not Applicable

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects under taken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Rajasthan	Sirohi	2,37,57,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

   No preferential policy.

   (b) From which marginalized / vulnerable groups do you procure? Not applicable

   (c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

S. No.	Intellectual Property based on	Owned/ traditional knowledge shared (Yes/No)	Benefit of calculating (Yes /No)	Basis Acquired benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes where in usage of traditional knowledge is involved. Not Applicable

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No.of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	JK Lakshmi Aarogya Project	59732	67%
2	JK Lakshmi Vidya Project	10366	66%
3	JK Lakshmi Aajivika Project	11939	85%
4	JK Lakshmi Swajal&Swachhta Project	48335	54%
5	JK Lakshmi Gramin Vikas Project	53909	39%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Company has provided various platforms, involving a pre-defined escalation matrix, where Customer can share his grievances in following ways as find appropriate by him-

   a) Contacting through authorised dealer

   b) Customer care helpline

   c) Web site

   d) E-mail

   Company is having its technical service unit comprising qualified civil engineers. Product related complaints are directly sent to Company's technical services unit. On receipt, Company officials visit the customer within 24 to 36 hours. They interact with Customer and understand the nature of complaint. They collect all needful information including Customer details , Complaint nature, Purchase date, application period, Construction methodology as adopted etc. to diagnose the causes. The demonstration of the quality check, where required, is also done. Customer is explained and assisted by way of explaining good construction practices including tips to make structure durable. The details of examination and demonstration is shared with the Customer. If needed, Cement testing is done either at own plant or NABL accredited third party lab. Test results of samples are communicated and shared with customer. All the complaints are compiled in Feedback register & shared with Plant head & Quality Control head for doing the needful at their end on monthly basis.

   Further, Company also organises programs, face to face interaction and circulates literatures to inform and educate the Consumers about safe and responsible usage /safe handling of the products to create awareness about different ways to adopt safe construction practices and correct application procedure & precautionary measures while handling / application of cement related items.

2. Turnover of products and/or services as a percentage of turnover from all products/service that carry information about.

	As a percentage to total turnover
Environmental and social parameters relevant to the – product	All necessary information as per regulatory requirements are disclosed on all our products. Information on cement bags are governed by BIS guidelines.
Safe and responsible usage	
Recycling and /or safe disposal	

3. Number of consumer complaints in respect of the following.

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	No complaint received from the customers on data cyber security	0	0	No complain received from the customers on data cyber security
Advertising	0	0	No complaint received	0	0	No complain received
Cyber-security	0	0	No complaint received	0	0	No complain received
Delivery of essential Services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	0	0	No complaint received	0	0	No complain received
Unfair Trade Practices	0	0	No complaint received	0	0	No complain received
Other (Related to Quality)	178	0	Resolved	173	0	Resolved

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes the Company has a policy on cyber security and data privacy. Weblink is: https://www.jklakshmicement.com/wp-content/uploads/2023/05/cyber-security-policy.pdf

6. **Provide details of any corrective actions taken or under way on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/ services.**

One incident for an attempt to breach IT system was recorded in the year 2022-23. However, the attempt was neutralized before any damage. No data breach for personally identifiable information or any other types of information had happened during year 2022-23.

We have not received any complaint relating to advertising, product recalls or safety of products. Since there were no complaints there was no need of any corrective action. However, we always strive to ensure that best quality products are delivered to our customers and we ensure all feedback from our stakeholders is considered in our business processes.

Leadership Indicators

1. **Channels/ platforms where in formation on products and services of the entity can be accessed (provide weblink, if available).**

   https://www.jklakshmicement.com/types-of-cement-products/

   https://www.jklakshmicement.com/value-added-solutions/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   - On-site services for raw material testing and product application, through Technical Mobile Van.
   - Site supervision services to educate customers on right construction methodologies and practices.
   - Advise on good construction practices through meets, leaflets, brochures etc.
   - Training to mason and contractors on good construction practices.
   - Product usage tips released through social media.
   - Trainings by technical service department.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   We don't fall under Essential Service Maintenance.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NotApplicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   We follow BIS Regulations for the product packaging and information to be contained in the product packaging. However, in few cases product benefits are also displayed on the cement bag. The Company has various channels to gather information from the customers on its products. Additionally the cross-functional team visits the markets and take feedback from various customers and stakeholders on regular intervals.

5. **Provide the following information relating to data breaches.**

   a. Number of instances of data breaches along - with Impact

      One incident for an attempt to breach IT system was recorded in the year 2022-23. However, the attempt was neutralized before any damage.

   b. Percentage of data breaches involving personally identifiable in formation of customers.

      No data breach for personally identifiable information or any other types of information had happened during year 2022-23.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JK LAKSHMI CEMENT LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **JK Lakshmi Cement Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of profit and loss (including other comprehensive loss), the statement of changes in equity and the cash flows statement for the year then ended, and a summary of the 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 Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive loss, changes in equity 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) 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

	Key Audit Matters	
1	**Revenue recognition - Discounts, incentives, rebates etc.** • Recognition, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No III. (13) of Note 1 of Accounting Policy). • Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales. • Due to the Company's presence different marketing regions within the country and the competitive business	**Our procedures included:** <u>For recognition of revenue:</u> • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" • We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and • Selected a sample of sales contracts and read, analyze and identified the distinct performance obligations in these contracts.

	Key Audit Matters	
	environment, the assessment of the various types of discounts, incentives and rebate schemes, is material and considered to be complex and judgmental. • Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, and rebates. • Given the judgement required to estimate the amount of provisions, this is a key audit matter.	<u>For Recognition of discount, incentive, and rebate</u> • Assessing the appropriateness of the Company's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards. • Assessing the design and testing the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, provision and disbursement of discounts, incentives and rebates. • Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes. • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions. • Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items. Based on our audit procedures we have concluded that revenue, discount, incentive and rebates is appropriately recognized, and that there was no evidence of management bias.
2	**Evaluation of uncertain civil and indirect tax positions and recoverability of amount deposited under protest as recoverable** The Company has material uncertain civil and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The eventual outcome of these litigations is uncertain, and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements. Based on management judgement and the advice from legal and tax consultants and considering the merits	**Our Procedure included:** Obtained details of completed tax assessments of earlier years and demands as on March 31, 2023 from management. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Based on management estimates and Independent legal opinion taken by Management of the Company, the liability against these matters are not yet certain hence the same has been shown as contingent liability in the current financial statements. Our procedures on verification of the management's assessment of these matters included:

	Key Audit Matters	
	of the case, the Company has recognized provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the financial statements unless the possibility of out flow of resources is considered to be remote. Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.	• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls. • Gaining an understanding of the civil and tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31 March 2023. • Inspecting demand notices received from various tax authorities and evaluating the Company's written responses to those matters. • Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and • Assessing the adequacy of the Company's disclosures. We did not identify any significant exceptions to the management's assessment of the ongoing civil, income tax and indirect tax litigations as a result of the above procedures.

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

The Company's Board of Directors is responsible for the preparation of 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.

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

The Board of Directors is 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 financial controls 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 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, based on our audit we report that:

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

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

c) The balance sheet, the statement of profit and loss including other comprehensive income/(loss), statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the relevant books of accounts;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder, as amended and other accounting principles generally accepted in India;

e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g) In our opinion, the managerial remuneration for the year ended March 31, 2023, has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2023, on its financial position in its standalone financial statements- Refer note 54, 55, 56 and 57;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, 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 its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other person or entities, including foreign entities ("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;

   b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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 that were 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 iv (a) and iv (b) contain any material misstatement.

   v. a) The final dividend relating to financial year 2021-22 declared or paid during the year ended March 31, 2023, by the Company is in compliance with section 123 of the Act.

   b) As stated in Note 50 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended March 31, 2023, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 19, 2023
UDIN: 23087294BGTGTT4900

Annexure A to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 19, 2023.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

(i) (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment. All property, plant and equipment have been verified by the management according to the program. No material discrepancies were noticed on such verification undertaken during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee)are held in the name of the Company except as stated in noted no. 2 of the standalone financial statements.

Description of Prpoerty	Gross Carrying (Value in ₹ Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of company
Lease Hold Land	4.02	Bihar Industrial Development Authority (BIADA).	No	July'2015	BIADA has given a notice to the Company on 30.06.2020 that the amount paid by Company is forfeited. Against the Company's appeal the Hon'ble High Court has directed BIADA to relook into allotment of alternative land. BIADA has agreed vide letter dtd- 25.03.2022 for allotment of fresh land elsewhere can be looked into.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings 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.

(ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No Discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 72(vii) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The Company has not utilized limit during the year. The quarterly returns of current assets filed by the Company with banks does not have material variances with books of account.

(iii) (a) During the year the Company has provided loans and provided guarantee to companies, firms, Limited Liability Partnerships or any other parties. Details is as follows:

			Amount ₹ in crores
	Guarantees	Security	Loans
Aggregate amount granted/ provided during the year			
- Subsidiaries	750	-	85.40
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	-
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	1052.13	-	85.40
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	20.65

(b) In our opinion and according to the information and explanation given to us, the terms and conditions of the grant of all loans, guarantees provided and investments made are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any security or provided any advances in the nature of loans during the year.

(c) In respect of loan(s) and advance in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties, which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act, wherever applicable, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 73 to76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposits accepted from public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

(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 Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not 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, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable as at March 31, 2023, for a period of more than six months from the date they become payable.

(b) According to the records and information & explanations given to us, certain dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

Name of the Statue	Nature of the Dues	Amount in Rs crore	Period	Forum where the dispute is pending
Sales Tax Act	Sales Tax	0.43	1992-1994	Rajasthan High Court, Jodhpur
		8.08	2005-2006	
		0.42	1995-2000	
		23.83	2015- 2020	
		1.90	2020-2021	Bilaspur High Court
	Total Sales Tax	**34.66**		
Rajasthan Finance Act, 2006 and Rajasthan Finance Act, 2020	Land Tax on Mining & Non-Mining land	10.46	2006 to 2012-13	Hon'ble Supreme Court
		1.04	2019-20	Rajasthan High Court, Jodhpur
		2.01	2020-21	
		2.01	2021-22	
		2.72	2022-23	
	Total Land Tax	**18.24**		
Entry Tax Exemption (Entry Tax Act, 1976)	Entry Tax	4.77	2014-2017	Bilaspur High Court
	Total Entry Tax	**4.77**		

Name of the Statue	Nature of the Dues	Amount in Rs crore	Period	Forum where the dispute is pending
Central Excise Act	Excise Duty	1.77	2015-2018	Add Commissioner, Jodhpur
	Cess on mining dispatches	1.22	1996-97	Rajasthan High Court, Jodhpur
	Cenvat on Clean Energy Cess	2.28	2015-2017	CESTAT
	Coal Cess	6.59	2017-2022	DGGI Raipur
	Total Excise	**11.86**		
Finance Act , 1994	Service Tax	6.64	2013-2014	Rajasthan High Court, Jodhpur
		2.95	2016-18	CESTAT, New Delhi
	Total Service Tax	**9.59**		
Goods and Service Tax Act, 2017	GST on Development and Environment Cess	2.33	2017-2021	Additional Commissioner (Preventive)
	Total Goods and Service Tax	**2.33**		
Income Tax Act	Income Tax	1.67	2012-15	Commissioner of Income Tax, Kolkata
	TCS on DMF	0.56	2016-19	Bilaspur High Court
	Total Income Tax	**2.23**		
Others: The Mines and Minerals (Development and Regulation) Act	National Mineral Exploration Fund	0.80	August 2015 to May 2015	Revision Application before Revisionary Authority, Ministry of Mines, New Delhi
Environment and Health Cess (Rajasthan Finance Act, 2008; Rajasthan Environment and Health Cess Rules, 2008)	Cess on limestone extraction	35.62	2008 to 2017	Supreme Court
The Chhatisgarh Gram Panchayat Terminal Tax (Chhattisgarh Panchayat Raj Act, 1993)	Road dispatches of clinker	9.78	April 15- Mar 19	Bilaspur High Court
Electricity Duty Act	Electricity Duty on WHR/CPP Plant	6.05	Nov'17 to Sept'22	Chief Electrical Inspector – Raipur
	Electricity Duty on WHR/CPP Plant	13.03	March'15 to March'23	Asst. Comm. Commercial Taxes, Sirohi
	E. Duty/WC/ Cross Subsidy	29.12	July 10 to July 13	Jodhpur High Court
	Cross Subsidy on Solar Power purchase	1.67	2022-23	Jodhpur High Court
	Total others	**96.07**		

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by [cost auditor/ secretarial auditor or by us] in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

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

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) The Group has two Core Investment Company as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year and preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 52 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 62(a) to the standalone financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 62(a) to the standalone financial statements.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 19, 2023
UDIN: 23087294BGTGTT4900

Annexure B to the Independent Auditors' Report to the Members of JK Lakshmi Cement Limited dated May 19, 2023 on its standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **JK Lakshmi Cement Limited** ("the Company") as of March 31, 2023, 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 financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations, given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 ICAI.

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 19, 2023
UDIN: 23087294BGTGTT4900

JK Lakshmi Cement Limited
Balance Sheet as at 31st March 2023

₹ In Crore (10 Million)

		Note No.	As at 31st March 2023	As at 31st March 2022
	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	2,701.47	2,719.21
	(b) Capital work-in-progress	3	64.92	112.13
	(c) Investment Property	4	0.50	0.53
	(d) Intangible Assets	5	5.33	4.41
	(e) Financial Assets			
	(i) Investments	6	414.08	389.91
	(ii) Loans	7	17.32	19.71
	(iii) Others	8	79.00	33.05
	(f) Other Non-Current Assets	9	45.23	26.49
			3,327.85	3,305.44
(2)	Current Assets			
	(a) Inventories	10	700.40	491.19
	(b) Financial Assets			
	(i) Investments	11	510.24	548.03
	(ii) Trade Receivables	12	60.51	34.48
	(iii) Cash and Cash Equivalents	13	138.92	67.13
	(iv) Bank Balance other than (iii)	14	195.79	271.70
	(v) Loans	15	88.73	23.33
	(vi) Others	16	20.63	14.43
	(c) Other Current Assets	17	163.06	83.27
	(d) Current Tax Assets (Net)	31	5.04	-
			1,883.32	1,533.56
	TOTAL ASSETS		5,211.17	4,839.00
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	18	58.85	58.85
	(b) Other Equity		2,664.89	2,393.50
			2,723.74	2,452.35
	LIABILITIES			
(1)	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	556.42	774.22
	(ii) Lease Liabilities	20	23.90	21.05
	(iii) Other Financial Liabilities	21	290.97	244.58
	(b) Provisions	22	15.59	11.05
	(c) Deferred Tax Liabilities (Net)	23	159.57	94.33
	(d) Other Non-Current Liabilities	24	90.65	94.27
			1,137.10	1,239.50
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	25	254.81	188.67
	(ii) Lease Liabilities	26	9.52	8.96
	(iii) Trade Payables	27		
	Micro and Small Enterprises		16.28	8.78
	Others		495.68	289.55
	(iii) Other Financial Liabilities	28	327.55	352.20
	(b) Other Current Liabilities	29	241.45	283.33
	(c) Provisions	30	5.04	15.25
	(d) Current Tax Liabilities (Net)	31	-	0.41
			1,350.33	1,147.15
	TOTAL EQUITY AND LIABILITIES		5,211.17	4,839.00

Significant Accounting Policies	1
Notes on financial statements	2-74

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

ARUN KUMAR SHUKLA President & Director

JK Lakshmi Cement Limited
Statement of Profit and Loss for the year ended 31st March 2023

₹ In Crore (10 Million)

		Note No.	For the year ended March 31 2023	For the year ended March 31 2022
I.	Revenue from Operations	32	6,071.05	5,040.78
II.	Other Income	33	62.23	67.25
III.	**Total Income (I+II)**		6,133.28	**5,108.03**
IV.	**Expenses :-**			
	Cost of Materials Consumed	34	925.69	806.97
	Purchases of Stock-in-Trade	35	689.25	478.12
	Change in Inventories of Finished Goods, Work-in-Progress and Stock - in - Trade	36	(33.20)	(46.80)
	Employee Benefits Expense	37	349.13	326.44
	Power and Fuel	38	1,543.91	1,065.64
	Transport, Clearing & Forwarding Charges	39	1,208.60	1,042.82
	Finance Costs	40	91.50	96.31
	Depreciation and Amortization Expense	41	193.54	190.52
	Other Expenses	42	683.40	566.32
	Total Expenses (IV)		5,651.82	**4,526.34**
V.	**Profit before Exceptional Items and Tax (III-IV)**		481.46	**581.69**
VI.	Exceptional Items	71	-	23.39
VII.	**Profit before tax (V-VI)**		481.46	**558.30**
VIII.	Tax Expense	49		
	(1) Current Tax		147.80	143.76
	(2) Deferred Tax		2.26	(41.21)
	(3) Tax Adjustments for Earlier Years		0.63	29.53
	Total Tax Expense (VIII)		150.69	**132.08**
IX.	**Profit for the Year**		330.77	**426.22**
X	**Other Comprehensive Income/(Loss)**			
	Items that Will Not be Reclassified to Profit or Loss in Subsequent Periods			
	(1) Re-measurement (losses)/Gain on defined benefit plans		(0.83)	(13.32)
	(2) Income tax effect		0.29	4.66
	Total Other Comprehensive Income/(Loss) (X)		(0.54)	**(8.66)**
XI	**Total Comprehensive Income For The Year (IX + X)**		330.23	**417.56**
XII	Earnings per equity share (Face Value of ₹ 5 each)	43		
	Basic Earnings per equity share (₹):		28.11	36.22
	Diluted Earnings per equity share (₹):		28.11	36.22

Significant Accounting Policies 1
Notes on financial statements 2-74

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
} Directors

ARUN KUMAR SHUKLA President & Director

JK Lakshmi Cement Limited
Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2021	Change during the year	As at 31st March 2022	Change during the year	As at 31st March 2023
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	-	58.84	-	58.84
Add: Forfeited Shares	0.01	-	0.01	-	0.01
Total	58.85	-	58.85	-	58.85

B. Other Equity

₹ In Crore (10 Million)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income, that will not be reclassified to Statement of Profit and Loss	Total
	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earnings	Re-measurement of Net Defined Benefit Plans	
Balance as at 1st April'2021	25.64	88.65	37.50	950.74	917.43	0.11	2,020.07
Profit for the Year	-	-	-	-	426.22	-	426.22
Dividend payment	-	-	-	-	(44.13)	-	(44.13)
Transfer from Debenture Redemption Reserve	-	-	(37.50)	-	37.50	-	-
Other Comprehensive Income/(Loss)	-	-	-	-	-	(8.66)	(8.66)
Balance as at 31st March'2022	25.64	88.65	-	950.74	1,337.02	(8.55)	2,393.50
Profit for the Year	-	-	-	-	330.77	-	330.77
Dividend payment	-	-	-	-	(58.84)	-	(58.84)
Other Comprehensive Income/(Loss)	-	-	-	-	-	(0.54)	(0.54)
Balance as at 31st March'2023	25.64	88.65	-	950.74	1,608.95	(9.09)	2,664.89

Significant Accounting Policies 1
Notes on financial statements 2-74

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
} Directors

ARUN KUMAR SHUKLA President & Director

Company Overview, Basis of Preparation & Significant Accounting Policies

Note-1

I. Corporate & General Information

JK Lakshmi Cement Limited ("the Company'') is domiciled and incorporated in India and its Shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Registered Office of the Company is situated at Jaykaypuram, Basantgarh, Distt. :Sirohi- 307 019, Rajasthan.

The Company is a leading manufacturer and supplier of Cement and Cementitious products like RMC & AAC Blocks with manufacturing facilities in the State of Rajasthan, Chattisgarh, Gujarat, Haryana, Uttar Pradesh and Odisha. The Company began its journey in 1982 by setting-up a Cement Plant with a modest Capacity of 0.50 Million Tonnes at Sirohi in the State of Rajasthan. Over the years, the Cement capacity has grown to the present level of 11.70 Million Tonnes. The Company is the first Cement Manufacturer in North India to introduce coloured bags and registered as ISO 9200. The Company's Technical Service Cell provides construction solutions to its customers & carries out regular & innovative contact programmes with Individual House Builders, Masons and other Business Associates to keep in tune with their needs and requirements.

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 19, 2023.

II. Basis of Preparation of Financial Statements

(i) Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time and relevant provisions of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied all the accounting policies and applicable Ind AS used in the preparation for all periods presented.

(ii) Basis of Preparation

The significant accounting policies used in preparing the Financial Statements are set out in Note no. III of the Notes to the Standalone Financial Statements. Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency.

(iii) Basis of Measurement

The Financial Statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value as required by relevant IND AS.

(iv) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (As per Ind AS 113) and other Fair Value measurement have been done as per its respective standards.

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

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

For the purpose of Fair Value disclosures, the Company has determined classes of Assets and Liabilities on the basis of the nature, characteristics and risks of the Asset or Liability and the level of the Fair Value Hierarchy in which they fall.

(v) Current & Non-Current Classifications

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

An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current

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

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

(vi) Significant Accounting Judgements, Estimates and Assumptions

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

III. Significant Accounting Policies

(1) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management.

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that is future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by the management, the cost of erection/ construction is transferred to the appropriate category of property, plant and equipment cost (net of income and including pre-operative cost / expenses) associated with the commissioning of an asset are capitalized until the period of commissioning has been completed and the asset is ready of its intended use.

Property, Plant and Equipment are eliminated from Financial Statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value.

Deprecation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as specified in Schedule II to Companies Act, 2013, except for Captive Power Plants, Split Grinding Units, Vehicles & Locomotives, office equipment and Furniture & Fixtures which is provided on Written Down Value Method (WDV) as per the said schedule. Depreciation on RMC is provided considering estimated useful life of 6 years on SLM basis.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit or Loss within other gains / (losses).

Depreciation on impaired assets is provided on the basis of their residual useful life.

(2) Investment Properties

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the Straight Line Method (SLM) over their estimated useful lives. The useful live has been determined based on technical evaluation performed by the management's expert.

The Residual value, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

(3) Intangible Assets

Intangibles Assets are recognized if the future economic benefits attributable to the Assets are expected to flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed atleast at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible Asset with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

Intangible Assets are amortized as follows:

- Computer Software & Mining Right : Over a period of five years

Intangibles Assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually , either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

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

(4) Research and Development Cost

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, Plant and Equipment.

However, Development expenditure on new product is capitalized as Intangible Asset.

(5) Inventories

Inventories are carried in the balance sheet as follows :

a) Raw Materials, Packing Materials, construction Materials, Stores & Spares.	: At cost, on weighted average basis.
b) Work-in Progress – Manufacturing	: At Lower of Cost of Material, plus appropriate production Overheads and Net Realizable Value.
c) Finished Goods – Manufacturing	: At Lower of Cost of Materials plus Appropriate Production Overheads and Net Realizable Value.
d) Finished goods – Trading	: At lower of cost, on Weighted Average Basis and Net Realizable Value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of Balance Sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

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

(6) Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks / Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value.

(7) Impairment of Assets

The carrying amounts of Property, Plant & Equipment, Intangible Assets and Investment Properties are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset or Cash Generating Unit (CGU) exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years.Recoverable amount is determined:-

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

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

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(8) Foreign Currency Translations & Transitions

(i) Functional and Presentation Currency

The Company's financial statements are presented in INR, which is also the Company's Functional and Presentation Currency.

(ii) Transaction and Balance

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is recognised to Statement of Profit & Loss.

(9) Financial Instruments

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

1. Financial Assets

1.1 Definition

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

(i) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the statement of profit or loss. The losses arising from impairment are recognized in the Statement of Profit or Loss.

(ii) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(iii) Financial Assets at Fair value through Profit or Loss (FVTPL)

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

1.2 Trade Receivables

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business Trade Receivables are initially recognized at their Transaction Value as reduced by provision for impairment, if any. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1.3 Investment in Equity Shares

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Statement of Profit and Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

1.4 Investment in Associates, Joint Ventures and Subsidiaries

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost.

1.5 Derecognition of Financial Assets

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

2. Financial Liabilities

2.1 Definition

Financial liabilities include Long-term and Short-term Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

(a) Initial Recognition and Measurement

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

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

(b) Subsequent Measurement

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

i) **Financial Liabilities at Fair Value through Profit or Loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii) **Financial Liabilities measured at Amortized Cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (''EIR'') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

2.2 Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

2.3 Financial Guarantee Contracts

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

2.4 Trade and Other Payables

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.5 De-recognition of Financial Liability

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

3. Offsetting of Financial Instruments

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

4. Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(10) Grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. That grant is recognised in the Statement of Profit and Loss under 'other income'. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by recording the grant as deferred income which is released to the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Grants related to income are recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other income'.

(11) Equity Share Capital

Ordinary Shares are classified as Equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from Retained Earnings, net of taxes.

(12) Provisions, Contingent liabilities and Contingent Assets

i) General

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

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

ii) Contingent Liability

Contingent Liability is disclosed in the case of:

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

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

iii) Other Litigation Claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

iv) Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the Assets with the contract.

v) Contingent Asset

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(13) Revenue Recognition

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

i) Sale of Goods

Revenue is recognized upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties).

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

ii) Non-Cash Incentives

The Company provides Non-Cash incentives at Fair Value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

iii) Power Distribution

Revenue from Power Distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

iv) Dividend Income

Dividend income is recognized when the right to receive dividend is established, which becomes certain after shareholders' approval.

v) Lease Income

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Leases rentals are recognized on straight –line basis as per the terms of the agreements in the statement of profit and loss.

vi) Interest Income

For all Financial instruments measured at amortized cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the Financial Instrument or a shorter period, where appropriate, to the net carrying amount of the Financial Asset. Interest income is included in other income in Statement of Profit and Loss.

vii) Renewable Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on Sale of REC. Income from Sale of RECs is recognized on the delivery to the Customers' Account.

viii) Export Benefit

Export incentives, Duty Drawbacks and other benefits are recognized in the Statement of Profit and Loss on Accrual Basis.

(14) Employees Benefits

i) Defined Contribution Plans

Contributions to the employees' regional Provident Fund, Superannuation Fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Defined Benefit Plans

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) Short-term Employee Benefits

Short Term Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) Long-Term Employee Benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual Leaves can either be availed or enchased subject to restriction on the maximum accumulation of Leaves.

v) Termination Benefits

Termination Benefits are recognized as an expense in the period in which they are incurred.

The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(15) Borrowing Costs

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

The Borrowing Cost consists of Interest & Other Incidental costs that the Company incurs in connection with the borrowing of such Funds.

(2) For general borrowing used for the purpose of obtaining a Qualifying Asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

(3) Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are recognized as expense in the period in which they are incurred.

(16) Leases

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

a) Company as a Lessee

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

i) Right-Of-Use Assets

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

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

ii) Lease Liabilities

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

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

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

i) Short-Term Leases and Leases of Low-Value Assets

The Company has elected not to recognise Right-of-Use Assets and Lease Liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

b) Company as a Lessor

Lease income from Operating Leases where the Company is a Lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective Leased Assets are included in the Balance Sheet based on their nature.

(17) Taxes on Income

a) Current Tax

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

ii) Current Income Tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

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

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilized. Unrecognized Deferred Tax Assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss.

Deferred Tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

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

(18) Exceptional Items

On certain non-recurring occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the

Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(19) Earnings Per Share (EPS)

i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing

- The Profit or Loss attributable to Equity Shareholders of the Company by the Weighted Average number of Equity Shares outstanding during the Financial Year, adjusted for bonus elements in Equity Shares issued during the Year.

ii) Diluted Earnings Per Share

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account

- The after Income Tax Effect of interest and other financing costs associated with dilutive potential equity shares, and the Weighted Average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

(20) Segment Accounting

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementious Materials.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Vice Chairman & Managing Director (Chief Operating Decision Maker).

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

(21) Cash dividend

The Company recognises a Liability to pay dividend to Equity Holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Other Equity. Interim Dividends are recognised as a Liability on the date of declaration by the Company's Board of Directors.

(22) Recent Pronouncements

Recent pronouncements Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Right of Use		Buildings	Plant and Equipment	Furniture and Fixtures	Office Equip-ments	Vehicles and Locomotives	Railway Siding	Total
		Leasehold Land	Leasehold Building & Machinery							
Gross Block										
As at 1st April'2021	261.30	62.87	17.60	229.91	3,079.05	6.61	9.81	29.30	11.10	3,707.55
Additions/Adjustments	15.39	11.32	16.86	12.21	181.89	0.12	1.09	7.62	4.75	251.25
Disposals/Adjustments	-	-	-	0.05	0.49	-	-	5.68	-	6.22
As at 31st March'2022	**276.69**	**74.19**	**34.46**	**242.07**	**3,260.45**	**6.73**	**10.90**	**31.24**	**15.85**	**3,952.58**
Additions/Adjustments	34.89	0.07	13.32	12.04	102.60	0.21	0.98	13.72	0.85	178.68
Disposals/Adjustments	-	-	4.36	-	15.24	0.02	0.34	9.63	-	29.59
As at 31st March'2023	**311.58**	**74.26**	**43.42**	**254.11**	**3,347.81**	**6.92**	**11.54**	**35.33**	**16.70**	**4,101.67**
Accumulated Depreciation										
As at 1st April'2021	-	3.88	4.75	74.07	934.29	3.79	6.08	17.61	4.11	1,048.58
Charged For the Year	-	1.05	6.69	11.95	162.23	0.69	1.49	4.46	0.73	189.29
On Disposal	-	-		0.01	0.19	-	-	4.30	-	4.50
As at 31st March'2022	**-**	**4.93**	**11.44**	**86.01**	**1,096.33**	**4.48**	**7.57**	**17.77**	**4.84**	**1,233.37**
Charged For the Year	-	1.19	10.51	11.92	159.41	0.55	1.31	5.85	1.02	191.76
On Disposal	-	-	4.36	-	12.77	0.01	0.27	7.52	-	24.92
As at 31st March'2023	**-**	**6.12**	**17.59**	**97.93**	**1,242.97**	**5.02**	**8.61**	**16.09**	**5.86**	**1,400.20**
Net Carrying Amount										
As at 31st March'2022	276.69	69.26	23.02	156.06	2,164.12	2.25	3.33	13.47	11.01	2,719.21
As at 31st March'2023	**311.58**	**68.14**	**25.83**	**156.18**	**2,104.84**	**1.90**	**2.93**	**19.24**	**10.84**	**2,701.47**

1) The Title Deeds of all the Immovable Properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except the following

Description of Prpoerty	Gross Carrying Value As at 31st March'2023	Gross Carrying Value As at 31st March'2022	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of company
Lease Hold Land	**4.02**	4.02	Bihar Industrial Development Authority (BIADA).	No	July'2015	BIADA has given a notice to the Company on 30.06.2020 that the amount paid by the Company towards Leasehold Land has been forfeited. Aggrieved by the BIADA's notice, the Company had moved to Hon'ble Patna High Court in 2020. The Hon'ble High Court has directed BIADA to relook into the allotment of an alternate Land. On refusal of BIADA to give any alternate Land, the Company has filed a case against BIADA at Hon'ble Patna High Court in January 2023 for adjudication of the matter.

2) The Company has lease contracts for various buildings and plants used in its operations. Lease of buildings and plants have lease terms between 2 year to 10 years. The Company also has certain lease with lease terms of 12 months and less. The Company applies the 'short term leases' recognition exemption for these leases.

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

The following are the amounts recognised in Statement of Profit and Loss as per IND AS 116

₹ In Crore (10 Million)

	Year Ended March 31 2023	Year Ended March 31 2022
Depreciation expense of Right Of Use Assets	11.70	7.74
Interest Expense on Lease Liabilities	3.66	3.36
Expense relating to Leases of Short-term / Low Value Assets (included in Other Expenses)	10.61	10.45
Total Amount recognised in Statement of Profit and Loss	**25.97**	**21.55**

Amounts recognised in Statement of Cash Flows:

₹ In Crore (10 Million)

Particulars	Year Ended March 31 2023	Year Ended March 31 2022
Total Cash Outflow for Leases	24.18	19.49
Financing Activities		
Repayment of Principal	9.91	5.68
Repayment of Interest	3.66	3.36
Operating Activities		
Short Term / Low Value Assets Lease Payment	10.61	10.45

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

₹ In Crore (10 Million)

Particulars	Year Ended March 31 2023	Year Ended March 31 2022
Balance at the beginning	**30.01**	18.83
Addition during the year	**13.32**	16.86
Finance cost accrued during the period	**3.66**	3.36
Payment of lease liabilities	**(13.57)**	(9.04)
Balance at the end	**33.42**	30.01
Non Current (Refer Note 20)	**23.90**	**21.05**
Current (Refer Note 26)	**9.52**	**8.96**

Note-3 Capital-Work-in-Progress (CWIP)

₹ In Crore (10 Million)

Particulars	As at March 31 2023	As at March 31 2022
Capital Work in Progress (Gross)	**162.72**	209.93
Impiarment allowance	**(97.80)**	(97.80)
Capital Work in Progress (Net)	**64.92**	**112.13**

Movement in capital-work-in-progress	As at March 31 2023	As at March 31 2022
Opening balance (Gross)	**112.13**	227.50
Addition during the year	**65.46**	123.01
Capitalised during the year	**112.67**	201.73
Less: Provision for Impairment @	-	(36.65)
Closing balance (Net)	**64.92**	**112.13**

'@ Exceptional item includes nil (Previous year ₹ 36.65 crore) represents diminution in the value of Capital-Work-In-Progress due to impairment of Carrying Cost of an Asset Under Construction at the Company's Durg Cement Plant.

Capital Work in Progress (CWIP) Ageing

₹ In Crore (10 Million)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
As on 31st March'23					
Projects in Progress	17.13	2.21	-	-	19.34
Projects Temporarily Supsended (refer note 2)				45.58	45.58
Total	17.13	2.21	-	45.58	64.92
As on 31st March'22					
Projects in Progress	58.47	7.16	0.82	0.10	66.55
Projects Temporarily Supsended	-	-	-	45.58	45.58
Total	58.47	7.16	0.82	45.68	112.13

2) The Suspended Project is expected to be completed in next 2-3 years.

3) There are no Projects as on reporting date which has exceeded cost as compared to its Original cost. The Projects temporarily Suspended are overdue for completion.

Note-4 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2021	₹ 31,797	0.04	0.71	0.76
Additions/Adjustments	-	-	0.14	0.14
Disposals/Adjustments	₹ 1,230	-	-	₹ 1,230
As at 31st March'2022	₹ 30,567	0.04	0.85	0.90
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	₹ 30,567	-	-	-
As at 31st March'2023	₹ 0	0.04	0.85	0.90
Accumulated Depreciation				
As at 1st April'2021	-	₹ 38,904	0.31	0.32
Charged For the Year	-	₹ 6,970	0.05	0.05
On Disposal				
As at 31st March'2022	-	₹ 45,874	0.36	0.37
Charged For the Year	-	₹ 3,494	0.03	0.03
On Disposal	-	-	-	-
As at 31st March'2023	-	₹ 49,368	0.39	0.39
Net Carrying Amount				
As at 31st March'2022	₹ 30,567	0.03	0.48	0.53
As at 31st March'2023	-	0.03	0.46	0.50
Fair Value*				
As at 31st March'2022				0.92
As at 31st March'2023				0.29
Rental Income				
For the FY 2021-22				0.65
For the FY 2022-23				0.73

Note : There is no material expenses incurred for the maintenance of investment properties derived out of the same.
*Based upon realisation value as calculated by independent valuer.
Figure in table with ₹ symbol represents absolute figure.

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

Note-5 Intangible Assets

₹ In Crore (10 Million)

Particulars	Software	Mining Rights	Total
Gross Block			
As at 1st April'2021	7.21	-	7.21
Additions/Adjustments	3.05	-	3.05
Disposals/Adjustments	-		-
As at 31st March'2022	10.26	-	10.26
Additions/Adjustments	0.52	2.15	2.67
Disposals/Adjustments	-	-	-
As at 31st March'2023	10.78	2.15	12.93
Accumulated Amortisation			
As at 1st April'2021	4.67	-	4.67
Charged For the Year	1.18	-	1.18
On Disposal	-	-	-
As at 31st March'2022	5.85	-	5.85
Charged For the Year	1.57	0.18	1.75
On Disposal	-	-	-
As at 31st March'2023	7.42	0.18	7.60
Net Carrying Amount			
As at 31st March'2022	4.41	-	4.41
As at 31st March'2023	3.36	1.97	5.33

Note-6 Non Current Investment

₹ In Crore (10 Million)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Numbers	Amount	Numbers	Amount
Investment in Equity Shares				
Subsidiaries- At Cost				
Udaipur Cement Works Limited (₹ 4 each)	225,892,781	128.88	225,892,781	128.88
Udaipur Cement Works Limited - Equity Component*		34.90		34.90
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	116,050,007	116.05	116,050,007	116.05
Associate- At Cost				
Dwarkesh Energy Ltd (₹ 10 each)	350,000	0.35	350,000	0.35
Others- Fair Value through Profit and Loss				
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	-	4,396,136	-
Sungaze Power Pvt Ltd. (₹ 14.66 each)	1,432,308	2.10	1,432,308	2.10
Investment in Preference Shares- Fair Value Through Profit and Loss				
Subsidiary				
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	56.89	6,600	53.60
Udaipur Cement Works Limited (6% cumulative redeemable preference shares) (₹100 each)	500,000	6.69	500,000	6.39
Associate				
Dwarkesh Energy Ltd. (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	1,100,000	12.95	1,100,000	12.95

Note-6 Non Current Investment (Cont.)

₹ In Crore (10 Million)

Particulars	As at 31st March 2023 Numbers	As at 31st March 2023 Amount	As at 31st March 2022 Numbers	As at 31st March 2022 Amount
Other Investments in Subsidiary				
Capital Contribution on account of Financial Guarantee		55.27		34.69
		414.08		389.91
Aggregate carrying amount of quoted investment		128.88		128.88
Aggregate market value of quoted investment		587.55		664.12
Aggregate amount of unquoted investment		285.20		261.03

* Equity component of 5%/6% cumulative redeemable preference shares

Under lien with issuer

Note :- All Investments other than Investment in equity shares of Udaipur Cement Works Limited are unquoted.

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-7 Non Current Financial Assets - Loans		
Unsecured, Considered Good:		
(At amortised cost)		
Loan to Related Parties (refer note 61)	2.32	4.71
Loan to Others	15.00	15.00
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	17.32	19.71

Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

	As at 31st March 2023	As at 31st March 2022
Note-8 Other Non Current Financial Assets (At amortised cost)		
Unsecured, Considered Good:		
Security Deposits	38.25	30.23
Bank Deposits with remaining maturity for more than 12 months*	40.75	2.82
	79.00	33.05

* Includes ₹ 2.59 crore (previous year ₹ 2.82 crore) under lien

	As at 31st March 2023	As at 31st March 2022
Note-9 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances	43.04	24.50
Deferred Expenditure	2.19	1.99
	45.23	26.49

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-10 Inventories (at lower of cost or net realisable value)		
Raw Materials	44.17	23.91
Work -in -progress	111.29	86.68
Finished Goods (Including ₹ 8.23 crore in transit (previous year ₹ 8.41 crore)	37.53	34.24
Stock-in-Trade	6.55	1.04
Stores and Spares	107.28	96.95
Fuel Stock (Including in transit ₹ 218.49 crore (previous year ₹ 65.63 crore)	380.78	229.70
Packing Materials	12.80	18.67
	700.40	491.19
For Hypothecation Refer Note 25		
Note-11 Current Investment		
Investment at fair value through Profit & Loss		
Investment in Quoted Non Convertible Debentures	164.09	107.83
Investment in Quoted Mutual Funds	134.47	416.04
Investment in Quoted Bonds & Commercial Paper	211.68	24.16
	510.24	548.03
Aggregate book value of Quoted Investments	510.24	548.03
Aggregate market value of Quoted Investments	510.24	548.03
Aggregate book value of unquoted Investments	-	-
Note-12 Trade Receivables		
Considered good - Secured	20.60	9.12
Considered good - Unsecured	39.91	25.36
Which have Significant Increase in Credit Risk		
Credit Impaired	8.59	7.66
Less :- Impairment Allowances	(8.59)	(7.66)
	60.51	34.48

For Hypothecation Refer Note 25

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

Trade Receivables Ageing

Particulars	Outstanding For Following Periods From Due Date of Payment as on 31st March'23						
	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	25.92	26.75	-	-	-	-	52.67
Credit Impaired	-	-	-	0.16	0.34	2.58	3.08
	25.92	26.75	-	0.16	0.34	2.58	55.75
Less Credit Impaired	-	-	-	(0.16)	(0.34)	(2.58)	(3.08)
Total	**25.92**	**26.75**	**-**	**-**	**-**	**-**	**52.67**
B. Disputed							
Considered good	-	-	2.51	2.54	2.51	0.28	7.84
Credit Impaired	-	-	-	1.14	1.04	3.33	5.51
	-	-	2.51	3.68	3.55	3.60	13.34
Less Credit Impaired	-	-	-	(1.14)	(1.04)	(3.33)	(5.51)
Total	-	-	2.51	2.54	2.51	0.28	7.84
Total (A+B)	25.92	26.75	2.51	2.54	2.51	0.28	60.51

Outstanding For Following Periods From Due Date of Payment as on 31st March'22							
Particulars	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	20.44	4.86	0.41	0.02	-	-	25.73
Credit Impaired	-	-	0.05	0.32	1.13	1.67	3.17
	20.44	4.86	0.45	0.34	1.13	1.67	28.90
Less Credit Impaired	-	-	(0.05)	(0.32)	(1.13)	(1.67)	(3.17)
Total	20.44	4.86	0.41	0.03	-	-	25.73
B. Disputed							
Considered good	0.34	0.87	1.32	2.55	2.51	1.16	8.75
Credit Impaired	-	-	-	1.06	1.07	2.36	4.49
	0.34	0.87	1.32	3.61	3.58	3.52	13.24
Less Credit Impaired	-	-	-	(1.06)	(1.07)	(2.36)	(4.49)
Total	**0.34**	**0.87**	**1.32**	**2.54**	**2.50**	**1.16**	**8.75**
Total (A+B)	**20.78**	**5.73**	**1.73**	**2.57**	**2.50**	**1.16**	**34.48**

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-13 Cash and Cash Equivalents		
On Current Account	47.56	39.35
Cheques , Draft on hand/transit	0.94	0.24
Cash on hand	0.42	0.32
Deposits with original maturity for less than 3 months*	90.00	27.22
	138.92	67.13
* Includes ₹ 0.37 crore (previous year ₹ 0.72) under lien		
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with remaining maturity for more than 3 months but less than 12 months*	194.29	270.31
On Unpaid Dividend Accounts	1.50	1.39
	195.79	271.70
* Includes ₹ 0.37 crore (previous year ₹ 3.07 crore) under lien		
Note-15 Current Financial Assets - Loans		
Unsecured, Considered Good:		
Loans to Related Party* (refer note 61)	88.73	23.33
	88.73	23.33
*Including ₹ 85.40 crore to Subsidiary (Previous year ₹ 10.00 crore)		
Note-16 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims , Subsidy and other receivables)		
Considered good - Unsecured	9.00	2.96
Credit Impaired	4.22	4.22
Less: Impairment Allowance	(4.22)	(4.22)
	9.00	2.96
Interest Receivable from Banks and others	11.03	10.84
Advances to Employees	0.60	0.62
Marked to Market Gain (FVTPL)	-	0.01
	20.63	14.43

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-17 Other Current Assets (unsecured considered good unless otherwise stated)		
Prepaid expenses	9.30	6.51
Balance with Govt. Authorities	20.53	19.34
Other Advances*	132.96	56.68
Deferred Expenditure	0.27	0.74
	163.06	83.27
*Includes advances to Subsidiaries amounting of ₹ 74.49 crore (previous year ₹ 8.98 crore) Unsecured, Considered Good, otherwise stated.		
Note-18 Equity Share Capital		
SHARE CAPITAL		
Authorised :		
Equity Shares - 250,000,000 (Previous year 250,000,000) of ₹ 5 each	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00
Issued, Subscribed and Paid up :		
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	58.85	58.85

a. Reconciliation of number of Share Outstanding :

Particular	31st March 2023	31st March 2022
Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
Shares Outstanding at the end of the year	117,670,066	117,670,066

b. List of shareholders holding more than 5% of the equity share capital of the Company:

Shareholder name	31st March 2023 Number	31st March 2022 Number
Bengal & Assam Company Ltd.	52,099,121	52,099,121
Axis Mutual Fund Trustee Ltd.	7,342,519	6,090,240

c. Disclosure of Shareholding of Promoters

Name of Promoters*	As at 31st March'2023		As at 31st March'2022	
	No of Shares	% of Total Number of Shares	No of Shares	% of Total Number of Shares
Bengal & Assam Company Limited	52,099,121	44.28	52,099,121	44.28
Shri Bharat Hari Singhania	206,848	0.18	206,848	0.18
Smt. Vinita Singhania	280,058	0.24	280,058	0.24
Total	52,586,027	44.70	52,586,027	44.70
% Change in holding during the year	Nil		Nil	

*In addition, as on 31st March 2023, there are 19 entities holding 17,94,632 Equity Shares (1.61%) and as on 31st March 2022, there are 20 entities holding 17,94,632 Equity Shares (1.61%) , who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

d. Terms/ Rights attached to equity shareholders :

i) The Company has only one class of Equity Shares having a par value of Rs 5 per share. Each holder of equity shares is entitled to one vote per share held.

ii) 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 and are subject to prefrential rights of prefrence shares (if issued)

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

e. Nature of Reserves :-

Capital Redemption Reserve:- Represents the statutory reserve created when Preference Share Capital is redeemed.

Securities Premium:- Represents the amount received in excess of Par value of Securities.

Debenture Redemption Reserve :- Represents the Statutory Reserve for Non Convertibles Debentures issued by the Company.

f. During the last five years, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

₹ In Crore (10 Million)

Particulars	As at 31st March 2023 Non Current	As at 31st March 2023 Current*	As at 31st March 2022 Non Current	As at 31st March 2022 Current*
Note-19 Non Current Borrowings				
SECURED LOANS				
Term Loans				
From Banks	328.14	154.43	487.51	165.98
From Government	27.03	32.80	53.73	-
Term Loan In Foreign Currency	175.18	28.76	187.36	-
	530.35	215.99	728.60	165.98
UNSECURED LOANS				
Public Deposits	26.07	34.54	45.62	17.38
	26.07	34.54	45.62	17.38
Less:- current maturities of long term debt Shown under Note No- 25	-	250.53	-	183.36
	556.42	-	774.22	-

* Due & repayable within one year

1 Term Loan from Bank aggregating to ₹ 12.35 Crore is secured by way of a First Charge on all the Immovable and Movable Fixed Assets pertaining to the Company's Cement Unit in the State of Rajasthan, ranking pari-passu with the charges created on the said Assets subject to the prior charges in favour of Banks on Specified Assets and Company's Banks for Working Capital on Specified Movables Assets. This Term Loan is repayable in 4 equal Quarterly Instalments.

2 Term Loan from a Bank of ₹ 6.44 Crore is secured by way of an Exclusive First Charge on Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit in the State of Haryana. This Term Loan is repayable in 3 equal Quarterly Instalments.

3 Term Loan from a Bank of ₹ 62.81 Crore is secured by way of an Exclusive First Charge on all the Immovable and Movable Fixed Assets of the Company's Cement Grinding Unit in the State of Gujarat. This Term Loan is repayable in 11 equal quarterly instalments

4 Term Loans from Banks aggregating to ₹ 250.00 Crore are secured by way of a Pari Passu First Charge on all the Immovable and Movable Fixed Assets of the Company's Cement Plant in the State of Chattisgarh. These Term Loans from Banks are repayable in 10 equal Quarterly Instalments.

5 Term Loan from a Bank of ₹ 82.78 Crore is secured by way of an Exclusive First Charge on Movable Fixed Assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 38 unequal Quarterly Instalments.

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

6 Term Loan from a Bank of ₹ 69.11 Crore is secured by way of an Exclusive First Charge on all the Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 43 equal Quarterly Instalments.

7 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 68.53 Crore granted to Company in relation to its Cement Grinding Unit at Jhajjar, Haryana, is secured by Bank Guarantee of equivalent amount and shall be repaid at the end of 5th year from the respective disbursement dates. The said IFL is recognised on amortised cost basis.

8 Foreign Currency Term Loan (ECB) from a Bank of ₹ 203.94 Crore are secured by way of a Pari Passu First Charge on all the Immovable and Movable Fixed Assets pertaining to the Company's Cement Unit in the State of Rajasthan subject to the prior charges in favour of Banks on Specified Assets and Company's Banks for Working Capital on Specified Movables Assets. This ECB is repayable in 7 unequal Annual Instalments commencing from 28th September 2023

9 Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.

10 The above outstanding Term Loans are net of the Processing charges as per IND AS 109

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-20 Non Current Lease Liabilities		
Lease Liabilities	23.90	21.05
	23.90	21.05
Note-21 Other Non Current Financial Liabilities		
Trade and other Deposits	190.11	160.34
Other Liabilities	45.59	49.55
Financial Obligation of Corporate Guarantee	55.27	34.69
	290.97	244.58
Note-22 Non Current Provisions		
Provision for Employees' Benefits	15.59	11.05
	15.59	11.05
Note-23 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	359.34	357.02
Others	11.82	12.60
Less: Deferred Tax Assets		
Expenses / Provisions allowable	69.80	64.05
Others	10.57	10.52
MAT Credit Entitlement	131.22	200.72
Deferred Tax Liabilities (Net)	159.57	94.33
Note-24 Other Non-Current Liabilities		
Deferred Revenue	1.74	7.42
Liability for Employees Subsidised Car Scheme	5.92	5.87
Government and other dues	82.99	80.98
	90.65	94.27

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-25 Short Term Borrowings		
Current maturities of long-term debts (Refer Note-19)	250.53	183.36
Unsecured Loans		
Public Deposits	4.28	5.31
	254.81	188.67

Note - Working Capital Borrowings from Banks are secured / to be secured by hypothecation of Stocks and Book Debts etc. of the Company, both present & future and by a second charge on the Movable & Immovable Fixed Assets of the Company's Cement Plants in the States of Rajasthan and Chattisgarh (except those assets which are exclusively charged to other lenders)

Note-26 Finance Lease Liabilities		
Lease Liabilities	9.52	8.96
	9.52	8.96
Note-27 Trade Payables		
Micro and Small Enterprises (refer note 64)	16.28	8.78
Others	495.68	289.55
	511.96	298.33

Trade Payable Ageing

Particular	Outstanding For Following Periods From Due Date of Payment as on 31st March'23					Total
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	13.97	2.24	0.07	0.00	-	16.28
(ii) Others	454.70	38.03	1.67	0.87	0.41	495.68
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	468.67	40.27	1.74	0.87	0.41	511.96

Particular	Outstanding For Following Periods From Due Date of Payment as on 31st March'22					Total
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	6.23	2.51	0.03	-	0.01	8.78
(ii) Others	248.39	39.10	1.07	0.50	0.49	289.55
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	254.62	41.61	1.10	0.50	0.50	298.33

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-28 Other Current Financial Liabilities (At amortised cost)		
Interest Accrued but not due on borrowings	6.24	5.41
Unclaimed Dividends #	1.50	1.39
Unclaimed Matured Public Deposits and Interest #	0.48	1.11
Capital Creditors	2.48	9.65
Other Liabilities (including Rebates to Customers) @	314.56	334.64
Marked to Market Loss (FVTPL)	2.29	-
	327.55	352.20

Investor Education and Protection Fund will be credited as and when due.
@ nil related to Subsidiary (Previous year ₹ 3.76 crore)

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-29 Other Current Liabilities		
Advance from Customers	82.02	88.84
Government and other dues	153.75	188.81
Deferred Revenue	5.68	5.68
	241.45	283.33
Note-30 Current Provisions		
Provision for Employees' Benefit	5.04	15.25
	5.04	15.25
Note-31 Current Tax Liabilities/(Assets) (Net)		
Provision for Taxation (Net of Taxes paid)	(5.04)	0.41
	(5.04)	0.41

₹ In Crore (10 Million)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Note-32 Revenue From Operations@		
Revenue from Contracts with Customers		
Sale of Products		
Cement	5,291.51	4,332.38
Clinker and Value Added Products (VAP)	778.20	705.73
	6,069.71	5,038.11
Other Operating Revenues	1.34	2.67
	6,071.05	5,040.78
@ Refer note no.70		
Note-33 Other Income		
Interest Income	27.11	22.85
Interest income from other finanical asset at amortised cost	6.88	7.11
Profit on sale* of (Net of unrealised gain of previous year ₹ 16.35 crore (previous year13.58 crore)		
Current Investments	15.99	20.78
Profit/(loss) on Sale of Property Plant & Equipments (Net)	0.31	5.28
Other Non - Operating Income	11.94	11.23
	62.23	67.25
* Inclusive of fair value gain of ₹ 4.87 crore (Previous year gain of ₹ 3.16 crore)		
Note-34 Cost of Material Consumed		
Raw Material Consumed	925.69	806.97
	925.69	806.97
Note-35 Purchse of Stock - in - Trade		
Purchase of Traded Goods	689.25	478.12
	689.25	478.12

₹ In Crore (10 Million)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Note-36 Change In Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening Stocks		
Work -in -Progress	86.68	45.42
Finished Goods	34.24	28.66
Stock-in-Trade	1.04	1.08
	121.96	75.16
Closing Stocks		
Work -in -Progress	111.29	86.68
Finished Goods	37.53	34.24
Stock-in-Trade	6.55	1.04
	155.37	121.96
Less : Preoperative period Stocks	(0.21)	-
	(33.20)	(46.80)
Note-37 Employee Benefit Expense		
Salaries and Wages	294.02	279.76
Contribution to Provident and Other Funds	21.67	18.55
Staff Welfare Expenses	33.44	28.13
	349.13	326.44
Note-38 Power and Fuel		
Power and Fuel	1,543.91	1,065.64
	1,543.91	1,065.64
Note-39 Transport, Clearing & Forwarding charges		
Transport, Clearing & Forwarding charges	1,208.60	1,042.82
	1,208.60	1,042.82
Note-40 Finance Cost		
Interest expenses#	80.21	81.66
Interest expenses at amortised cost	6.10	8.42
Interest on lease liabilities	3.66	3.36
Other borrowing cost	1.53	2.87
	91.50	96.31
#net of finance cost capitalised refer note 59		
Note-41 Depreciation and Amortization Expense		
Depreciation on Property, Plant and Equipment	191.79	189.34
Amortisation on Intangible Assets	1.75	1.18
	193.54	190.52

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Note-42 Other Expenses		
Consumption of Stores and Spares*	144.03	116.54
Consumption of Packing Materials	191.76	185.74
Rent (Net of realisation ₹ 0.73 crore, previous year ₹ 0.65 crore)	10.61	10.45
Repairs to Buildings	6.42	6.24
Repairs to Machinery	56.16	46.05
Insurance	9.45	7.92
Rates and Taxes	4.18	5.07
Commission on Sales	109.81	73.46
Directors' Fee & Commission	4.10	2.00
Provision for Doubtful Debts	0.92	2.14
Advertisement and Sales Promotion	54.82	54.35
Travelling, Consultancy & Misc. expenses etc.#	91.14	56.36
	683.40	566.32
* Refer note 62C, # Refer note 51 & 62		
Note-43 Earning Per Equity Share		
Profit After Tax (PAT)	330.77	426.22
Weighted Average number of Equity Shares Outstanding	117670066	117670066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	28.11	36.22
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	28.11	36.22

Note-44 Financial Risk Management Objectives and Policies.

The Company realizes that risks are inherent & integral part of any business. The primary focus is to foresee the unpredictability of financial market & seek to minimize potential adverse effect on its financial performance. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

44.1 **Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Company has an elaborate risk management system to inform board members about risk management and minimization procedures.

a) **Foreign Currency Risk:** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company makes certain imports in foreign currency & therefore is exposed to foreign exchange risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change of US $ with 'all other variables held constant. The impact on the Company's profit/(loss) before tax due to changes in foreign exchange rate :

₹ In Crore (10 Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Appreciation in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on profit/(loss) before tax	(0.95)	(0.63)
Depreciation in USD	- ₹ 0.25	- ₹ 0.25
Effect on profit/(loss) before tax	0.95	0.63

b) **Interest Rate Risk:-** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of fixed & floating rate borrowings as also a mix of rupee & foreign currency borrowings. The following table shows the blend of Company's fixed & floating rate borrowings in Indian rupee & in foreign currency :

₹ In Crore (10 Million)

S.no.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Loans in rupees		
	- Fixed rate	64.89	68.31
	- Floating rate	482.57	653.49
	- Interest free	59.83	53.73
	Total	**607.29**	**775.53**
2	Loans in US $		
	- Fixed rate		
	- Floating rate	-	-
		203.94	187.36
	Total	**203.94**	**187.36**
3	Grand Total (1+2)	**811.23**	**962.89**

The Company regularly scans the market & interest rate scenario to find appropriate financial Instruments & negotiates with the lenders in order to reduce the effective cost of funding.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ In Crore (10 Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase in interest in basis points	+ 25	+ 25
Effect on profit/(loss) before tax	(1.71)	(2.10)
Decrease in interest in basis points	- 25	- 25
Effect on profit/(loss) before tax	1.71	2.10

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) **Commodity Price Risk and Sensitivity:**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

44.2 Credit Risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables:- Customer credit risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing bank guarantees/letter of credits/part advance payments/post dated cheques. The outstanding's of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis. **Foraging of trade receivables refer note 12**

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

44.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following table provides undiscounted cash flows towards financial liabilities* into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

₹ In Crore (10 Million)

S.No	Particulars	Undiscounted amount	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
1	As on March 31, 2023					
	- Borrowings	822.36	258.01	460.92	103.43	822.36
	- Trade Payables	511.96	511.96	-	-	511.96
	- Other liabilities	563.25	327.55	-	235.70	563.25
	- Lease liabilities	41.39	12.44	25.99	2.96	41.39
	Total	**1938.96**	**1109.96**	**486.91**	**342.09**	**1938.96**
2	As on March 31, 2022					
	- Borrowings	980.57	188.67	621.75	170.15	980.57
	- Trade payables	298.33	298.33	-	-	298.33
	- Other liabilities	562.09	353.74	7.70	200.65	562.09
	- Lease liabilities	39.84	8.96	26.90	3.98	39.84
	Total	**1880.83**	**849.70**	**656.35**	**374.78**	**1880.83**

Note-45 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits

₹ In Crore (10 Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	811.22	962.89
Less: Cash and cash equivalents (Including current investments & other bank balances)	844.95	886.86
Net Debt	-	**76.03**
Equity share capital	58.85	58.85
Other equity	2664.89	2393.50
Total Capital	2723.74	**2452.35**
Capital and Net Debt	2723.74	**2528.38**
Gearing Ratio	-	**3.01%**

The Company monitors capital using a gearing ratio, which is net debt divided by total Capital plus net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Note-46 Fair Value of Financial Assets and Liabilities

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

₹ In Crore (10 Million)

Particulars	March 31, 2023		March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit or Loss :-				
(a) Investments				
- Equity Shares	2.10	2.10	2.10	2.10
- Mutual Funds.	134.47	134.47	416.04	416.04
- NCD's & others	375.77	375.77	131.99	131.99
- Preference Shares*	111.43	111.43	107.84	107.84
(b) Financial Guarantee	55.27	55.27	34.69	34.69
Total (i)	679.04	679.04	**692.66**	**692.66**
(ii) At Amortized Cost :-				
a) Bank FDs.	325.04	325.04	300.35	300.35
b) Cash & Bank Balances	50.42	50.42	41.30	41.30
c) Trade Receivables	60.51	60.51	34.48	34.48
d) Loans	106.05	106.05	43.04	43.04
e) Others	58.88	58.88	44.66	44.66
Total (ii)	600.90	600.90	**463.83**	**463.83**
Total (A)	1279.94	1279.94	**1156.49**	**1156.49**
B. Financial Liabilities				
(i) At FVTPL				
- Financial Guarantee	55.27	55.27	34.69	34.69
(ii) At Amortized Cost				
- Borrowings	811.22	811.22	962.89	962.89
- Trade Payables	511.96	511.96	298.33	298.33
- Other Financial Liabilities	563.25	563.25	562.09	562.09
Total (i+ii)	1886.43	1886.43	**1823.31**	**1823.31**
Total (B)	1941.70	1941.70	**1858.00**	**1858.00**

*Including equity component.

Fair Valuation Techniques:

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair Value of Investments in quoted Mutual Funds and Equity Shares are based on quoted market price at the reporting date. The fair value of unquoted investments in Preference Shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted investments in equity shares are estimated on net assets basis.
4. Fair Value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The Fair Values of Derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. <u>Level 1:</u> Quoted prices in active markets.

ii. <u>Level 2:</u> Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. <u>Level 3:</u> Inputs that are not based on observable market data.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

(A) Financial Assets

₹ In Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2023			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	111.43
- Mutual Funds	134.47	-	-
- NCD and others	-	375.77	-
- Financial Guarantee	-	-	55.27
Total Financial Assets	**134.47**	**375.77**	**168.80**
As at 31st March'2022			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	107.84
- Mutual Funds	416.04	-	-
- NCD and others	-	131.99	-
- Financial Guarantee	-	-	34.69
Total Financial assets	**416.04**	**131.99**	**144.63**

(B) Financial Liabilities

₹ In Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at March 31, 2023			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	55.27
Total Financial Liabilities	**-**	**-**	**55.27**
As at March 31, 2022			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	34.69
Total Financial Liabilities	**-**	**-**	**34.69**

There have been no transfers between Level 1 ,Level 2 and Level 3 during the year ended March 31, 2023

Note-47 Segment Information:

The Company is engaged primarily into manufacturing of cement. The Company has only one business segment as identified by management namely cementious materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the vice chairman & managing director of the Company (Chief Operating Decision Maker).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

Note-48 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening	13.10	14.95
Deferred during the year	-	3.82
Released to profit and loss	(5.68)	(5.67)
Closing	7.42	13.10
Current	5.68	5.68
Non-Current	1.74	7.42

Note-49 Income Tax Expense:

i. **Amount recognized in Statement of Profit and Loss :-**

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
A. Current tax		
Current Tax	147.80	143.76
Adjustments in respect of current income tax of previous year	0.63	29.53
Total A	148.43	173.29
B. Deferred tax		
Relating to origination and reversal of temporary difference	2.26	(41.21)
Total Deferred Tax (net)	2.26	(41.21)
Total Tax Expense (A + B)	150.69	132.08

ii. **Deferred Tax recognized in Other Comprehensive Income (OCI):**

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Deferred Tax (Gain)/Loss on Defined Benefit	(0.29)	(4.66)

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Accounting profit/(loss) before Income Tax	**481.46**	**558.30**
At Applicable Statutory Income Tax Rate	34.944%	34.944%
Computed Income Tax Expense/(Income)	168.24	195.09
Increase/(reduction) in Taxes on account of :-		
Income not taxable	(1.54)	-
Income not taxable during tax holiday period	(14.19)	(18.24)
Tax on which deduction is not admissible	9.55	14.30
Previous Year Tax Adjustments	0.63	29.53
Reversal of deferred tax liability on account of change in tax rate@	(12.00)	(88.60)
Income Tax Expense/(Income) Reported to Profit & Loss	**150.69**	**132.08**

@ The Government of India has inserted a New Section 115 BAA in the Income Tax Act, 1961 which provides an option to the Company for paying Income Tax at reduced rates, subject to certain conditions. The Company is continuing to provide for Income Tax at Higher Old Rates, based on available MAT Credit Entitlement & various available exemptions / deductions. However, the Company has applied the Lower Income Tax Rates on Deferred Tax Assets / Liabilities to the extent there are expected to be realized or settled in future when the Company may be subjected to Lower Tax Rate and accordingly during the Year ended 31st March 2023, the Company has reversed the Deferred Tax Liability of ₹ 12.00 Crores (Previous year ₹ 88.60 Crores)

iv. Reconciliation of Deferred Tax (liabilities)/Assets (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	(94.33)	(64.12)
Deferred tax recognized in statement of profit and loss	(2.26)	41.21
Other comprehensive income	0.29	4.66
Previous year adjustment	(0.63)	(29.53)
MAT Credit Utilisation	(62.64)	(46.55)
Closing balance	**(159.57)**	**(94.33)**

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
<u>Deferred Tax Assets related to:</u>		
Brought forward losses set off	-	-
(Disallowances)/Allowances under Income Tax	(0.48)	(15.10)
Others	0.05	2.67
MAT Credit Entitlement	-	-
Total Deferred Tax Assets	**(0.43)**	**(12.43)**
<u>Deferred Tax Liabilities related to:</u>		
Property, Plant and Equipment	(2.32)	70.30
Others	0.78	(12.00)
Total Deferred Tax Liabilities	**(1.54)**	**58.30**
Net total movement in Statement of Profit & Loss	(1.97)	45.87
Movement in Profit & Loss	(2.26)	41.21
Movement in OCI	0.29	4.66

Note-50 Dividends

The following dividends were declared and paid by the Company during the year

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Final Dividend For the year ended 31st March'2022 – 100% i.e. ₹ 5.00 per equity share (31st March'2021 – 75% i.e. ₹ 3.75 per equity share)	58.84	44.13
Total	**58.87**	**44.13**

The following dividends were proposed by the board of directors in their meeting held on 19th May 2023, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
For the year ended 31st March'2023 75% i.e. ₹ 3.75 per equity share per equity share (31st March'2022 – 100% i.e. ₹ 5.00 per equity share)	**44.13**	58.84

Note-51 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2022-23	2021-22
A	**Statutory Auditor**		
	Statutory Audit Fee	0.20	0.20
	Tax Audit Fees	0.04	0.04
	Limited review Fee, GST Audit Fee & other Services	0.07	0.15
	Reimbursement of expenses	0.02	0.02
B	Total (A)	**0.33**	**0.41**
C	**Cost Auditor**		
	Audit fee	**0.02**	**0.02**

Note-52 Ratio Analysis and its elements

S. No.	Particulars	Units	March 31, 2023	March 31, 2022	% Change	Explanation
1	Current Ratio (Current Assets / Current Liabilities)	Times	1.39	1.34	4%	
2	Debt Equity Ratio (Total Debt (Borrowing) / Total Equity)	Times	0.30	0.39	-24%	
3	Debt Service Coverage Ratio (Earnings before Interest, depreciation and taxes / Interest + Principal Repayment)	Times	2.72	2.01	36%	A
4	Return on Equity Ratio (Profit for the period / Average Total Equity)	%	12.76%	18.43%	-31%	B
5	Inventory Turnover Ratio (Net Revenue from Operations / Average Inventory)	Times	10.19	12.50	-18%	
6	Trade Receivable Turnover Ratio (Net Revenue from Operations / Average Trade Receivable)	Times	163.62	146.37	12%	
7	Trade Payable Turnover Ratio (Purchases of Goods & Services / Average Trade Payable)	Times	12.17	11.44	6%	
8	Net Capital Turnover Ratio (Net Revenue from Operations / Average Working Capital)	Times	13.21	25.89	-49%	C
9	Net Profit Ratio (Profit for the period / Revenue from Operations)	%	5.44%	8.28%	-34%	D

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

S. No.	Particulars	Units	March 31, 2023	March 31, 2022	% Change	Explanation
10	Return on Capital Employed (Before Tax) (Earnings before Interest, taxes & Exceptional Items / Average Capital Employed)	%	15.91%	20.01%	-20%	
11	Return on Investment (Interest Income on fixed deposits, bonds and debentures + Dividend Income + Profit on sale of Investments + Profit on fair valuation of Investments carried at FVTPL / Current Investments + Non Current Investments + Other bank balances)	%	3.47%	3.75%	-8%	

Reason for Variance

A. Debt Service Coverage Ratio has improved due to reduced Debt Repayment obligation during the Current Year.

B. Return on Equity has fallen due to reduction in Profit primarily emanating from steep increase in the Fuel & Other Input costs.

C. Net Capital Turnover Ratio has fallen due to higher inventory at the year end.

D. Net Profit Ratio has fallen due to reduction in Profit primarily emanating from steep increase in the fuel & Other Input costs.

Note-53 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 58.00 crore (previous year ₹ 17.61 crore).

Note-54 Contingent Liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows

₹ in Crore (10 Million)

Particulars	31st March 2023	31st March 2022
a) Service tax	6.64	6.64
b) Sale tax and interest thereon	35.40	93.52
c) Income tax	5.78	5.78
d) Excise duty	1.77	1.83
e) Other matters	19.59	9.30
Total	69.18	117.07

Note-55 In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustment, if any, will be made after the same are finally settled.

Note-56 Contingent liability for non-use of jute bags for cement packing upto June 30, 1997, as per Jute Packaging Materials (compulsory use of packaging commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded cement industry from application of the said order from July 01, 1997.

Note-57 Competition Commission of India (CCI) vide its order dated January 19, 2017 had imposed penalty on certain cement companies including a penalty of ₹ 6.55 crore on the Company pursuant to a reference filed by the government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said order. COMPAT has granted a stay on CCI order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Company believes that it has a good case but out of abundant caution the Company had been provided full amount during the earlier years.

Note-58 Retirement Benefit Obligations

A Expenses Recognised for Defined Contribution Plan

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Company's contribution to provident fund	15.63	14.09
Company's contribution to ESI	0.51	0.42
Company's contribution to superannuation fund	1.09	1.04
Total	17.23	15.55

B Defined Contribution Plan - Provident Fund

The table below shows a summary of the key results of the report including past results as applicable

₹ in Crore (10 Million)

Particulars2022-23	31-03-2022
Present Value of obligation	140.77
Fair Value of Plan Assets	132.34
Net Assets/(Liabilty) recognised in Balance Sheet as Provision	**(8.43)**

C Defined benefit Plans

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone balance sheet as at March 31, 2023 and March 31, 2022, being the respective measurement dates:

i Change in Present Value of Defined Benefit Obligation during the Year

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligation as on 1st April'21	60.70	14.75
Acquisitions / Transfer in /Transfer Out	-	-
Current service cost	3.75	1.25
Interest cost	3.95	0.96
Benefits paid	(18.48)	(6.04)
Remeasurement - actuarial loss / (gain)	12.48	1.05
Present value of obligation as on 31st March'22	62.40	11.97
Current service cost	3.73	1.92
Interest cost	4.06	0.77
Benefits paid	(12.80)	(5.67)
Remeasurement - actuarial loss / (gain)	0.31	6.63
Present value of obligation as on 31st March'23	57.70	15.62

ii Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Fair value of plan assets at beginning of year	51.64	72.28
Acquisitions / Transfer in /Transfer out	-	-
Expected return on plan assets	3.36	4.70
Employer contributions	22.80	(6.02)
Benefit paid	(12.80)	(18.48)
Actuarial gain / (loss)	(0.52)	(0.84)
Fair value of plan assets at end of year	64.48	51.64
Present value of obligation	57.70	62.40
Net funded status of plan	(6.78)	10.76
Actual return on plan assets	2.84	3.86

iii Expenses recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service cost	3.75	1.25
Interest cost	3.95	0.96
Expected return plan assets	(4.70)	-
Remeasurement - actuarial loss / (gain)	-	1.05
For the year ended 31st March'22	3.00	3.26
Actual return on plan assets	3.86	-
Current service cost	3.73	1.92
Interest cost	4.06	0.77
Expected return plan assets	(3.36)	-
Remeasurement - actuarial loss / (gain)	-	6.63
For the year ended 31st March'23	4.43	9.32
Actual return on plan assets	2.84	-

iv Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - actuarial loss/(gain)	13.32
For the year ended 31st March'22	
Remeasurement - actuarial loss/(gain)	0.83
For the year ended 31st March'23	

v The Principal Actuarial Assumptions used for estimating the Company's Defined obligations are set out below:-

Weighted average actuarial assumptions	As at 31st March 2023	As at 31st March 2022
Discount rate	7.00%	6.50%
Expected rate of increase in salary	5.50%	5.50%
Expected rate of return on plan assets	6.50%	6.50%
Mortality rate	100% of IALM (2012--14)	100% of IALM (2012--14)
Expected average remaining working lives of employees (years)	15.84	15.91

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

vi Sensitivity analysis

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Gratuity :-		
For the year ended 31st March'22		
Discount rate	0.50%	(1.59)
	-0.50%	1.72
Salary growth rate	0.50%	1.73
	-0.50%	(1.61)
For the year ended 31st March'23		
Discount rate	0.50%	(1.61)
	-0.50%	1.74
Salary growth rate	0.50%	1.76
	-0.50%	(1.64)

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Leave Encashment :-		
For the year ended 31st March'22		
Discount rate	0.50%	(0.43)
	-0.50%	0.47
Salary growth rate	0.50%	0.47
	-0.50%	(0.43)
For the year ended 31st March'23		
Discount rate	0.50%	(0.68)
	-0.50%	0.74
Salary growth rate	0.50%	0.74
	-0.50%	(0.69)

Sensitivities due to mortality & withdrawals are not material & hence imapct of change not calculated.

vii History of experience adjustments is as follows

₹ in Crore (10 Million)

Particulars	Gratuity
For the year ended 31st March'2022	
Plan liabilities - loss/(gain)	12.48
Plan assets - gain/(loss)	(0.84)
For the year ended 31st March'2023	
Plan liabilities - loss/(gain)	0.31
Plan assets - gain/(loss)	(0.52)

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2023 - March'2024	22.10	3.81
April'2024 - March'2025	3.18	0.79
April'2025 - March'2026	2.83	0.65
April'2026 - March'2027	2.79	0.58
April'2027 - March'2028	2.73	0.68
April'2028 - March'2029	2.39	0.62
April'2029 onwards	21.68	8.49
Total	**57.70**	**15.62**

viii Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Gratuity	5.26	16.32
Leave encashment	9.32	3.26
Superannuation	1.09	1.04

ix Current and Non-Current provision for Gratuity and Leave Encashment

The following table sets out the funded status of the plan and the amounts recognised in the company's balance sheet.

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
For the year ended 31st March'2022		
Current	10.76	4.38
Non current	-	7.59
For the year ended 31st March'2023		
Current	-	3.81
Non current	-	11.81

x Employee benefit expense

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Salary and wages	294.02	279.76
Costs-defined benefit plan	4.44	3.11
Costs-defined contribution plan	17.23	15.44
Welfare expense	33.44	28.13
Total	**349.13**	**326.44**

OCI presentation of Defined Benefit plan

Gratuity is in the nature of defined benefit plan, re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to statement of profit & loss. IND AS 19 does not require segregation of provision in current and non-current, however net defined liability (assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

Note-59 Capital work in progress includes machinery in stock, construction / erection materials and also include the following pre -operation expenses pending allocation.

₹ in Crore (10 Million)

	2022-23	2021-22
Raw material consumption	4.11	-
Stores & spares consumption	0.51	-
Power & fuel	1.50	-
Repair & Maintenance	0.95	-
Transport ,clearing and forwarding charges	0.87	-
Travelling, consultancy & miscellaneous expenses	0.20	-
Finance costs	-	1.71
	8.14	1.71
Less: Sale	5.94	-
Increase in stock	0.21	-
	1.99	1.71
Add : Expenditure upto previous year	-	0.32
Less: Transferred to Property, Plant & Equipment	1.99	2.03

Note-60 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

	2022-23	2021-22
Salaries & wages	5.90	4.87
Contribution to provident and other funds	0.39	0.35
Employees' welfare expenses	0.72	0.61
Consumption of stores and spares	40.88	35.05
Power & fuel	9.49	8.26
Repairs to machinery	4.52	3.90
Material handling	119.32	114.29
Insurance	0.11	0.15
Rates and taxes	26.14	25.64
Royalty	80.72	79.59
Miscellaneous expenses	0.88	0.51
Total	289.07	273.22

Note-61 Related Party Disclosure

List of related parties :

a) Direct and step down subsidiary

Hansdeep Industries & Trading Company Limited (HITCL)
Udaipur Cement Works Limited (UCWL)
Ram Kanta Properties Private Limited (RKPPL)

b) Associates

Dwarkesh Energy Limited (DEL)

c) Key management personnels (KMPs)

Shri Bharat Hari Singhania	Chairman
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali (Ceased to be Whole-time director w.e.f. 1st August'22)	Whole-time Director
Dr. S. Chouksey (Ceased to be Whole-time director w.e.f. 1st August'22)	Whole-time Director
Shri Arun Kumar Shukla (w.e.f. 1st August'22)	President and Director
Shri B.V. Bhargava (Ceased to be director w.e.f. 31st August'22)	Independent & Non Executive Director
Ms. Bhaswati Mukherjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. K.N. Memani (Ceased to be director w.e.f. 26th April'22)	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Sadhu Ram Bansal (w.e.f. 1st July'22)	Independent & Non Executive Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga (Ceased w.e.f. 1st September'22)	Sr. VP & Company Secretary
Shri Amit Chaurasia (w.e.f. 1st September'22)	GM & Company Secretary

d) Enterprise which holds more than 20% of Equity share

Bengal & Assam Company Limited (BACL)

e) Trusts under common control

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund(EPF)
JK Lakshmi Cement Ltd. Officers Superannuation Fund(SF)
JK Lakshmi Cement Ltd. Employees Gratuity Fund(GF)

The following transactions were carried out with related parties in the ordinary course of business :

₹ in Crore (10 Million)

Nature of Transactions	Refer name from above									
	UCWL	HITCL	DEL	BACL	Trusts	UCWL	HITCL	DEL	BACL	Trusts
	2022-23					2021-22				
- Sharing of expenses received	3.20	0.10	0.02	0.09		1.39	0.02	0.04	0.07	-
- Payment of expenses	-	1.34	-	2.66		-	1.75	-	2.12	-
- Sale of clinker/cement/others	261.93	-	-	-		204.66	3.82	-	-	-
- Purchase of cement/others	571.88	-	-	-		431.90	-	-	-	-
- Other income	2.51	-	-	0.36		1.53	-	-	2.49	-
- Loan given	85.40	-	-	-		-	-	-	-	-
- Advances given		21.25								
- Advances received back	-	-	-	3.33		-	-	-	3.33	-
- Loan/ICD received back	10.00	-	-	10.00		-	-	-	30.00	
- Contribution	-	-	-	-	12.73	-	-	-	-	7.57
- Corporate guarantee given on behalf of	750.00	-				350.00	-			
Outstanding as at year end:										
- Advance/Balance Receivable (Payable)	44.48	30.01	-	-		(3.77)	8.98	-	-	-
- Loan Receivable	85.40			5.65		10.00			18.04	-
EPF - (Contribution Payable)	-	-	-		(0.14)	-	-	-		(1.58)
SF - Advance Receivable/ (Contribution Payable)					(1.09)					0.67
GF - Advance Receivable/ (Contribution Payable)					6.78					(10.76)
- Corporate Guarantee Outstanding	1,052.13	-				906.27	-			

ii) Remuneration Paid to KMPs

Particulars	2022-23	2021-22
Short term employee benefits	32.04	50.51
Post employment benefits*	5.93	12.32
Other payments	4.10	2.00
Receivable/(Payable) :	(12.58)	(27.68)

*As the liability for gratuity and leave encashment are provided on actuarial basis for the company as a whole. The amount pertaining to KMPs are not included above.

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

Note-62 a) Disclosure in respect of Corporate Social Responsibility Expenditure:

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Amount required to be spent by the company during the year.	9.39	6.14
Amount of expenditure incurred:-		
JK Lakshmi Arogya Project (Health)	0.83	1.20
JK Lakshmi Vidya Project (Education)	1.62	0.60
JK Lakshmi Aajivika Project (Livelihood)	4.56	0.48
JK Lakshmi Kaushal Parshikshan Project (Skill Development)	0.03	0.02
JK Lakshmi Swajal & Swachhta Project (Water & Sanitation)	0.82	0.56
JK Lakshmi Gramin Vikas Project (Rural Development)	0.31	1.67
Overhead Expenditure	0.22	0.16
Total	**9.39**	**4.69**
Shortfall at the end of year	Nil	1.45
Total of previous years shortfall	**1.23**	**1.45**

Reason for Shortfall - On account of Ongoing Projects and Deposited in a Separate Bank Account.

b) foreign exchange fluctuation of gain (net) ₹ 1.30 crore (previous year gain (net) ₹ 4.56 crore).

c) Consumption of stores and spares is net of scrap sale ₹ 6.66 crore (previous year ₹ 8.56 crore).

d) Miscellaneous expenses include, contribution of ₹ 3.00 crore (previous year ₹ 6.00 crore) made to a political party/electoral board as prescribed u/s 182 of the Companies Act, 2013

Note-63 Derivative Financial Instruments

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign Currency Risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward & Option Contract outstanding for the purpose of hedging at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2023		As at March 31, 2022	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
A	Forward				
	USD	5.38 Mn	44.70	Nil	Nil
	Euro	Nil	Nil	0.94 Mn	8.03
B	Option				
	USD	11.76 Mn	97.79	Nil	Nil

Foreign Currency Exposure not hedged as at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2023		As at March 31, 2022	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
1	USD ECB	21.50 Mn	176.69	25.00 Mn	189.48

JK Lakshmi Cement Limited
Notes to Standalone Financial Statements for the Year ended March 31, 2023

Note-64 Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

₹ in Crore (10 Million)

		2022-23	2021-22
I.	Principal and Interest amount due and remaining unpaid as at 31st March 2023.	**16.28**	8.78
II.	Interest paid in terms of section 16 of the MSME Act during the year	-	-
III.	The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
IV.	Payment made beyond the appointed day during the year	-	-
V.	Interest Accrued and unpaid as at 31st March 2023	-	-

Note-65 The Company has given Corporate Guarantee to the Bankers of Udaipur Cement Works Limited (UCWL), a 72.54% subsidiary of the Company for collaterally securing for the following facilities granted by Banks to UCWL

(i) The Term Loans aggregating to ₹ 1289.79 Crore (Outstanding as on 31.3.2023 is ₹ 652.13 Crore) (Previous Year : ₹ 565 Crore - Outstanding ₹ 506.27 Crore) and

(ii) The Working Capital Facilities of ₹ 50.00 Crore (Previous Year : ₹ 50.00 Crore)

The Company has received a Counter Indemnity of ₹ 1339.79 Crore from UCWL against above Corporate Guarantee given by the Company

The Company has also given Corporate Guarantee to the Trustee of Guaranteed Rated Listed Redeemable Non Convertible Debentures of ₹ 350.00 Crore (Outstanding as on 31.3.2023 is ₹ 350.00 Crore) (Previous Year : Unlisted Redeemable Non Convertible Debentures of ₹ 350.00 Crore (Outstanding as on 31.3.2022 is ₹ 350.00 Crore)) issued on Private Placement Basis by its Subsidiary Udaipur Cement Works Ltd. (UCWL). The Company has received a Counter Indemnity of ₹ 350.00 Crore from UCWL against this Corporate Guarantee.

Note-66 a. Udaipur Cement Works Ltd (UCWL) (a 72.54% Subsidiary of the Company) is proposing a Rights Issue upto an amount of ₹ 450 Crores to part-finance its ongoing Cement Expansion Project. Apart from Subscription to its Rights Entitlement, the Company shall also be subscribing to any unsubscribed portion of the Public Shareholding of 27.46% in the Proposed Rights Issue of UCWL. Pending the launch of the Rights Issue by UCWL, the Company has given an Unsecured Loan of ₹ 85.40 Crores to UCWL.

b. Hansdeep Industries and Trading Company Ltd,(HITCL) the wholly owned subsidiary of the company (JKLC) has been declared as Preferred Bidder for one of Limestone Block 4GIIA located at Dist. Nagaur, Rajasthan by Directorate of Mines & Geology Department, Udaipur. As per the terms of allotment the HITCL has to make total payments of ₹ 43.21 Crore. The HITCL has made the payment of ₹ 8.65 Crore upto 31st March,2023.

This Limestone Mines would be transferred by HITCL to JKLC at some stage, in future, after obtaining requisite approval from the Government of Rajasthan.

Note-67 a) **Loans and Advances pursuant to regulation 23(3) read with schedule of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015**

An amount of ₹ 6.67 crore (including ₹ 3.33 crore receivable within one year) (previous year ₹ 10.00 crore) (maximum balance due ₹ 10.00 crore, previous year ₹ 13.34 crore) due from BACL and arising out of an earlier scheme of reconstruction, arrangement and demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi. (Loans / Advances to employees as per Company's policy are not considered.)

b) **Loans given as per regulation 34 (3) and 53(f) read with schedule v of SEBI (LODR) regulation of listing regulation of listing regulation with stock exchanges.**

Loan given to Udaipur Cement Works Limited is ₹ 85.40 crore (previous year ₹ 10 crore). Maximum balance outstanding during the year is ₹ 95.40 crore. ICD given to Bengal & Assam Company Limited is nil crore (previous year ₹ 10 crore) Maximum balance outstanding during the year is ₹ 10 crore (previous year ₹ 40 crore).

c) Disclosure of transaction in pursuant to regulation 34(3) read with schedule V, part A, clause 2 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, with promoter/promoter group companies holding more than 10% of equity share capital of the Company.

Name of Company	Nature of transaction and amount
Bengal & Assam Company Limited	Refer note 61

d) Details of loans given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013.

The company has given loan to Subsidiary, Udaipur Cement Works Ltd (UCWL) amounting to ₹ 85.40 Crore (Previous year ₹ 10 Crore for general business purpose) against the proposed right issue by the Udaipur Cement Works Ltd. The Company has also given Corporate guarantee of ₹ 1052.13 Crore to the Bank for a long term loan and working capital facility availed by its Subsidiary, Udaipur Cement Works Ltd (Previous Year ₹ 906.27 Crore).

Note-68 During the year the Company has received subsidy of ₹ 0.21 crore (previous year ₹ 0.21 crore) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

Note-69 A. Impairment review :

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets (except CWIP, refer note 2A). The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:

(i) Operating margins (Earnings before interest and taxes),

(ii) Discount Rate and

(iii) Growth Rates and (iv) Capital Expenditure

B. Events occurring after the balance sheet date

No adjusting or significant non-adjujsting events have occured between the reporting date and date of authorization of these financial statements

Note-70 Ind AS 115 disclosures

S. No.	Particulars	2022-23	2021-22
1	**Contract Balances**		
	Trade Receivables (Refer Note No. 12)	60.51	34.48
	Contract Liabilities (Refer Note No. 29)	82.02	88.84
2	**Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:**		
	Revenue as per contract prices	6433.40	5349.49
	Discounts	(363.69)	(311.38)
	Revenue from contract with customer (Refer Note No. 32)	6069.71	5038.11
3	**Revenue recognised that was included in the contract liability balance at the beginning of the period**		
	Sale of goods	88.84	88.37

Note-71 Exceptional Item of Nil (previous year ₹ 23.39 crore) includes:

a. Impairment of nil (previous year ₹ 36.65 crore) in the Carrying Cost of an Asset under construction at Company's Cement Plant at Durg.

b. Provision of nil (previous year ₹ 64.42 crore) made for matters under sub-judice

c. Net of the Provision nil (previous year ₹ 75.68 crore) written back for the matters under sub-judice settled during the Year.

Note-72 Other statutory information

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii. The Company have not traded or invested in Crypto Currency or Virtual Currency during the financial year.

iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vi. The Company have no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in Tax assessments under Income Tax Act, 1961.

vii. The quarterly Return of current assets filed by the Company with Bank having no material variances with Books of Account, through the Company has not utlised limit during the year.

viii. Struck off Companies

₹ in Crore (10 Million)

Name of the struck off Company	Nature of transactions	Transaction during the year	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
Oriental Engineering Works Pvt. Ltd.	Payable	-	-	0.01

Note-73 In earlier years, the Company had acquired 35% holding (at a cost of ₹ 2.10 crore) in M/s. Sungaze Power Private Limited (SPPL) which has set up a 6.50 MW solar Power Plant under Captive Power Plant (CPP) model at our Durg Cement Plant in the state of Chhattisgarh. The Company, as a Captive User, has no role & responsibility in the day-to-day management & operations of SPPL. As such, SPPL has not been considered as an Associate for consolidation purposes.

Note-74 Previous year's figures have been re-grouped/re-classified wherever necessary and figures less than ₹ 50000 have been shown as actual in bracket.

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

ARUN KUMAR SHUKLA President & Director

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2023

₹ In Crore (10 Million)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax	481.46		558.30	
Adjustments for:				
Depreciation and Amortization Expense (net)	193.54		190.52	
Interest Income	(27.11)		(22.85)	
Interest income from other finanical asset at amortised cost	(6.88)		(7.11)	
(Profit) / Loss on sale of Property, Plant and Equipment (Net)	(0.31)		(5.28)	
(Profit) / Loss on sale of Current Investments (net)	(27.48)		(5.10)	
(Gain) / Loss on Fair Valuation of Current Investments	11.49		(15.68)	
Finance Costs	91.50		96.31	
Provision for Doubtful Debts	0.92		2.14	
Foreign Exchange Difference (net)	(8.29)		0.17	
Exceptional Items	-		(23.39)	
Operating Profit before Working Capital changes	708.84		768.03	
Adjustments for:				
Trade and Other Receivables	(175.96)		111.01	
Inventories	(209.21)		(175.70)	
Trade and Other Payables	220.89		(65.21)	
Cash generated from Operations	544.56		638.13	
Income Tax Payments (Net)	(90.61)		(98.22)	
Net Cash from Operating Activities		453.95		539.91
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Intangible Assets	(146.51)		(119.95)	
Sale of Property, Plant and Equipment	4.96		7.00	
(Purchase) / Sale of Investments (net)	29.61		(163.52)	
Encashment / (Investments) in bank deposits	37.98		41.73	
Interest Received	25.77		27.48	
Net Cash from / (used in) Investing Activities		(48.19)		(207.26)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long-term Borrowings	-		182.63	
Repayment of Long-term Borrowings	(173.64)		(336.35)	
Repayment of Lease Obligation - Principal	(9.91)		(5.68)	
Repayment of Lease Obligation - Interest	(3.66)		(3.36)	
Short-term borrowings (net)	(1.03)		(8.67)	
Interest and Financial charges paid	(87.00)		(95.47)	
Dividend paid	(58.73)		(44.28)	
Net Cash from / (used in) Financing Activities		(333.97)		(311.18)

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2023

₹ In Crore (10 Million)

Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022	
D.	Increase / (Decrease) in Cash and Cash Equivalents		71.79		21.47
E.	Cash and Cash Equivalents as at the beginning of the year		67.13		45.66
F.	Cash and Cash Equivalents as at the close of the year		138.92		67.13

Notes:

		Long Term	Short Term	Long Term	Short Term
1.	Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
	Opening	957.58	5.31	1110.74	13.98
	Cash Flow Changes				
	Inflow / (Repayments)	(173.64)	(1.03)	(153.72)	(8.67)
	Non - Cash Flow Changes				
	Others	23.01	-	0.56	-
	Closing	806.95	4.28	957.58	5.31

2.	Cash and Cash Equivalents include:		
	- Cash, Cheques in hand and remittances in transit	1.36	0.56
	- Balances with Scheduled Banks	137.56	66.57
		138.92	**67.13**

3. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.
4. Previous year's figures have been re-arranged and re-cast wherever necessary.

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
} Directors

ARUN KUMAR SHUKLA President & Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JK LAKSHMI CEMENT LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **JK Lakshmi Cement Limited** ("the Company" or "Holding Company") and its subsidiaries/step down subsidiary (the Company and its subsidiaries including step down subsidiary together referred to as "the Group") and an associate, which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive loss), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of the 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 and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary and an associate referred to in the other matters section below, 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 Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and an associate as at March 31, 2023, its consolidated profit, consolidated comprehensive loss, consolidated changes in equity and its 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) 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 Group and an associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

	Component	Key Audit Matters	How our audit addressed the key audit matter
1	Holding Company and subsidiary Company ("Udaipur Cement Works Limited" or UCWL)	**Revenue recognition, discounts, incentives, rebates.** • Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No 13 of Note 1 of Accounting Policy). • Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the Company's sales. • Due to the Company's and UCWL's presence across different marketing regions within the country and the competitive business environment, the assessment of the various types of discounts, incentives and rebate schemes is material and considered to be complex and judgmental. • Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, and rebates. • Given the judgement required to estimate the amount of provisions, this is a key audit matter.	**Our procedures included:** <u>For recognition of revenue:</u> • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" • We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and • Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. <u>For Recognition of discount, incentive and rebates</u> • Assessing the appropriateness of the Company's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards. • Assessing the design and testing the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, provision and disbursement of discounts, incentives and rebates. • Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes. • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions. • Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items. Based on our audit procedures we have concluded that revenue, discount, incentive and rebates is appropriately recognized, and that there was no evidence of management bias.
2	Holding Company	**Evaluation of uncertain civil and indirect tax positions and recoverability of amount deposited under protest as recoverable** The Company has material uncertain civil and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Our procedure included:** Obtained details of completed tax assessments of earlier years and demands as on March 31, 2023 from management. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes.

	Component	Key Audit Matters	How our audit addressed the key audit matter
		The eventual outcome of these litigations is uncertain, and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.	Based on management estimates and Independent legal opinion taken by Management of the Company, the liability against these matters are not yet certain hence the same has been shown as contingent liability in the current financial statements.
		Based on management judgement and the advice from legal and tax consultants and considering the merits of the case, the Company has recognized provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the financial statements unless the possibility of out flow of resources is considered to be remote. Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.	Our procedures on verification of the management's assessment of these matters included: • Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls. • Gaining an understanding of the civil and tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31 March 2023. • Inspecting demand notices received from various tax authorities and evaluating the Company's written responses to those matters. • Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and • Assessing the adequacy of the Company's disclosures. We did not identify any significant exceptions to the management's assessment of the ongoing civil, income tax and indirect tax litigations as a result of the above procedures.

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

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

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 statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The respective Board of Directors of the companies included in the Group and of an associate are also responsible for overseeing the financial reporting process of the Group and of an associate.

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 scepticism 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 financial controls 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 and its subsidiaries including step down subsidiary and associate which are companies incorporated in India, 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 ability of the Group and an associate 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 Group and an associate 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 Group and an associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

i. We did not audit the financial statements/financial information of three (3) subsidiaries/step down subsidiary whose financial statements/financial information reflect total assets of ₹ 1,931.65 crore as at March 31, 2023; as well as the total revenue of ₹ 1,031.40 crore for the year ended March 31, 2023, and net cash outflow amounting to ₹ 2.88 crore for the year ended March 31, 2023, as considered in these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose audit reports for the year ended March 31, 2023, have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries/step down subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiary, is based solely on the report of the other auditors.

ii. The consolidated financial statements also include the Group's share of profit including other comprehensive loss of Rs. 0.02 crore for the year ended March 31, 2023, in respect of an associate. This financial statements and other financial information have been audited by other auditor whose audit report for the year ended March 31, 2023, have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of this associate and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above maters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries/step down subsidiary incorporated in India and an associate, there are no matters which require reporting as specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary and an associate referred to in the Other Matters paragraph above we report, to the extent applicable, that:

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

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive loss), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules made thereunder, as amended and other accounting principles generally accepted in India;

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2023, taken on record by the Board of Directors of the Company and its subsidiaries/step down subsidiary and an associate incorporated in India and the reports of the statutory auditors of its subsidiary companies/step down subsidiary and an associate incorporated in India, none of the directors of the Group and an associate is disqualified as on March 31, 2023 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" which is based on the auditor's reports of the Group and an associate incorporated in India.

   g) In our opinion, the managerial remuneration for the year ended March 31, 2023, has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the reports of the other auditors on separate financial statements;

   i. The consolidated financial statement discloses the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group and an associate -Refer Note 53, 55 and 56 to the consolidated financial statements;

   ii. The Group did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies including step down subsidiaries and an associate incorporated in India.

   iv. a) The respective managements of the Holding Company and its subsidiary company (including step down subsidiaries) and associate Company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries (including step down subsidiary) and associate respectively that, to the best of their knowledge and belief , as disclosed in Note 69(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies (including step down subsidiary) and its associate company to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company, or any such subsidiary companies (including step down subsidiaries) or its associate company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary company (including step down subsidiaries) and its associated Company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries (including step down subsidiary) and associate respectively that, to the best of their knowledge and belief, as disclosed in the Note 69(v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies (including step down subsidiary) or its associate Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies (including step down subsidiary), or its associate 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 performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. a) The final dividend relating to financial year 2021-22 paid during the year ended March 31, 2023, by the holding Company is in compliance with section 123 of the Act.

b) As stated in Note 47 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended March 31, 2023, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. There is no dividend declared or paid during the year by the subsidiaries/ step down subsidiary Companies and associate incorporated in India

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

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 19, 2023
UDIN: 23087294BGTGTU5708

Annexure 1 to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 19, 2023, on its Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

In conjunction with our audit of the consolidated financial statement of **JK Lakshmi Cement Limited** as of and for the year ended March 31, 2023, we have audited the Internal Financial Controls over Financial Reporting of **JK Lakshmi Cement Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries/stepdown subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and an associate Company incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and an associate's internal financial controls over financial reporting 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 ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's and an associate's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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 company are being made only in accordance with authorizations of management and directors of the company; and

c) 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and an associate company incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the holding company including its subsidiaries/step down subsidiary and an associate company incorporated in India 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.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Holding Company, in so far as it relates to separate financial statements of one associate company, two subsidiary companies and one step down subsidiary which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our audit report is not modified in respect of above matters.

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 19, 2023
UDIN: 23087294BGTGTU5708

JK Lakshmi Cement Limited
Consolidated Balance Sheet as at 31st March 2023

₹ In Crore (10 Million)

		Note No.	As at 31st March 2023	As at 31st March 2022
	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	3,333.85	3,343.32
	(b) Capital work-in-progress	2A	890.21	251.18
	(c) Investment Properties	3	115.52	115.68
	(d) Goodwill	4	72.32	72.32
	(e) Other Intangible Assets	4A	5.33	4.41
	(f) Investment in an Associate	5	13.00	13.01
	(g) Financial Assets			
	(i) Investments	5	2.10	2.10
	(ii) Loans	6	17.32	19.71
	(iii) Others	7	88.91	39.44
	(h) Other Non-Current Assets	9	77.11	116.91
			4,615.67	3,978.08
(2)	Current Assets			
	(a) Inventories	10	841.60	581.00
	(b) Financial Assets			
	(i) Investments	11	511.44	636.93
	(ii) Trade Receivables	12	65.42	35.20
	(iii) Cash and Cash Equivalents	13	142.94	74.03
	(iv) Bank Balance other than (iii) above	14	196.02	498.91
	(v) Loans	15	3.33	13.33
	(vi) Others	16	22.50	16.46
	(c) Current Tax Assets (Net)	17	6.52	1.75
	(d) Other Current Assets	18	135.39	90.48
			1,925.16	1,948.09
	TOTAL ASSETS		6,540.83	5,926.17
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	19	58.85	58.85
	(b) Other Equity		2,745.01	2,446.30
			2,803.86	2,505.15
	Non Controlling Interest	19A	37.02	26.74
	LIABILITIES			
(1)	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	20	1,528.93	1,265.11
	(ii) Lease Liabilities	20A	23.90	21.05
	(iii) Other Financial Liabilities	21	263.04	235.52
	(b) Provisions	22	19.35	13.51
	(c) Deferred Tax Liabilities (Net)	8	132.66	53.05
	(d) Other Non-Current Liabilities	23	91.52	94.89
			2,059.40	1,683.13
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	24	317.38	591.42
	(ii) Lease Liabilities	24A	9.52	8.96
	(iii) Trade Payables	25		
	Micro and Small Enterprises		19.00	10.74
	Others		567.01	355.25
	(iv) Other Financial Liabilities	26	441.54	408.32
	(b) Other Current Liabilities	27	280.24	319.80
	(c) Provisions	28	5.86	15.78
	(d) Current Tax Liabilities (Net)	29	-	0.88
			1,640.55	1,711.15
	TOTAL EQUITY AND LIABILITIES		6,540.83	5,926.17

Significant Accounting Policies	1
Notes on financial statements	2-71

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

ARUN KUMAR SHUKLA President & Director

JK Lakshmi Cement Limited

Consolidated Statement of Profit and Loss for the year ended 31st March 2023

₹ In Crore (10 Million)

		Note No.	For the year ended March 31 2023	For the year ended March 31 2022
I.	Revenue from Operations	30	6,451.50	5,419.89
II.	Other Income	31	57.52	68.32
III.	**Total Income (I+II)**		**6,509.02**	**5,488.21**
IV.	Expenses :			
	Cost of Materials Consumed	32	934.65	824.23
	Purchases of Stock-in-Trade	33	410.57	289.82
	Change in inventories of finished goods, work-in-progress and Stock-in-Trade	34	(40.85)	(44.63)
	Employee Benefits Expense	35	387.72	362.82
	Power & Fuel	36	1,893.46	1,289.31
	Transport Clearing & Forwarding Charges	37	1,258.21	1,099.41
	Finance Costs	38	133.40	142.19
	Depreciation and Amortization Expense (Net)	39	228.33	223.47
	Other Expenses	40	769.03	648.22
	Total Expenses (IV)		**5,974.52**	**4,834.84**
V.	**Profit before Exceptional Items and Tax (III-IV)**		**534.50**	**653.37**
VI.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.02)	(0.04)
VII.	Exceptional Items - (Loss)	68	-	(26.99)
VIII.	**Profit before Tax (V+VI-VII)**		**534.48**	**626.34**
IX.	Tax Expense	46		
	(1) Current Tax		147.86	144.30
	(2) Deferred Tax		16.88	(25.07)
	(3) Tax Adjustments for Earlier Years		0.63	29.53
	Total Tax Expense (IX)		**165.37**	**148.76**
X.	**Profit for the Year**		**369.11**	**477.58**
XI.	**Profit for the Year attributable to**			
	Owners of the Parent		358.62	463.56
	Non Controlling Interest		10.49	14.02
			369.11	**477.58**
XII.	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss in subsequent periods			
	(1) Re-measurement (losses)/Gain on defined benefit plans		(1.85)	(13.63)
	(2) Income tax effect on above		0.55	4.74
	Total Other Comprehensive Income (XII)		**(1.30)**	**(8.89)**
XIII.	**Total Comprehensive Income For The Year (X + XII)**		**367.81**	**468.69**
XIV.	**Total Comprehensive Income For The Year attributable to**			
	Owners of the Parent	62h	**357.53**	454.75
	Non Controlling Interest		**10.28**	13.94
			367.81	468.69
XV.	Earnings per share:	40A		
	Basic Earnings per equity share (₹):		**30.48**	39.39
	Diluted Earnings per equity share (₹):		**30.48**	39.39

Significant Accounting Policies 1
Notes on financial statements 2-71

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

ARUN KUMAR SHUKLA President & Director

JK Lakshmi Cement Limited
Consolidated Statement of Changes in Equity
For the year ended 31st March 2023

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2021	Change during the year	As at 31st March 2022	Change during the year	As at 31st March 2023
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	-	58.84	-	58.84
Add: Forfeited Shares	0.01	-	0.01	-	0.01
Total	58.85	-	58.85	-	58.85

B. Other Equity

₹ In Crore (10 Million)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income, that will not be reclassified to Statement of Profit and Loss	Total
	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earnings	Re-measurement of Net Defined Benefit Plans	
Balance as at 1st April'2021	**25.64**	**88.65**	**37.50**	**950.74**	**934.15**	**(1.00)**	**2,035.68**
Profit for the Year	-	-	-	-	463.56	-	463.56
Dividend payment	-	-	-	-	(44.13)	-	(44.13)
Transfer from Debenture Redemption Reserve	-	-	(37.50)	-	37.50	-	-
Other Comprehensive Income/(Loss)	-	-	-	-	-	(8.81)	(8.81)
Balance as at 31st March'2022	**25.64**	**88.65**	**-**	**950.74**	**1,391.08**	**(9.81)**	**2,446.30**
Profit for the Year	-	-	-	-	358.62	-	358.62
Dividend payment	-	-	-	-	(58.84)	-	(58.84)
Other Comprehensive Income/(Loss)	-	-	-	-	-	(1.07)	(1.07)
Balance as at 31st March'2023	**25.64**	**88.65**	**-**	**950.74**	**1,690.86**	**(10.88)**	**2,745.01**

Significant Accounting Policies 1
Notes on financial statements 2-71

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

ARUN KUMAR SHUKLA President & Director

Note-1 Group Overview, Basis of Preparation & Significant Accounting Policies

1.1 (a) **The Group Overview:**

JK Lakshmi Cement Limited (JKLCL) and its subsidiaries and associate (hereinafter "The Group"), majorly manufactures and markets Cement, Clinker, RMC and AAC Blocks. The manufacturing facilities of the Group are situated in India.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on May 19, 2023.

(b) **Statement of Compliance:**

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs("MCA"). Company has consistently applied the accounting policies used in the preparation for all periods presented.

(c) **Basis of preparation of Consolidated Financial Statements:**

The Consolidated Financial Statements comprise the Financial Statements of the Company and its Subsidiaries and Associate as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

(d) **Basis of Preparation**

The significant accounting policies used in preparing the Financial Statements are set out in Note no. III of the Notes to the Standalone Financial Statements. Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency.

(e) **Basis of Measurement**

The Financial Statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value as required by relevant IND AS.

(f) **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (As per Ind AS 113) and other Fair Value measurement have been done as per its respective standards.

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

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

For the purpose of Fair Value disclosures, the Company has determined classes of Assets and Liabilities on the basis of the nature, characteristics and risks of the Asset or Liability and the level of the Fair Value Hierarchy in which they fall.

(g) Current & Non-Current Classifications

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

An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current

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

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

(h) Significant Accounting Judgements, Estimates and Assumptions

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

1.2 a) The Consolidated Financial Statements comprises of audited Financial Statements of JK Lakshmi Cement Limited (Parent Company) and the followings as on 31/03/2023 and 31/03/2022.

Name	Proportion of ownership interest	Financial statements as on	For the period
Subsidiaries and Indirect Subsidiary			
Hansdeep Industries and Trading Company Ltd.(HITCL)	100%	31/03/2023	12 Months
Udaipur Cement Works Ltd.(UCWL)	72.54%	31/03/2023	12 Months
Ram Kanta Properties Pvt. Ltd.	100%	31/03/2023	12 Months
Associates:			
Dwarkesh Energy Ltd.(DEL)	35%	31/03/2023	12 Months

b) The Consolidated Financial Statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions are eliminated in consolidation in accordance with IND AS 110 - 'Consolidated Financial Statement' notified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015 as amended time to time.

c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest. Impact of any significant and immaterial Non-controlling interest is not considered.

d) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with IND AS 28 – Investment in Associates and Joint Ventures.

e) Post-acquisition, the Company accounts for its share in the change in net assets of the associate (after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share) through its Statement of Profit and Loss in respect of the change attributable to the associates' Statement of Profit and Loss and through its reserves for the balance.

f) The difference between the cost of investment and share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(g) Business Combination:-Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquire. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquire is initially measured at the non-controlling shareholder's proportionate share of the acquiree's identifiable net assets.

1.3 Significant Accounting Policies

(1) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management. .

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that is future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by the management, the cost of erection/ construction is transferred to the appropriate category of property, plant and equipment cost (net of income and including pre-operative cost / expenses) associated with the commissioning of an asset are capitalized until the period of commissioning has been completed and the asset is ready of its intended use.

Property, Plant and Equipment are eliminated from Financial Statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value.

Deprecation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as specified in Schedule II to Companies Act, 2013, except for Captive Power Plants and Split Grinding Units, Vehicles & Locomotive, office Equipments and Furniture Fixtures which is provided on Written Down Value Method (WDV) as per the said schedule. Depreciation on RMC is provided considering estimated useful life of 6 years on SLM basis.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit or Loss.

Depreciation on impaired assets is provided on the basis of their residual useful life.

(2) Investment Properties

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the Straight Line Method (SLM) over their estimated useful lives. The useful live has been determined based on technical evaluation performed by the management's expert.

The Residual Life, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

(3) Intangible Assets

Intangibles Assets are recognized if the future economic benefits attributable to the Assets are expected to flow to the Group and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed atleast at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible Asset with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

Intangible Assets are amortized as follows:

- Computer Software & Mining Rights : Over a period of five years

Intangibles Assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually , either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

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

(4) Research and Development Cost

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

However, Development expenditure on new product is capitalized as intangible asset.

(5) Inventories

Inventories are carried in the balance sheet as follows :

a)	Raw Materials, Packing Materials, Construction Materials, Stores & Spares.	:	At cost, on Weighted Average Basis.
b)	Work-In Progress – Manufacturing	:	At Lower of Cost of Material, plus appropriate Production Overheads and Net Realizable Value.
c)	Finished Goods – Manufacturing	:	At Lower of Cost of Materials plus Appropriate Production Overheads and Net Realizable Value.
d)	Finished Goods – Trading	:	At Lower of Cost, on Weighted Average Basis and Net Realizable Value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of Balance Sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

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

(6) Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks / Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value.

(7) Impairment of Assets

The carrying amounts of Property, Plant & Equipment, Intangible Assets and Investment Properties are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset or Cash Generating Unit (CGU) exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years. Recoverable amount is determined :-

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

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

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(8) Foreign Currency Translations & Transitions

(i) Functional and Presentation Currency

The Group's financial statements are presented in INR, which is also the Group's Functional and Presentation Currency.

(ii) Transaction and Balance

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary

Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is recognised to Statement of Profit & Loss.

(9) Financial Instruments

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

1. Financial Assets

1.1 Definition

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

(i) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the statement of profit or loss. The losses arising from impairment are recognized in the Statement of Profit or Loss.

(ii) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(iii) Financial Assets at Fair value through Profit or Loss (FVTPL)

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

1.2 Trade Receivables

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business Trade Receivables are initially recognized at their Transaction Value as reduced by provision for impairment, if any. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1.3 Investment in Equity Shares

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Statement of Profit and Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

1.4 Derecognition of Financial Assets

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:

a) The Group has transferred substantially all the risks and rewards of the asset, or

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

2. Financial Liabilities

2.1 Definition

Financial Liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

(a) Initial Recognition and Measurement

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

The Group's Financial Liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(b) Subsequent Measurement

The measurement of Financial Liabilities depends on their classification, as described below :

i) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading. The Group has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortized Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (''EIR'') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

2.2 Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

2.3 Financial Guarantee Contracts

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

2.4 Trade and Other Payables

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.5 De-recognition of Financial Liability

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

3. Offsetting of Financial Instruments

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

4. Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(10) Grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. That grant is recognised in the Statement of Profit and Loss under 'other operating revenue'. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by recording the grant as deferred income which is released to the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Grants related to income are recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other operating revenues'.

(11) Equity Share Capital

Ordinary Shares are classified as Equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from Retained Earnings, net of taxes.

(12) Provisions, Contingent Liabilities, Contingent Assets and Commitments

i) General

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

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

ii) Contingent Liability

Contingent Liability is disclosed in the case of:

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

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

iii) Other Litigation Claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

iv) Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the Assets with the contract.

v) Contingent Asset

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(13) Revenue Recognition

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

i) Sale of Goods

Revenue is recognized upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties).

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

ii) Non-Cash Incentives

The Group provides Non-Cash Incentives at Fair Value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

iii) Power Distribution

Revenue from Power Distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

iv) Dividend Income

The Group recognises as income, when the Group's right to receive dividend is established, which becomes certain after shareholders' approval.

v) Lease Income

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Leases rentals are recognized on straight –line basis as per the terms of the agreements in the Statement of Profit and Loss.

vi) Interest Income

For all Financial Instruments measured at amortized cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the Financial Instrument or a shorter period, where appropriate, to the net carrying amount of the Financial Asset. Interest income is included in other income in statement of profit and loss.

vii) Renewable Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on Sale of REC. Income from Sale of RECs is recognized on the delivery to the Customers' Account.

viii) Export Benefit

Export incentives, Duty Drawbacks and other benefits are recognized in the Statement of Profit and Loss on accrual basis.

(14) Employees Benefits

i) Defined Contribution Plans

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Defined Benefit Plans

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) Short Term Employee Benefits

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) Long Term Employee Benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or enchased subject to restriction on the maximum accumulation of leaves.

v) Termination Benefits

Termination Benefits are recognized as an expense in the period in which they are incurred.

The Group shall recognize a liability and expense for termination benefits at the earlier of the following dates:

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(15) Borrowing Costs

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

The Borrowing Cost consists of Interest & Other Incidental costs that the Group incurs in connection with the borrowing of such Funds.

(2) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

(3) Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are recognized as expense in the period in which they are incurred.

(16) Leases

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

a) Group as a Lessee

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

i) Right-Of-Use Assets

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

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

ii) Lease Liabilities

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

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

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

iii) Short-Term Leases and leases of Low-Value Assets

The Group has elected not to recognise Right-Of-Use Assets and Lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

b) Group as a Lessor

Lease income from Operating Leases where the Group is a Lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective Leased Assets are included in the Balance Sheet based on their nature.

(17) Taxes on Income

a) Current Tax

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

ii) Current Income Tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

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

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

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

Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss.

Deferred Tax Items are recognized in correlation to the underlying transaction either in other comprehensive Income or directly in Equity.

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

(18) Exceptional Items

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

(19) Earnings Per Share (EPS)

i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing

- The Profit or Loss attributable to Equity Shareholders of the Group by the Weighted Average number of Equity Shares outstanding during the Financial Year, adjusted for bonus elements in Equity Shares issued during the year.

ii) Diluted Earnings Per Share

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account

- The after Income Tax effect of interest and other financing costs associated with dilutive potential equity shares, and the Weighted Average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

(20) Segment Accounting

The Group is engaged primarily into manufacturing and trading of Cementious Material. The Group has only one business segment as identified by management namely Cementious Materials.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Vice Chairman & Managing Director (Chief Operating Decision Maker).

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

(21) Cash Dividend

The Group recognises a Liability to pay Dividend to Equity Holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Other Equity. Interim Dividends are recognised as a Liability on the date of declaration by the Company's Board of Directors.

1.4 Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting JK Lakshmi Cement Limited Notes to the Standalone Financial Statement for the Year ended March 31, 2023 estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Right of Use		Buildings	Plant and Equipment	Furniture and Fixtures	Office Equip-ments	Vehicles and Locomotives	Railway Siding	Total
		Leasehold Building & Machinery	Leasehold Land							
Gross Block										
As at 1st April'2021	270.25	22.93	57.74	245.27	3,751.05	7.20	10.44	31.63	15.37	4,411.88
Additions/Adjustments	15.61	16.86	11.32	12.43	257.44	0.16	1.21	8.67	7.49	331.19
Disposals/Adjustments	-		-	0.05	0.49	-	-	6.35	-	6.90
As at 31st March'2022	285.86	39.79	69.06	257.65	4,008.00	7.36	11.65	33.95	22.86	4,736.17
Additions/Adjustments	59.74	13.32	0.07	15.10	116.34	0.28	1.56	14.59	0.85	221.85
Disposals/Adjustments	-	4.36	-	-	15.24	0.02	0.34	10.20	-	30.16
As at 31st March'2023	345.60	48.75	69.13	272.75	4,109.10	7.62	12.87	38.34	23.71	4,927.86
Accumulated Depreciation										
As at 1st April'2021	-	5.77	2.85	80.35	1,052.02	4.19	6.58	18.77	4.92	1,175.45
Charged for the year	-	7.22	0.53	13.28	192.91	0.73	1.55	4.89	1.00	222.09
On Disposal	-		-	0.01	0.19	-	-	4.49	-	4.69
As at 31st March'2022	-	12.99	3.38	93.62	1,244.74	4.92	8.13	19.17	5.92	1,392.85
Charged For the Year	-	10.51	1.19	12.70	192.19	0.59	1.42	6.37	1.47	226.43
On Disposal	-	4.36	-	-	12.75	0.01	0.28	7.87	-	25.27
As at 31st March'2023	-	19.14	4.57	106.32	1,424.18	5.50	9.27	17.67	7.39	1,594.01
Net Carrying Amount										
As at 31st March'2022	285.86	26.80	65.68	164.03	2,763.26	2.44	3.52	14.78	16.94	3,343.32
As at 31st March'2023	345.60	29.61	64.56	166.43	2,684.92	2.12	3.60	20.67	16.32	3,333.85

1) The Title Deeds of all the Immovable Properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except the following

Description of Prpoerty	Gross Carrying Value As at 31st March'2023	Gross Carrying Value As at 31st March'2022	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of company
Lease Hold Land	4.02	4.02	Bihar Industrial Development Authority (BIADA).	No	July'2015	BIADA has given a notice to the Company on 30.06.2020 that the amount paid by the Company towards Leasehold Land has been forfeited. Aggrieved by the BIADA's notice, the Company had moved to Hon'ble Patna High Court in 2020. The Hon'ble High Court has directed BIADA to relook into the allotment of an alternate Land. On refusal of BIADA to give any alternate Land, the Company has filed a case against BIADA at Hon'ble Patna High Court in January 2023 for adjudication of the matter.

2) The Group has lease contracts for various buildings and plants used in its operations. Lease of buildings and plants have lease terms between 2 year to 10 years. The Group also has certain lease with lease terms of 12 months and less. The Group applies the 'short term leases' recognition exemption for these leases.

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

The following are the amounts recognised in Statement of Profit and Loss as per IND AS 116

₹ In Crore (10 Million)

	Year Ended March 31 2023	Year Ended March 31 2022
Depreciation expense of Right of Use Assets	11.70	7.75
Interest Expense on Lease Liabilities	3.66	3.36
Expense relating to Leases of Short-term / Low Value Assets (included in Other Expenses)	11.95	11.89
Total Amount recognised in Statement of Profit and Loss	**27.31**	**23.00**

Amounts recognised in Statement of Cash Flows:

₹ In Crore (10 Million)

	Year Ended March 31 2023	Year Ended March 31 2022
Total Cash Outflow for Leases	25.52	20.83
Financing Activities		
Repayment of Principal	9.91	5.58
Repayment of Interest	3.66	3.36
Operating Activities		
Short Term / Low Value Assets Lease Payment	11.95	11.89

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

₹ In Crore (10 Million)

	Year Ended March 31 2023	Year Ended March 31 2022
Balance at the beginning	30.01	18.83
Addition during the year	13.32	16.86
Finance cost accrued during the period	3.66	3.36
Payment of lease liabilities	(13.57)	(9.04)
Balance at the end	33.42	30.01
Non Current (Refer Note 20A)	23.90	**21.05**
Current (Refer Note 24A)	9.52	**8.96**

Note-2A Capital-Work-in-Progress (CWIP)

₹ In Crore (10 Million)

Movement in capital-work-in-progress	As at March 31 2023	As at March 31 2022
Opening balance (Gross)	348.98	334.90
Addition during the year	773.01	294.54
Capitalised during the year	(133.98)	(280.46)
Provision for impairment (refer note 1 below)	(97.80)	(97.80)
Closing balance (Net)	890.21	**251.18**

1) Exceptional item includes Nil (Previous Year Rs 36.65 Crore) represents diminution in the value of capital-work-in-progress due to impairment of carrying cost of an asset under contruction at the holding company's Durg Cement Plant.

Capital Work in Progress (CWIP) Ageing

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31st March'23					
Projects in Progress	707.24	137.13	0.26	-	844.63
Projects Temporarily Supsended (refer note 2)				45.58	45.58
Total	**707.24**	**137.13**	**0.26**	**45.58**	**890.21**
As on 31st March'22					
Projects in Progress	196.59	8.09	0.82	0.10	205.60
Projects Temporarily Supsended (refer note 2)				45.58	45.58
Total	**196.59**	**8.09**	**0.82**	**45.68**	**251.18**

2) The Suspended project is expected to be completed in next 2-3 years.

3) There are no projects as on reporting period which has exceeded cost as compared to its original cost. The Projects Temporarily Suspended are overdue for completion.

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2021	107.60	0.04	8.50	116.14
Additions/Adjustments	-	-	0.14	0.14
Disposals/Adjustments	₹ 2131	-	0.07	0.07
As at 31st March'2022	107.60	0.04	8.57	116.21
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	₹ 30567	-	-	-
As at 31st March'2023	107.60	0.04	8.57	116.21
Accumulated Depreciation				
As at 1st April'2021	-	₹ 38904	0.34	0.35
Charged For the Year	-	₹ 6970	0.18	0.18
On Disposal	-	-	-	-
As at 31st March'2022	-	₹ 45,874	0.52	0.53
Charged For the Year	-	₹ 3494	0.16	0.16
On Disposal	-	-	-	-
As at 31st March'2023	-	₹ 49,368	0.68	0.69
Net Carrying Amount				
As at 31st March'2022	107.60	0.03	8.05	115.68
As at 31st March'2023	107.60	0.03	7.89	115.52
Fair Value*				
As at 31st March'2022				126.23
As at 31st March'2023				126.25
Rental Income				
For the FY 2021-22				1.07
For the FY 2022-23				1.15

Note : There is no material expenses incurred for the maintenance of investment properties derived out of the same.
Figure with ₹ symbol represents absolute figure.
*Based upon realisation value as calculated by independent valuer.

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

Note-4 Goodwill

Goodwill on Consolidations

Goodwill acquired in business combinaton is allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows :

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Udaipur Cement Works Limited (UCWL)	72.25	72.25
Ram Kanta Properties Private Limited (RKPPL)	0.07	0.07
Total	**72.32**	**72.32**

There is no impairment of the goodwill.

Note-4A Other Intangible Assets

₹ In Crore (10 Million)

Particulars	Software	Mining Rights	Total
Gross Block			
As at 1st April'2021	7.66	-	7.66
Additions/Adjustments	3.05	-	3.05
Disposals/Adjustments	-	-	-
As at 31st March'2022	10.71	-	10.71
Additions/Adjustments	0.52	2.15	2.67
Disposals/Adjustments	-	-	-
As at 31st March'2023	11.23	2.15	13.38
Accumulated Amortisation			
As at 1st April'2021	5.10	-	5.10
Charged For the Year	1.20	-	1.20
Disposal	-	-	-
As at 31st March'2022	6.30	-	6.30
Charged For the Year	1.57	0.18	1.75
Disposal	-	-	-
As at 31st March'2023	7.87	0.18	8.05
Net Carrying Amount			
As at 31st March'2022	4.41	-	4.41
As at 31st March'2023	3.36	1.97	5.33

Note-5 Investments

₹ In Crore (10 Million)

Particulars	As at 31st March 2023 Number	As at 31st March 2023 Amount	As at 31st March 2022 Number	As at 31st March 2022 Amount
Investment in an Associate*				
Dwarkesh Energy Ltd.				
Equity Shares of face value ₹ 10 unquoted	3,50,000	0.05	3,50,000	0.06
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value ₹ 100/- unquoted	11,00,000	12.95	11,00,000	12.95
Investment in Other Financial Assets		13.00		13.01
Others - Fair Value through Profit and Loss				
Sungaze Power Pvt Ltd. (₹ 14.66/- each) (Refer Note 70)	14,32,308	2.10	14,32,308	2.10
		15.10		15.11
Aggregate carrying amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		15.10		15.11

* Share of Post acquisition Loss / Gain has been adjusted in carrying amount.

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-6 Non Current Financial Assets - Loans		
Unsecured, Considered Good:		
(At amortised cost)		
Loan to Related Parties (refer note 66)	2.32	4.71
Loan to Others	15.00	15.00
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	17.32	19.71

Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

	As at 31st March 2023	As at 31st March 2022
Note-7 Other Non Current Financial Assets (At amortised cost)		
Unsecured, Considered Good:		
Security Deposits	48.15	36.61
Bank Deposits with original maturity for more than 12 months*	40.76	2.83
	88.91	39.44

* Includes ₹ 2.59 crore (previous year ₹ 2.83 crore) under lien

	As at 31st March 2023	As at 31st March 2022
Note-8 Deferred tax (Asset)/Liabilities (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	435.95	427.08
Others	11.82	12.60
Less: Deferred Tax Assets		
Expenses / Provisions allowable	74.56	67.92
Unabsorbed Depreciation & Brought Forward Business Losses	98.77	107.47
Others	10.56	10.52
MAT Credit Entitlement	131.22	200.72
Deferred Tax (Asset)/Liabilities (Net)	132.66	53.05

	As at 31st March 2023	As at 31st March 2022
Note-9 Other Non-Current Assets		
Unsecured, considered good:		
Capital Advances *	74.92	114.92
Deferred Expenditure	2.19	1.99
	77.11	116.91

* Refer footnote of note 6

	As at 31st March 2023	As at 31st March 2022
Note-10 Inventories (at lower of cost or net realisable value)		
Raw Materials (including in transit ₹ 45126 (previous year ₹ 0.02 crore)	48.60	27.83
Work -in -progress	126.68	95.62
Finished Goods (including in transit ₹ 8.23 Crore (previous year ₹ 8.41 crore)	40.24	35.75
Stock-in -Trade (including in transit ₹ 0.18 crore (previous year nil)	6.98	1.48
Stores and Spares	137.12	118.33
"Fuel Stock (including in transit ₹ 241.35 crore (previous year ₹ 73.90 crore)	466.52	280.97
Packing Materials	15.46	21.02
	841.60	581.00

For Hypothecation refer Note 24

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-11 Current Investments		
Investment at fair value through Profit & Loss		
Investment in quoted Non Convetible Debentures	164.09	107.83
Investment in quoted mutual funds (debt base)	135.67	504.94
Investment in quoted bonds & Commercial Paper	211.68	24.16
	511.44	636.93
Aggregate book value of quoted investments	511.44	636.93
Aggregate market value of quoted investments	511.44	636.93
Aggregate book value of unquoted investments	-	-
Note-12 Trade Receivables @		
Considered good - Secured	20.60	9.36
Considered good - Unsecured	44.82	25.84
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	8.59	7.66
Less :- Provision/Allowances for doubtful debts	(8.59)	(7.66)
	65.42	35.20

@ Contract Assets as Per IND AS 115

For Hypothecation Refer Note 24

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

Trade Receivables ageing

	Outstanding For Following Periods From Due Date of Payment as on 31st March'23						
Particulars	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	29.44	28.12	0.01	-	0.01	-	57.58
Credit Impaired	-	-	-	0.15	0.34	2.58	3.07
	29.44	28.12	0.01	0.15	0.35	2.58	60.65
Less Credit Impaired	-	-	-	(0.15)	(0.34)	(2.58)	(3.07)
Total	**29.44**	**28.12**	**0.01**	**-**	**0.01**	**-**	**57.58**
B. Disputed							
Considered good	-	-	2.51	2.54	2.51	0.28	7.84
Credit Impaired	-	-	-	1.14	1.04	3.33	5.51
	-	-	2.51	3.68	3.55	3.61	13.35
Less Credit Impaired	-	-	-	(1.14)	(1.04)	(3.33)	(5.51)
Total	**-**	**-**	**2.51**	**2.54**	**2.51**	**0.28**	**7.84**
Total (A+B)	**29.44**	**28.12**	**2.52**	**2.54**	**2.52**	**0.28**	**65.42**

Particulars	Outstanding For Following Periods From Due Date of Payment as on 31st March'22						
	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	20.92	5.09	0.41	0.02	-	-	26.44
Credit Impaired	-	-	0.05	0.32	1.13	1.67	3.17
	20.92	5.09	0.46	0.34	1.13	1.67	29.61
Less Credit Impaired	-	-	(0.05)	(0.32)	(1.13)	(1.67)	(3.17)
Total	**20.92**	**5.09**	**0.41**	**0.02**	**-**	**-**	**26.44**
B. Disputed							
Considered good	0.34	0.87	1.32	2.55	2.51	1.16	8.76
Credit Impaired	-	-	-	1.06	1.07	2.36	4.49
	0.34	0.87	1.32	3.61	3.59	3.52	13.25
Less Credit Impaired	-	-	-	(1.05)	(1.07)	(2.36)	(4.49)
Total	**0.34**	**0.87**	**1.32**	**2.55**	**2.51**	**1.16**	**8.76**
Total (A+B)	**21.26**	**5.96**	**1.73**	**2.57**	**2.51**	**1.16**	**35.20**

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-13 Cash and Cash Equivalents		
On Current Account	51.51	46.23
Deposits with original maturity of Less than 3 months *	90.00	27.22
Cheques , Draft on hand/transit	0.94	0.24
Cash on hand	0.49	0.34
	142.94	74.03
* includes ₹ 0.37 crore (previous year 0.72 crore) under lien		
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with remaining maturity for more than 3 months but less than 12 months *	194.52	497.52
On Unpaid Dividend / Interest Accounts	1.50	1.39
	196.02	498.91
* includes ₹ 0.38 crore (previous year 3.08 crore) under lien		
Note-15 Current Financial Assets - Loans		
Unsecured, Considered Good:		
Loans to Related Party (refer Note 63)	3.33	13.33
	3.33	13.33
Note-16 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good- Unsecured	10.86	4.99
Credit Impaired	4.22	4.22
Less: Provision for doubtful claims	(4.22)	(4.22)
	10.86	4.99
Interest Receivable from Banks and others	11.03	10.84
Advances to Employees (Loans)	0.61	0.63
	22.50	16.46

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-17 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	6.52	1.75
	6.52	1.75
Note-18 Other Current Assets		
(unsecured considered good unless otherwise stated)		
Prepaid expenses	10.80	8.01
Balance with Govt. Authorities	57.35	22.44
Other Advances	66.97	59.29
Deferred Expenditure	0.27	0.74
	135.39	90.48
Note-19 Equity Share Capital		
SHARE CAPITAL		
Authorised :		
Equity Shares - 250,000,000 (Previous year 250,000,000) of ₹ 5 each	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00
Issued, Subscribed and Paid up :		
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	58.85	58.85

a. Reconciliation of number of Share Outstanding :

Particular	31st March 2023	31st March 2022
Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Outstanding at the end of the year	117,670,066	117,670,066

b. List of shareholders holding more than 5% of the equity share capital of the Company:

Shareholder name	31st March 2023 Number	31st March 2022 Number
Bengal & Assam Company Ltd.	52,099,121	52,099,121
Axis Mutual Fund Trustee Ltd.	7,342,519	6,090,240

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022

c. Disclosure of Shareholding of Promoters

Name of Promoters	As at 31st March'2023		As at 31st March'2022	
	No of Shares	% of Total Number of Shares	No of Shares	% of Total Number of Shares
Bengal & Assam Company Limited	52,099,121	44.28	52,099,121	44.28
Shri Bharat Hari Singhania	206,848	0.18	206,848	0.18
Smt. Vinita Singhania	280,058	0.24	280,058	0.24
Total	52,586,027	44.70	52,586,027	44.70
% Change in holding during the year	Nil		Nil	

* In addition, as on 31st March 2023, there are 21 entities holding 22,81,538 Equity Shares (2.03%) and as on 31st March 2022, there are 22 entities holding 22,81,538 Equity Shares (2.03%) , who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

d. Terms/ right attached to equity shareholders :

i) The Company has only one class of Equity Shares having a par value of Rs 5 per share. Each holder of equity shares is entitled to one vote per share.

ii) 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.

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

e. Nature of Reserves :-

Capital Redemption Reserve:- Represents the statutory reserve created when Preference Share Capital is redeemed.

Securities Premium :- Represents the amount received in excess of Par value of Securities.

Debenture Redemption Reserve :- Represents the Statutory Reserve for Non Convertibles Debentures issued by the Company.

f. During the last five years, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-19A Non Controlling Interest		
Non Controlling Interest at the beginning of the year	**26.74**	12.80
Profit for the year attributable to Non Controlling Interest	**10.49**	14.02
Other Comprehensive Loss attributable to Non Controlling Interest	**-0.21**	-0.08
Share of Total Comprehenshive Income attributable to Non Controlling Interest for the Year	**10.28**	13.94
Non Controlling Interest at the end of the year	**37.02**	**26.74**

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

Note-20 Non Current Borrowings

₹ In Crore (10 Million)

	As at 31st March 2023		As at 31st March 2022	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures :-				
Redeemable Non- Convertible Debentures	350.00	-	-	350.00
Term Loans :-				
From Banks	950.66	216.99	978.39	218.72
From Government	27.03	32.80	53.74	-
Term Loan In Foreign Currency	175.17	28.76	187.36	-
	1502.86	278.55	1219.49	568.72
UNSECURED LOANS				
Public Deposits	26.07	34.54	45.62	17.38
	26.07	34.54	45.62	17.38
Less:- current maturities of long term debt shown under Note No- 24		313.09		586.10
	1528.93	-	1265.11	-

* Due & Repayable within one year

Parent Company

1 Term Loan from Bank aggregating to ₹ 12.35 Crore is secured by way of a First Charge on all the Immovable and Movable Fixed Assets pertaining to the Company's Cement Unit in the State of Rajasthan, ranking pari-passu with the charges created on the said Assets subject to the prior charges in favour of Banks on Specified Assets and Company's Banks for Working Capital on Specified Movables Assets. This Term Loan is repayable in 4 equal Quarterly Instalments.

2 Term Loan from a Bank of ₹ 6.44 Crore is secured by way of an Exclusive First Charge on Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit in the State of Haryana. This Term Loan is repayable in 3 equal Quarterly Instalments.

3 Term Loan from a Bank of ₹ 62.81 Crore is secured by way of an Exclusive First Charge on all the Immovable and Movable Fixed Assets of the Company's Cement Grinding Unit in the State of Gujarat. This Term Loan is repayable in 11 equal quarterly instalments

4 Term Loans from Banks aggregating to ₹ 250.00 Crore are secured by way of a Pari Passu First Charge on all the Immovable and Movable Fixed Assets of the Company's Cement Plant in the State of Chattisgarh. These Term Loans from Banks are repayable in 10 equal Quarterly Instalments.

5 Term Loan from a Bank of ₹ 82.78 Crore is secured by way of an Exclusive First Charge on Movable Fixed Assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 38 unequal Quarterly Instalments.

6 Term Loan from a Bank of ₹ 69.11 Crore is secured by way of an Exclusive First Charge on all the Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 43 equal Quarterly Instalments.

7 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 68.53 Crore granted to Company in relation to its Cement Grinding Unit at Jhajjar, Haryana, is secured by Bank Guarantee of equivalent amount and shall be repaid at the end of 5th year from the respective disbursement dates. The said IFL is recognised on amortised cost basis.

8 Foreign Currency Term Loan (ECB) from a Bank of ₹ 203.94 Crore are secured by way of a Pari Passu First Charge on all the Immovable and Movable Fixed Assets pertaining to the Company's Cement Unit in the State of Rajasthan subject to the prior charges in favour of Banks on Specified Assets and Company's Banks for Working Capital on Specified Movables Assets. This ECB is repayable in 7 unequal Annual Instalments commencing from 28th September 2023.

9 Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.

10 The above outstanding Term Loans are net of the Processing charges as per IND AS 109

Subsidiary (Udaipur Cement Works Ltd.)

1 8.96% Guaranteed Rated Secured Listed Redeemable Privately Placed Non Convertible Debentures of ₹ 350 Crore are redeemable on 16th March 2025

The NCDs are secured by a Pari Passu First Charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan and Pari Passu Second Charge on the Current Assets of the Company. The said NCDs are also secured by a Corporate Guarantee of the Holding Company.

2 Term Loans aggregating to ₹ 652.13 Crore from Banks are secured by a (i) Pari Passu First Charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan & (ii) Pari Passu Second Charge on Current Assets of the Company.

The said Term Loans are also secured by a Corporate Guarantee of the Holding Company.

- Term Loan of ₹ 67.17 Crore shall be repayable in 26 unequal Quarterly Instalments
- Term Loan of ₹ 68.00 Crore shall be repayable in 22 unequal Quarterly Instalments
- Term Loan of ₹ 78.50 Crore shall be repayable in 24 unequal Quarterly Instalments
- Term Loan of ₹ 211.60 Crore shall be repayable in 28 unequal Quarterly Instalments
- Term Loan of ₹ 32.50 Crore shall be repayable in 24 equal Quarterly Instalments
- Term Loans of ₹ 194.36 Crore shall be repayable in 44 unequal Quarterly Instalments commencing from 31st December 2025.

3 Term Loans of ₹ 38.21 Crore from Banks under Emergency Credit Line Guarantee Scheme (ECLGS) are secured by a (i) Pari Passu Second Charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan & (ii) Pari Passu Second Charge on Current Assets of the Company.

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-20A Non Current Lease Liabilities		
Lease Liabilities	23.90	21.05
	23.90	21.05
Note-21 Other Non Current Financial Liabilities		
Trade and other Deposits	217.45	185.97
Other Liabilities	45.59	49.55
	263.04	235.52
Note-22 Non Current Provisions		
Provision for Employees' Benefits	19.35	13.51
	19.35	13.51
Note-23 Other Non-Current Liabilities		
Deferred Revenue *	1.75	7.43
Liability for Employees Subsidised Car Scheme	6.78	6.49
Government & Other Dues	82.99	80.98
	91.52	94.89
Note-24 Short Term Borrowings		
Current maturities of long-term debts (Refer Note-20)	313.09	586.10
Secured Loans		
Unsecured Loans		
Public Deposits	4.29	5.32
	317.38	591.42

Parent Company

Working capital borrowings from banks are secured / to be secured by Hypothecation of stocks and book debts etc. of the Company, both present & future and by a second charge on the movable & immovable Fixed Assets of the Company's Cement Plants in the States of Rajasthan and Chattisgarh (except those assets which are exclusively charged to other lenders)

Subsidiary Company

Working capital facilities are secured by way of First Pari Passu Charge on the entire Current Assets of the Company and Second Pari Passu Charge on the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan, both Present and future. The Working Capital facilities are also secured by Corporate Guarantee of Holding Company.

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-24A Non Current Lease Liabilities		
Lease Liabilities	9.52	8.96
	9.52	8.96
Note-25 Trade Payables		
Micro and Small Enterprises (refer note 59)	19.00	10.74
Others	567.01	355.25
	586.01	365.99

Trade Payable ageing

	Outstanding For Following Periods From Due Date of Payment as on 31st March'23						
Particulars	Unbilled Due	Not Due	Less Than 1 Year	1- 2 Year	2-3 Year	More Than 3 Years	Total
(i) MSME	-	15.74	3.19	0.07	0.00	0.00	19.00
(ii) Others	19.83	481.88	61.16	1.83	1.16	1.15	567.01
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	19.83	497.62	64.35	1.90	1.16	1.15	586.01

	Outstanding For Following Periods From Due Date of Payment as on 31st March'22						
Particulars	Unbilled Due	Not Due	Less Than 1 Year	1- 2 Year	2-3 Year	More Than 3 Years	Total
(i) MSME	-	7.89	2.82	0.03	0.00	0.00	10.74
(ii) Others	20.61	279.59	49.77	2.89	1.00	1.39	355.25
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	20.61	287.48	52.59	2.92	1.00	1.39	365.99

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-26 Other Current Financial Liabilities		
Interest Accrued but not due on borrowings	18.55	8.08
Unclaimed dividends #	1.50	1.39
Unclaimed matured Public Deposits and interest #	0.48	1.10
Capital Creditors	58.49	16.70
Other liabilities	358.37	381.02
Mark to Market Loss	4.15	0.03
	441.54	408.32

Investor Education and Protection Fund will be credited as and when due.

	As at 31st March 2023	As at 31st March 2022
Note-27 Other Current Liabilities		
Advance from Customers	93.88	97.84
Govt. and other dues	180.69	216.29
Deferred Revenue	5.67	5.67
	280.24	319.80

₹ In Crore (10 Million)

	As at 31st March 2023	As at 31st March 2022
Note-28 Current Provisions		
Provision for Employees' Benefit	5.86	15.78
	5.86	15.78
Note-29 Current Tax Liabilities (Net)		
Provision for Taxation (Net of Taxes paid)	-	0.88
	-	0.88

	For the year ended 31st March 2023	For the year ended 31st March 2022
Note-30 Revenue From Operations @		
Revenue from contracts with customers		
Sale of products		
Cement	5,662.54	4,689.89
Others	788.66	727.74
Other Operating Revenues	0.30	2.26
	6,451.50	5,419.89
@ Refer Note No. 67		
Note-31 Other Income		
Interest Income	25.53	22.75
Interest income from other finanical asset at amortised cost	6.88	7.11
Profit on sale * of (Net of unrealised gain of ₹ 16.35 crore (Prev. year ₹ 13.85 crore))		
Current Investments	16.55	24.71
Profit/(loss) on Sale of Assets (Net)	0.31	6.22
Other Non - Operating Income	8.25	7.53
	57.52	68.32
* Inclusive of fair value gain of ₹ 4.70 crore (Previous year gain of ₹ 2.74 crore)		
Note-32 Cost of Material Consumed		
Raw Material Consumed	934.65	824.23
	934.65	824.23
Note-33 Purchase of Stock - in -Trade		
Purchase of Traded goods	410.57	289.82
	410.57	289.82
Note-34 Change In Inventories of Finished Goods, Work-In-Progress and Stock- In -Trade		
Opening Stocks		
Work in progress	95.62	54.62
Finished Goods	35.75	31.88
Stock-in-Trade	1.48	1.72
	132.85	88.22
Closing Stocks		
Work in progress	126.68	95.62
Finished Goods	40.24	35.75
Stock-in-Trade	6.98	1.48
	173.90	132.85
Less : Preoperative period Stocks	(0.20)	-
	(40.85)	(44.63)

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

₹ In Crore (10 Million)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Note-35 Employee Benefits Expense		
Salaries and Wages	325.09	309.83
Contribution to Provident and Other Funds	24.36	20.89
Staff Welfare Expenses	38.27	32.10
	387.72	362.82
Note-36 Power & Fuel		
Power & Fuel	1,893.46	1,289.31
	1,893.46	1,289.31
Note-37 Transport, Clearing and Forwarding Charges		
Transport, Clearing and Forwanding Charges	1,258.21	1,099.41
	1,258.21	1,099.41
Note-38 Finance Costs		
Interest expenses *	122.01	127.05
Interest expenses at amortised cost	6.10	8.42
Interest on Lease Liabilities	3.66	3.36
Other borrowing cost	1.63	3.36
	133.40	142.19
* net of finance cost capitalised refer note 50		
Note-39 Depreciation and Amortization Expense (Net)		
Depreciation on Property, Plant and Equipment	226.58	222.27
Amortisation on Intangible Assets	1.75	1.20
	228.33	223.47
Note-40 Other Expenses		
Consumption of Stores and Spares	159.68	130.86
Consumption of Packing Material	218.90	212.08
Rent (Net of realisation ₹ 0.75 crore, previous year ₹ 0.75 crore)	11.95	11.89
Repairs to Buildings	7.00	6.88
Repairs to Machinery	73.21	58.26
Insurance	10.67	8.92
Rates and Taxes	8.06	8.96
Commission on Sales	113.31	78.18
Directors' Fee & Commission	4.24	2.15
Provision for Doubtful Debts	0.92	2.14
Advertisement and Sales Promotion	62.39	64.55
Travelling, Consultancy & Misc. expenses etc. #	98.70	63.35
	769.03	648.22
# Refer note 57, also refer note-48 for remuneration of auditors.		
Note-40A Earning Per Equity Share		
Profit for the year attributable to Equity Shareholders of Parent	358.62	463.56
Weighted average number of equity shares outstanding	117,670,066	117,670,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	30.48	39.39
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	30.48	39.39

Note-41 Financial Risk Management Objectives and Policies.

The Group realizes that risks are inherent & integral part of any business. The primary focus is to foresee the unpredictability of financial market & seek to minimize potential adverse effect on its financial performance. The Group's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

41.1 **Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Group has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

a) **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group makes certain imports in foreign currency & therefore is exposed to Foreign Exchange Risk.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

<u>Foreign Currency Sensitivity</u>

The following table demonstrates the sensitivity to a reasonable possible change of US $ with all other variables held constant. The impact on the Group's Profit/(Loss)Before Tax due to changes in Foreign Exchange Rate :

₹ in Crore (10 Million)

Particulars	As at 31st March 2023	As at 31st March 2022
Appreciation in USD	+₹0.25	+₹0.25
Effect on profit/(loss) before tax	(1.04)	(0.67)
Depreciation in USD	-₹0.25	-₹0.25
Effect on profit/(loss) before tax	1.04	0.67

b) **Interest Rate Risk :-**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings as also a mix of Rupee & Foreign Currency Borrowings. The following Table shows the blend of Group's Fixed & Floating Rate Borrowings in Indian Rupee & in Foreign Currency:

₹ in Crore (10 Million)

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
1	**Loans in Rupees**		
	- Fixed Rate	64.89	411.91
	- Floating Rate	1517.65	1203.53
	- Interest Free	59.83	53.73
	Total	**1642.37**	**1669.17**
2	**Loans in US $**		
	- Fixed Rate	-	-
	- Floating Rate	203.94	187.36
	Total	**203.94**	**187.36**
3	**Grand Total (1+2)**	**1846.31**	**1856.53**

The Group regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effective Cost of Funding.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Group's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crore (10 Million)

Particulars	As at 31st March 2023	As at 31st March 2022
Increase in Interest Basis Points	+ 25	+ 25
Effect on Profit/(loss) Before Tax	(4.16)	(3.47)
Decrease in Interest Basis Points	- 25	- 25
Effect on Profit/(loss) Before Tax	4.16	3.47

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) Commodity Price Risk and Sensitivity:

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

41.2 Credit Risk:

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Group’s established policy, procedures and controls. The Group periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques.The Outstanding’s of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis. Foraging of trade receivables refer note 12

Financial Instruments and Deposits with Banks:

The Group considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operation.

41.3 Liquidity Risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Group relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilitiesinto relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

₹ in Crore (10 Million)

S.No	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	As on 31st March, 2023					
	- Borrowings	1857.44	338.77	1258.11	260.56	1857.44
	- Trade Payables	586.01	586.01	-	-	586.01
	- Other Liabilities	704.56	441.52	27.34	235.70	704.56
	- Lease Liabilities	41.39	12.44	25.99	2.96	41.39
	Total	**3189.40**	**1378.74**	**1311.44**	**499.22**	**3189.40**
2	As on 31st March, 2022					
	- Borrowings	1874.19	591.43	942.68	340.08	1874.19
	- Trade Payables	365.99	365.99	-	-	365.99
	- Other Liabilities	643.84	409.86	33.33	200.65	643.84
	- Lease Liabilities	39.84	8.96	26.90	3.98	39.84
	Total	**2923.86**	**1376.24**	**1002.91**	**544.71**	**2923.86**

Note-42 Capital Risk Management:

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

₹ in Crore (10 Million)

Particulars	As at 31st March 2023	As at 31st March 2022
Borrowings	1846.31	1856.53
Less: Cash and Cash equivalents (Including Current Investments & Other Bank balances)	850.40	1209.92
Net Debt	**995.91**	**646.61**
Equity Share Capital	58.85	58.85
Other Equity	2745.01	2446.30
Total Capital	**2803.86**	**2505.15**
Capital and Net Debt	**3799.77**	**3151.76**
Gearing Ratio	**26.21%**	**20.52%**

The Group monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

Note-43 Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

Particulars	31st March 2023		31st March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss :-				
Investments				
- Equity Shares	2.10	2.10	2.10	2.10
- Mutual Funds	135.67	135.67	504.94	504.94
- NCD's & others	375.77	375.77	131.99	131.99
- Preference Shares	12.95	12.95	12.95	12.95
Total (i)	**526.49**	**526.49**	**651.98**	**651.98**
(ii) At Amortized Cost :-				
a) Bank FDs.	325.28	325.28	527.57	527.57
b) Cash & Bank Balances	54.44	54.44	48.19	48.19
c) Trade Receivables	65.42	65.42	35.20	35.20
d) Loans	20.65	20.65	43.04	43.04
e) Others	70.74	70.74	53.19	53.19
Total (ii)	**536.53**	**536.53**	**707.19**	**707.19**
Total (A)	**1063.02**	**1063.02**	**1359.17**	**1359.17**
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	1846.31	1846.31	1856.53	1856.53
- Trade Payables	586.01	586.01	365.99	365.99
- Other Financial Liabilities	704.56	704.56	643.84	643.84
Total (B)	**3136.88**	**3136.88**	**2866.36**	**2866.36**

Fair Valuation Techniques:

The Group maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Group, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following Table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. Level 1: Quoted prices in active markets.

ii. Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. Level 3: Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(A) Financial Assets

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2023			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	12.95
- Mutual Funds	135.67	-	-
- NCD and others	-	375.77	-
Total Financial Assets	**135.67**	**375.77**	**15.05**

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2022			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	12.95
- Mutual Funds	504.94	-	-
- NCD and others	-	131.99	-
Total Financial Assets	**504.94**	**131.99**	**15.05**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2023.

Note-44 Segment Information:

The Group is engaged primarily into manufacturing of Cement. The Group has only one business segment as identified by management namely Cementious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the VC&MD of the Parent Company (Chief Operating Decision Maker).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of a Group's revenues during the current and previous year.

Note-45 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at March 31 2023	As at March 31 2022
Opening	13.10	14.95
Deferred during the year	-	3.82
Released to profit and loss	(5.68)	(5.67)
Closing	7.42	13.10
Current	5.67	5.67
Non-Current	1.75	7.43

Note-46 Income Tax Expense:

i. Amount recognized in Statement of Profit and Loss :-

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
A. Current Tax		
Current Tax	147.86	144.30
Adjustments in respect of current income tax of previous year	0.63	29.53
Total A	148.49	173.83
B. Deferred Tax		
Relating to origination and reversal of temporary difference	16.88	(25.07)
MAT Credit Entitlements	-	-
Total Deferred Tax Assets (net)	16.88	(25.07)
Total Tax Expense (A + B)	165.37	148.76

ii. Deferred Tax recognized in Other Comprehensive Income (OCI):

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Deferred Tax (Gain)/Loss on defined benefit	(0.55)	(4.74)

iii. Reconciliation of Effective Tax Rate.

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Accounting Profit/(Loss) before Income Tax	534.50	626.34
At Applicable Statutory Income Tax Rate	25.17%-34.94%	25.17%-34.94%
Computed Income Tax Expense/(Income)	182.92	212.22
Increase/(Reduction) in taxes on account of :-		
Income not taxable	(16.16)	(16.84)
R & D u/s- 35(2AB) of Income Tax	-	-
Deferred Tax related to Property, Plant & Equipment & Others	14.62	16.15
Previous Year Tax Adjustments	0.63	29.53
Income not taxable during tax holiday period	(14.19)	(18.24)
Provision for impairment not considered deductible	-	-
Tax on which deduction is not admissible	9.55	14.30
Reversal of deferred tax liability on account of change in tax rate@	(12.00)	(88.60)
Income Tax on Capital Gain	-	0.24
Income Tax Expense/(Income) Reported to the Statement of Profit & Loss	165.37	148.76

@ The Government of India has inserted a New Section 115 BAA in the Income Tax Act, 1961 which provides an option to the Parent Company for paying Income Tax at reduced rates, subject to certain conditions. The Parent Company is continuing to provide for Income Tax at Higher Old Rates, based on available MAT Credit Entitlement & various available exemptions / deductions. However, the Parent Company has applied the Lower Income Tax Rates on Deferred Tax Assets / Liabilities to the extent there are expected to be realized or settled in future when the Company may be subjected to Lower Tax Rate and accordingly during the Year ended 31st March 2023, the Parent Company has reversed the Deferred Tax Liability of ₹ 12 Crore (Previous Year ₹ 88.60 Crore).

iv. Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	(53.05)	(6.78)
Deferred Tax recognized in Statement of Profit and Loss	(16.88)	25.07
Other Comprehensive Income	0.55	4.74
Previous year adjustment	(0.63)	(29.53)
MAT Credit utilization	(62.64)	(46.55)
Closing Balance	(132.66)	(53.05)

v. **Deferred Tax:**

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Deferred Tax Assets Related to:-		
Brought Forward Losses Setoff	(8.70)	(11.87)
Disallowances/Allowances Under Income Tax	0.41	(14.02)
Others	0.05	2.67
MAT Credit Entitlement	-	-
Total Deferred Tax Assets	**(8.24)**	**(23.22)**
Deferred Tax Liabilities Related to:-		
Property, Plant and Equipment	(8.87)	65.03
Others	0.78	(12.00)
Total Deferred Tax Liabilities	**(8.09)**	**53.03**
Net Total Movement in Statement of Profit & Loss	(16.33)	29.81
Movement in Statement of Profit & Loss	(16.88)	(25.07)
Movement in OCI	(0.55)	4.74

Note-47 Dividends:

The following dividends were declared and paid by the Parent Company during the year:-

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Final Dividend For the year ended 31st March'2022 – 100% i.e.₹ 5.00 per equity share (31st March'2021 – 75% i.e. ₹ 3.75 per equity share)	58.84	44.13
Total	58.84	44.13

The following dividends were proposed by the board of directors in their meeting held on 19th May 2023, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
For the year ended 31st March'2023 75% i.e. ₹ 3.75 per equity share (31st March'2022- 100% i.e.₹ 5.00 per equity share)	44.13	58.84

Note-48 Amount paid to Auditors

₹ in Crore (10 Million)

S. No	Particulars	2022-23	2021-22
A	Statutory Auditor		
	Statutory audit fee	0.24	0.24
	Tax audit fee	0.05	0.05
	Limited review fee, GST audit fee & other services	0.08	0.16
	Reimbursement of Expenses	0.02	0.02
B	Total (A)	0.39	0.47
C	Cost Auditors		
	Audit Fee	0.02	0.02

Note-49 Retirement Benefit Obligations:

A. Expenses Recognised for Defined Contribution Plan.

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Company's Contribution to Provident Fund	17.51	16.20
Company's Contribution to ESI	0.53	0.43
Company's Contribution to Superannuation Fund	1.16	1.13
Total	19.20	17.76

B Defined Contribution Plan - Provident Fund

₹ in Crore (10 Million)

Particulars	2022-23
Present Value of Obligation	140.77
Fair value of Plan Assets	132.34
Net Assets/(Liability) recognised in Balance Sheet as Provision	(8.43)

C Defined Benefit Plans

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Consolidated Balance Sheet as at March 31, 2023 and March 31, 2022, being the respective measurement dates:

1 Change in Present Value of Defined Benefit Obligation during the year

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of obligation as on 1st April'21	65.39	17.20
Current Service Cost	4.28	1.74
Interest Cost	4.26	1.12
Benefits Paid	(19.36)	(6.72)
Remeasurement - actuarial loss / (gain)	12.73	1.48
Present Value of obligation as on 31st March'22	67.30	14.82
Present Value of obligation as on 1st April'22	67.30	14.82
Current Service Cost	4.44	2.58
Interest Cost	4.38	0.96
Benefits Paid	(13.66)	(6.41)
Remeasurement - actuarial loss / (gain)	1.23	7.16
Present Value of obligation as on 31st March'23	63.69	19.11

2 Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Fair Value of plan assets at beginning of year	56.40	76.82
Expected Return on plan assets	3.67	4.99
Employer contributions	23.59	(5.14)
Benefit paid	(13.66)	(19.36)
Actuarial gain / (loss)	(0.63)	(0.91)
Fair Value of plan assets at end of year	69.37	56.40
Present Value of Obligation	63.69	67.30
Net funded status of plan	(5.68)	10.90
Actual Return on plan assets	3.04	4.08

3 Expenses recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	4.28	1.74
Interest cost	4.26	1.12
Expected return plan assets	(4.99)	-
Remeasurement - actuarial loss / (gain)	-	1.48
For the year ended 31st March'22	**3.55**	**4.34**
Actual return on plan assets	**4.08**	**-**
Current Service Cost	4.44	2.58
Interest cost	4.38	0.96
Expected return plan assets	(3.67)	-
Remeasurement - actuarial loss / (gain)	-	7.16
For the year ended 31st March'23	**5.15**	**10.70**
Actual return on plan assets	3.04	-

4 Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	13.63
For the year ended 31st March'22	
Remeasurement - Actuarial loss/(gain)	1.85
For the year ended 31st March'23	

5 The Principal actuarial assumptions used for estimating the Group's Defined Obligations are set out below :-

Weighted Average Actuarial Assumptions	As at 31st March'23	As at 31st March'22
Attrition Rate		
Discount Rate	7.00%	6.50%
Expected Rate of increase in salary	5.5% - 7.00%	5.50%
Expected Rate of Return on Plan Assets	6.50%	6.50%
Mortality Rate	100% of IALM (2012--14)	100% of IALM (2012--14)
Expected Average remaining working lives of employees (years)	15.84 to 20.13	16.11

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

6 Sensitivity analysis

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Gratuity :-		
For the year ended 31st March'22		
Discount rate	0.50%	(1.79)
	-0.50%	1.94
Salary growth rate	0.50%	1.93
	-0.50%	(1.80)
For the year ended 31st March'23		
Discount rate	0.50%	(1.90)
	-0.50%	2.04
Salary growth rate	0.50%	2.06
	-0.50%	(1.93)

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Leave Encashment :-		
For the year ended 31st March'22		
Discount rate	0.50%	(0.59)
	-0.50%	0.64
Salary growth rate	0.50%	0.64
	-0.50%	(0.59)
For the year ended 31st March'23		
Discount rate	0.50%	(0.89)
	-0.50%	0.97
Salary growth rate	0.50%	0.97
	-0.50%	(0.90)

Sensitivities due to mortality & withdrawals are not material & hence imapct of change not calculated.

7 History of experience adjustments is as follows

₹ in Crore (10 Million)

Particulars	Gratuity
For the year ended 31st March'2022	
Plan liabilities - loss/(gain)	12.73
Plan assets - gain/(loss)	(0.91)
For the year ended 31st March'2023	
Plan liabilities - loss/(gain)	0.67
Plan assets - gain/(loss)	(0.63)

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2023 - March'2024	22.60	3.81
April'2024 - March'2025	4.02	0.79
April'2025 - March'2026	3.14	0.65
April'2026 - March'2027	2.99	0.59
April'2027 - March'2028	2.90	0.68
April'2028 - March'2029	2.55	0.62
April'2029 onwards	25.51	8.49
Total	**63.71**	**15.63**

8 Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Gratuity	11.25	21.22
Leave Encashment	12.80	6.11
Superannuation	1.09	1.04
Total	**25.14**	**28.37**

9 Current and Non-Current provision for Gratuity and Leave Encashment

The following table sets out the funded status of the plan and the amounts recognised in the Group's Balance Sheet.

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
For the year ended 31st March'2022		
Current	11.65	4.77
Non current	4.01	10.05
For the year ended 31st March'2023		
Current	(6.28)	4.13
Non current	5.49	14.97

10 Employee benefit expense

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Salary and Wages	325.09	309.83
Costs-defined benefit plan	5.16	3.65
Costs-defined contribution plan	19.20	17.24
Welfare expense	38.27	32.10
Total	387.72	362.82

OCI presentation of defined benefit plan

Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss. IND AS 19 does not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on Government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

Note-50 Capital work in progress includes machinery in stock, construction / erection materials and also include the following pre -operation expenses pending allocation.

₹ in Crore (10 Million)

	2022-23	2021-22
Raw Material Consumed	4.11	-
Stores and Spares	0.51	-
Repair & Maintenance	0.95	-
Power & Fuel	2.24	0.41
Salaries and Wages	5.80	1.97
Staff Welfare expenses	0.03	0.02
Insurance	0.69	0.27
Transport ,Clearing and Forwarding Charges	1.67	0.97
Travelling, Consultancy & Miscellaneous Expenses	0.20	-
Finance costs	31.21	2.99
	47.41	6.63
Less: Sale	5.94	-
Increase in Stock	0.20	-
	41.27	6.63
Add : Expenditure upto previous year	4.06	2.11
Less: Transferred to Property, Plant & Equipment	1.99	4.68
	43.34	4.06

Note-51 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

	2022-23	2021-22
Salaries & Wages	7.78	6.44
Contribution to Provident and Other Funds	0.53	0.48
Employees' Welfare Expenses	1.00	0.85
Consumption of Stores and Spares	58.32	47.11
Power & Fuel	11.51	10.09
Repairs to Machinery	4.52	3.90
Material Handing	136.82	130.59
Insurance	0.11	0.15
Rates and Taxes	26.14	25.64
Royalty	101.34	99.42
Miscellaneous Expenses	2.05	2.18
Total	350.12	326.85

Note-52 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 392.73 crore (previous year ₹ 438.36 crore).

Note-53 Contingent liabilities in respect of claims not accepted by the Group (matters in appeals) and not provided for are as follows :

₹ in Crore (10 Million)

		March 31, 2023	March 31, 2022
a)	Service tax	6.64	6.64
b)	Sale tax and interest	36.51	93.94
c)	Income tax	44.16	5.78
d)	Excise duty	1.77	1.83
e)	Other matters	21.46	14.18
	Total	110.54	122.37

Note-54 In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

Note-55 Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

Note-56 Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a Penalty of ₹ 6.55 crore on the Parent Company pursuant to a reference filed by the Government of Haryana. The Parent Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Parent Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Parent Company believes that it has a good case but out of abundant caution the Parent Company had provided full amount in earlier years.

Note-57 a) Disclosure in respect of Corporate Social Responsibility Expenditure:

₹ in Crore (10 Million)

Particulars	2022-23	2021-22
Amount required to be spent by the company during the year.	10.35	6.31
Amount of expenditure incurred:-		
JK Lakshmi Arogya Project (Health)	0.83	1.20
JK Lakshmi Vidya Project (Education)	1.62	0.60
JK Lakshmi Aajivika Project (Livelihood)	4.56	0.48
JKLakshmi Kaushal Parshikshan Project (Skill Development)	0.03	0.02
JK Lakshmi Swajal & Swachhta Project (Water & Sanitation)	0.82	0.56
JK Lakshmi Gramin Vikas Project (Rural Development)	0.31	1.67
UCWL Aarogya Project	0.27	0.06
UCWL Vidya Project	0.15	0.02
UCWL Aajivika Project	0.18	0.05
UCWL Kaushal Parshikshan Project	0.12	-
UCWL Swajal & Swachhta Project	0.09	-
UCWL Gramin Vikas Project	0.13	0.04
Overhead Expenditure	0.24	0.16
Total	**10.35**	**6.31**
Shortfall at the end of year	Nil	1.45
Total of previous years shortfall	**1.23**	**1.45**

Reason for Shortfall - On account of Ongoing Projects and Deposited in a Separate Bank Account.

b) foreign exchange fluctuation of gain (net) ₹ 1.30 crore (previous year gain (net) ₹ 4.56 crore).

Note-58 Derivative Financial Instruments

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign Currency Risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward & Option Contract outstanding for the purpose of hedging at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2023		As at March 31, 2022	
		F CY	Amount (₹ Crore)	F CY	Amount (₹ Crore)
	Forward				
1	USD	8.78 Mn	73.58	0.61 Mn	4.64
2	Euro	Nil	Nil	1.86 Mn	15.94
	Option				
1	USD	11.76 Mn	97.79	Nil	Nil

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

Foreign Currency Exposure not hedged as at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2023		As at March 31, 2022	
		F CY	Amount (₹ Crore)	F CY	Amount (₹ Crore)
1	USD Euro	21.50 Mn	176.69	25.00 Mn	189.48

Note-59 Based on information available with the Group in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

₹ in Crore (10 Million)

		2022-23	2021-22
i)	Principal and Interest amount due and remaining unpaid as at 31st March 2023.	**19.00**	10.74
ii)	Interest paid in terms of section 16 of the MSME Act during the year Nil (previous year - Nil).	-	-
iii)	The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (previous year - Nil).	-	-
iv)	Payment made beyond the appointed day during the year Nil (previous year - Nil).	-	-
v)	Interest Accrued and unpaid as at 31st March 2023 Nil (previous year - Nil).	-	-

Note-60 The Holding Company has given Corporate Guarantee to the Bankers of Udaipur Cement Works Limited (UCWL), a 72.54% subsidiary of the Company for collaterally securing for the following facilities granted by Banks to UCWL

(i) The Term Loans aggregating to ₹1289.79 Crore (Outstanding as on 31.3.2023 is ₹ 652.13 Crore) (Previous Year : ₹ 565 Crore - Outstanding ₹ 506.27 Crore) and

(ii) The Working Capital Facilities of ₹ 50.00 Crore (Previous Year : ₹ 50.00 Crore)

The Company has received a Counter Indemnity of ₹ 1339.79 Crore from UCWL against above Corporate Guarantee given by the Company

The Company has also given Corporate Guarantee to the Trustee of Guaranteed Rated Listed Redeemable Non Convertible Debentures of ₹ 350.00 Crore (Outstanding as on 31.3.2023 is ₹ 350.00 Crore) (Previous Year : Unlisted Redeemable Non Convertible Debentures of ₹ 350.00 Crore (Outstanding as on 31.3.2022 is ₹ 350.00 Crore)) issued on Private Placement Basis by its Subsidiary Udaipur Cement Works Ltd. (UCWL). The Company has received a Counter Indemnity of ₹ 350.00 Crore from UCWL against this Corporate Guarantee.

Note-61 Hansdeep Industries and Trading Company Ltd,(HITCL) the wholly owned subsidiary of the company (JKLC) has been declared as Preferred Bidder for one of Limestone Block 4GIIA located at Dist. Nagaur, Rajasthan by Directorate of Mines & Geology Department, Udaipur. As per the terms of allotment the HITCL has to make total payments of ₹ 43.21 Crore. The HITCL has made the payment of ₹ 8.65 Crore upto 31st March,2023.

This Limestone Mines would be transferred by HITCL to JKLC at some stage, in future, after obtaining requisite approval from the Government of Rajasthan.

Note-62 a) Loans and Advances pursuant to regulation 23(3) read with schedule of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

An amount of ₹ 6.67 crore (including ₹ 3.33 crore receivable within one year) (previous year ₹ 10.00 crore) (maximum balance due ₹ 10.00 crore, previous year ₹ 13.34 crore) due from BACL and arising out of an earlier scheme of reconstruction, arrangement and demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Company's policy are not considered.)

b) Loans given as per regulation 34 (3) and 53(f) read with schedule v of SEBI (LODR) regulation of listing regulation of listing regulation with stock exchanges.

Loan given to Udaipur Cement Works Limited is nil (previous year ₹ 10 crore). Maximum balance outstanding during the year is ₹ 10 crore. ICD given to Bengal & Assam Company Limited is nil crore (previous year ₹ 10 crore) Maximum balance outstanding during the year is ₹ 10 crore (previous year ₹ 40 crore)

c) Disclosure of transaction in pursuant to regulation 34(3) read with schedule V, part A, clause 2 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, with promoter/promoter group companies holding more than 10% of equity share capital of the Company.

Name of Company	Nature of transaction and amount
Bengal & Assam Company Limited	Refer note 63

d) Details of loans given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013.

The company has given loan to Subsidiary, Udaipur Cement Works Ltd (UCWL) amounting to ₹ 85.40 Crore (Previous year ₹ 10 Crore for general business purpose) against the proposed right issue by the Udaipur Cement Works Ltd. The Company has also given Corporate guarantee of ₹ 1052.13 Crore to the Bank for a long term loan and working capital facility availed by its Subsidiary, Udaipur Cement Works Ltd (Previous Year ₹ 906.27 Crore).

e) With respect to subsidiary UCWL;

a) The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of takeover of the cement undertaking from Bajaj Hindustan Limited) will be borne by Bajaj Hindustan Limited.

b) UCWL has opted for the fair value of Property Plant and Equipment on the date of transition to IND AS. However, to be in line with the Accounting Policy of parent Company, the Company has considered the financial statements of UCWL without considering the fair value adjustments in consolidated financial statements.

f) Details of Materials Non-Controlling Interest.

Summarized financial information of UCWL, which has material non-controlling interest: ₹ in Crore (10 Million)

Particulars	As at 31st March'23	As at 31st March'22
Assets		
Non-Current Assets	1496.73	892.74
Current Assets	199.65	434.58
Liabilities		
Non-current Liabilities	1159.67	659.42
Current Liabilities	401.88	570.53
Equity	134.83	97.37
Percentage of Ownership held by Non-controlling Interest	27.46%	27.46%
Accumulated Non controlling Interest	37.02	26.74
Revenue	1032.26	881.10
Net Profit/(Loss) after tax	38.20	51.00
Other Comprehensive Income (net of tax)	(0.76)	(0.23)
Total Comprehensive Income	37.44	50.77
Total Comprehensive Income allocated to Non controlling interests	10.28	13.94
Net Cash Inflow/(Outflow) from Operating Activities	99.41	146.70
Net Cash Inflow/(Outflow) from Investing Activities	(500.42)	(243.90)
Net Cash Inflow/(Outflow) from Financing Activities	171.12	322.35
Net Cash Inflow / (Outflow)	(229.89)	225.15

g) The summarized aggregate financial information of associates as follows:-

₹ in Crore (10 Million)

Particulars	As at 31.03.2023	As at 31.03.2022
Carrying Amount of Interest in Associates	13.00	13.01
- Share in Profit /(Loss)	(0.02)	(0.04)
- Share in Total Comprehensive Income/(Loss)	(0.02)	(0.04)
- Dividend Received	-	-

h) Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement.

For the FY 2022-23

Name of Company	Net Assets (TA-TL)		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount ₹ In Crore	As % of Consolidated Total Comprehensive Income	Amount ₹ In Crore
Holding Company :- JK Lakshmi Cement Ltd.	97.14%	2723.74	92.36%	330.23
Subsidiary Company:-				
Udaipur Cement Works Ltd.	8.80%	246.85	10.47%	37.44
Hansdeep Industries & Trading Company Ltd.	4.15%	116.45	0.00%	-0.01
Ram Kanta Properties P. Ltd.	4.12%	115.60	0.05%	0.18
Non Controlling Interest	(1.32%)	(37.02)	(2.88%)	(10.28)
Associates :- Dwarkesh Energy Ltd.			(0.00%)	(0.02)
Total Elimination	(12.90%)	(361.75)		
Total	**100%**	**2803.86**	**100%**	**357.53**

For the FY 2021-22

Name of Company	Net Assets (TA-TL)		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount ₹ In Crore	As % of Consolidated Total Comprehensive Income	Amount ₹ In Crore
Holding Company :- JK Lakshmi Cement Ltd.	97.89%	2452.35	91.82%	417.56
Subsidiary Company:-				
Udaipur Cement Works Ltd.	7.71%	193.26	11.17%	50.78
Hansdeep Industries & Trading Company Ltd.	4.65%	116.45	0.05%	0.21
Ram Kanta Properties P. Ltd.	4.61%	115.41	0.04%	0.17
Non Controlling Interest	(1.07%)	(26.74)	(3.07%)	(13.94)
Associates :- Dwarkesh Energy Ltd.			(0.01%)	(0.04)
Total Elimination	(13.80%)	(345.59)	-	-
Total	**100%**	**2505.15**	**100%**	**454.75**

Note-63 Related Party Disclosure

List of Related Parties

I **Associates**

Dwarkesh Energy Ltd.

II **Key Management Personnels (KMPs)**

Shri Bharat Hari Singhania	Chairman
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali (Ceased to be Whole-time director w.e.f. 1st August'22)	Whole-time Director
Dr. S. Chouksey (Ceased to be Whole-time director w.e.f. 1st August'22)	Whole-time Director
Shri Arun Kumar Shukla (w.e.f. 1st August'22)	President and Director
Shri B.V. Bhargava (Ceased to be director w.e.f. 31st August'22)	Independent & Non Executive Director
Ms. Bhaswati Mukharjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. K.N. Memani (Ceased to be director w.e.f. 26th April'22)	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Sadhu Ram Bansal (w.e.f. 1st July'22)	Independent & Non Executive Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga (Ceased w.e.f. 1st September'22)	Sr. VP & Company Secretary
Shri Amit Chaurasia (w.e.f. 1st September'22)	GM & Company Secretary

III **Enterprise which holds more than 20% of Equity share**

Bengal & Assam Company Ltd. (BACL)

IV **Trusts under common control**

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund
JK Lakshmi Cement Ltd. Officers Superannuation Fund
JK Lakshmi Cement Ltd. Employees Gratuity Fund
JK Udaipur Udyog Ltd. Employees Provident Fund Trust
JK Udaipur Udyog Ltd. Officers' Superannuation Fund Trust
JK Udaipur Udyog Ltd. Employees' Group Gratuity Fund Trust

The following transactions were carried out with related parties in the ordinary course of business :

i) ₹ in Crore (10 Million)

Nature of Transactions	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control
	2022-23			2021-22		
- Sharing of Expenses received	0.02	0.09	-	-	0.07	-
- Payment of Expenses	-	2.66	-	-	2.12	-
- Other Income	-	0.36	-	-	2.49	-
- ICD given	-	-	-	-	-	-
- Dividend Paid	-	-		-	-	
- Advances Received back	-	3.33	-	-	3.33	-
- ICD received back		10.00			30.00	
- Contribution	-	-	12.73	-	-	7.57
Outstanding as at year end:						
- Loan Receivable		5.65			18.04	
- EPF (Contribution Payable)			(0.14)			(1.58)
- SF (Contribution Payable)/Advance Receivable			(1.09)			0.67
- GF (Contribution Payable)/Advance Receivable			6.78			(10.76)
- Receivable / (Payable):	-			-		

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

₹ in Crore (10 Million)

ii)	Remuneration Paid to KMPs	2022-23	2021-22
	Short Term Employee benefits	32.04	50.51
	Post Employment benefits*	32.04	12.32
	Other Payments	4.10	2.00
	Receivable/(Payable) :	(12.58)	(27.68)

*As the liability for gratuity and leave encashment are provided on actuarial basis for the company as a whole and payment is made on actual basis.

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

Note-64 JK Lakshmi Cement Ltd., parent Company is listed on Stock Exchanges (BSE/NSE) in India. Parent Company has prepared standalone financial statement as required under Companies Act, 2013 and listing requirements. The standalone financial statement is available on Parent's website for public issue.

Note-65 Impairment review :

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes),

(ii) Discount Rate,

(iii) Growth Rates and (iv) Capital Expenditure

Note-66 Events occurring after the Balance Sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements

Note-67 Ind AS 115 disclosures

Sl. No.	Particulars	2022-23	2021-22
1	Contract Balances		
	Trade Receivables (Refer Note No. 12)	65.42	35.20
	Contract Liabilites (Refer Note No. 29)	93.88	97.84
2	Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:		
	Revenue as per contract prices	6831.66	5759.722
	Discounts	-380.46	-342.096
	Revenue from contract with customer (Refer Note No. 32)	6451.20	5417.63
3	Revenue recognised that was included in the contract liability balance at the beginning of the period		
	Sale of Goods	97.84	95.85

Note-68 I. Exceptional Item of Nil (previous year ₹ 23.39 Crores), pertaining to Parent Company includes:

a. Impairment of Nil (previous year ₹ 36.65 Crores)in the Carrying Cost of an Asset under construction at Parent Company's Cement Plant at Durg.

b. Provision of Nil (previous year ₹ 64.42 Crore)made for matters under sub-judice

c. Net of the Provision Nil (previous year ₹ 75.68 Crores) Written back for the matters under sub-judice settled during the Year.

II Exceptional Item of Nil (previous year ₹ 3.60 Crore)pertaining to Subsidiary Company includes;

a. RIPS Benefit of Nil (previous year ₹ 2.52 Crore availed by the Subsidiary Company under the Rajasthan Investment Promotion Scheme, 2010 on SGST deposited in respect of certain Sales made by the Subsidiary Company during the earlier financial year which was adjusted by the Department against existing CST demand of ₹ 7.70 Crore under Amnesty Scheme).

b. The Subsidiary Company received a demand notice of Nil (previous year ₹ 2.55 Crore from AVVNL dated 23.11.2021 demanding Cross Subsidy Surcharge under clause 91.6 of "Rajasthan Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020" till Oct'21. Out of which, ₹ 1.08 Crore pertaining to earlier financial year has been included in Exceptional Item).

Note-69 i. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii. The Group have not traded or invested in Crypto Currency or Virtual Currency during the financial year

iii. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

v. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vi. The Company have no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in Tax assessments under Income Tax Act, 1961.

vii. Struck off Companies in Parent Company.

₹ in Crore (10 Million)

Name of the struck off Company	Nature of transactions	Transaction during the year	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
Oriental Engineering Works Pvt. Ltd.	Payable	-	-	0.01

JK Lakshmi Cement Limited
Notes to Consolidated Financial Statements for the Year ended March 31, 2023

Note-70 In earlier years, the Holding Company had acquired 35% holding (at a cost of ₹ 2.10 crore) in M/s. Sungaze Power Private Limited (SPPL) which has set up a 6.50 MW solar Power Plant under Captive Power Plant (CPP) model at our Durg Cement Plant in the state of Chhattisgarh. The Company, as a Captive User, has no role & responsibility in the day-to-day management & operations of SPPL. As such, SPPL has not been considered as an Associate for consolidation purposes.

Note-71 a) Some of the Balances of receivables and payables are in process of confirmation.

b) Previous year's figures have been re-grouped/re-classified wherever necessary and figures less than ₹ 50000 have been shown as actual in bracket.

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

ARUN KUMAR SHUKLA President & Director

JK Lakshmi Cement Limited
Consolidated Cash Flow Statement
For the year ended 31st March, 2023

₹ In Crore (10 Million)

Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax	534.48		626.34	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	228.33		223.47	
	Interest Income	(25.53)		(22.75)	
	Interest income from other financial asset at amortised cost	(6.88)		(7.11)	
	(Profit) / Loss on sale of Property, Plant and Equipment (Net)	(0.31)		(6.22)	
	(Profit) / Loss on sale of Current Investments (net)	(28.21)		(8.60)	
	(Gain) / Loss on Fair Valuation of Current Investments	11.66		(16.10)	
	Finance Costs	133.40		142.19	
	Provision for Doubtful Debts	0.92		2.14	
	Foreign Exchange Difference (net)	(8.29)		0.17	
	Share in Profit / (Loss) of Associates (Net of Tax)	(0.02)		(0.04)	
	Exceptional Items	-		(26.99)	
	Operating Profit before Working Capital changes	839.55		906.50	
	Adjustments for:				
	Trade and Other Receivables	(74.55)		121.21	
	Inventories	(260.60)		(214.80)	
	Trade and Other Payables	220.69		(34.14)	
	Cash generated from Operations	725.09		778.77	
	Income Tax Payments (Net)	(90.86)		(98.81)	
	Net Cash from Operating Activities		634.23		679.96
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, Plant and Equipment and Intangible Assets	(737.23)		(374.63)	
	Sale of Property, Plant and Equipment	5.21		8.50	
	(Purchase) / Sale of Investments (net)	142.05		(150.94)	
	Encashment / (Investments) in bank deposits	264.96		(175.42)	
	Interest Received	25.52		27.39	
	Net Cash from / (used in) Investing Activities		(299.49)		(665.10)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long-term Borrowings	264.15		596.85	
	Repayment of Long-term Borrowings	(306.17)		(384.00)	
	Repayment of Lease Obligation - Principal	(9.91)		(5.68)	
	Repayment of Lease Obligation - Interest	(3.66)		(3.36)	
	Short-term borrowings (net)	(1.03)		(8.66)	
	Interest and Financial charges paid	(150.48)		(140.06)	
	Dividend paid	(58.73)		(44.28)	
	Net Cash from / (used in) Financing Activities		(265.83)		10.81

JK Lakshmi Cement Limited
Consolidated Cash Flow Statement
For the year ended 31st March, 2023

₹ In Crore (10 Million)

Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022	
D.	Increase / (Decrease) in Cash and Cash Equivalents		68.91		25.67
E.	Cash and Cash Equivalents as at the beginning of the year		74.03		48.36
F.	Cash and Cash Equivalents as at the close of the year		142.94		74.03

Notes:

		Long Term	Short Term	Long Term	Short Term
1.	Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
	Opening	1851.21	5.32	1639.13	13.98
	Cash Flow Changes				
	Inflow / (Repayments)	(42.02)	(1.03)	212.85	(8.66)
	Non - Cash Flow Changes				
	Others	32.83	-	(0.77)	
	Closing	**1842.02**	**4.29**	**1851.21**	**5.32**

1.	Cash and Cash Equivalents include:		
-	Cash, Cheques in hand and remittances in transit	1.43	0.58
-	Balances with Scheduled Banks	141.51	73.45
		142.94	**74.03**

3. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.
4. Previous year's figures have been re-arranged and re-cast wherever necessary.

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 19th May, 2023

SUDHIR A. BIDKAR
Chief Financial Officer

AMIT CHAURASIA
Company Secretary

For and on behalf of the Board of Directors
B.H. SINGHANIA Chairman
VINITA SINGHANIA Vice Chairman & Managing Director

Dr. R.P. SINGHANIA
N.G. KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
} Directors

ARUN KUMAR SHUKLA President & Director

AOC-1

Financial Information of Direct & Indirect Subsidiaries and Associate Companies
(Pursuant to first proviso to section 129(3) read with rule 8 of Companies (Accounts) Rule, 2014)

Part "A": Subsidiaries

(₹ in lakh)

Sl.No.	Particulars			
1	Name of Subsidiary	Hansdeep Industries & Trading Company Limited	Ram Kanta Properties Private Limited	Udaipur Cement Works Limited
		Direct Subsidiary	Indirect Subsidiary	Direct Subsidiary
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
3	Reporting Currency	INR	INR	INR
4	Closing Exchange Rate	N.A.	N.A.	N.A.
5	Equity Share Capital	11,605.00	93.40	12,456.39
6	Insrument Entirely Equity in Nature	-	-	-
7	Other Equity	39.91	11,466.38	22,122.81
8	Total Assets	14,647.10	11,571.19	179,532.72
9	Total Liabilities	3,002.19	11.41	144,953.52
10	Investments	49.07	71.24	0
11	Turnover	10.28	42.35	103,227.35
12	Profit / (Loss) before taxation	(0.55)	24.22	5,048.55
13	Provision for taxation, DTL/(DTA)	0	5.92	1,461.72
14	Profit / (Loss) after taxation	(0.55)	18.30	3,586.83
15	Proposed Dividend	-	-	-
16	% of Shareholding	100	100	72.54

Note:-

1. Name of Subsidiaries which are yet to commence operations – Nil
2. Name of Subsidiaries which have been liquidated or sold during the year – Nil

Part "B" : Associates

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

(₹ in lakh)

Sl. No.	Name of Associates	Dwarkesh Energy Limited (DEL)
1	Latest audited Balance Sheet Date	31.03.2023
2	Share of Associates held by the Company at the year end :-	
	No. of Shares (Equity)	350,000
	Amount of Investment in Associates	35.00
	Extent of Holding (%)	35.00%
3	Description of how there is significant influence	Holding > 20%
4	Reason why the Associate is not consolidated	Consolidated
5	Net worth attributable to shareholding as per latest audited Balance Sheet	
6	Profit / (Loss) for the year to DEL	6.48
	Considered in Consolidation	2.27
	Not Considered in Consolidation	4.21

Note:-

1 Name of Associates which are yet to commence operations – DEL is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.

2 Name of Associates which have been liquidated or sold during the year – Nil

SUDHIR A. BIDKAR
Chief Financial Officer

B.H. SINGHANIA
Chairman

VINITA SINGHANIA
Vice Chairman & Managing Director

Dr.R.P. SINGHANIA
N.G.KHAITAN
RAVI JHUNJHUNWALA
SADHU RAM BANSAL
BHASWATI MUKHERJEE
Directors

AMIT CHAURASIA
Company Secretary

ARUN KUMAR SHUKLA President & Director

Place: New Delhi
Date: 19th May, 2023

NOTES

Research, Concept, Content, Design and Development by
marshmallow
A Creative Division of Metieta Advertising Pvt. Ltd. | ping@marshmallow.in

MEMBER J.K. ORGANISATION

JK LAKSHMI CEMENT Ltd.

Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi - 110 002
011 6600 1142-12 | Toll Free No.: 1800-102-5097
facebook.com/JKLakshmiCementLtd | twitter.com/JKLCofficial | instagram.com/jklakshmicementofficial
www.jklakshmicement.com