JK LAKSHMI CEMENT Ltd.

TACKLING UNCERTAINTIES WITH PERFORMANCE

ANNUAL REPORT 2019-20

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.

Caution regarding forward-looking statements: This document contains statements about expected future events and operations of JK Lakshmi Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are requested to take caution of this aspect. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the JK Lakshmi Cement Limited Annual Report 2019 - 20.

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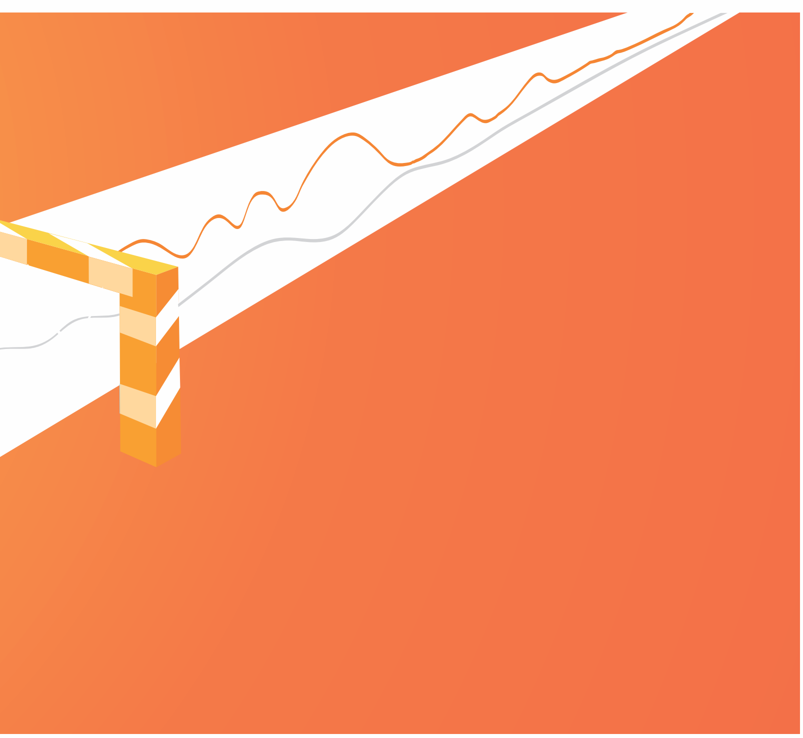
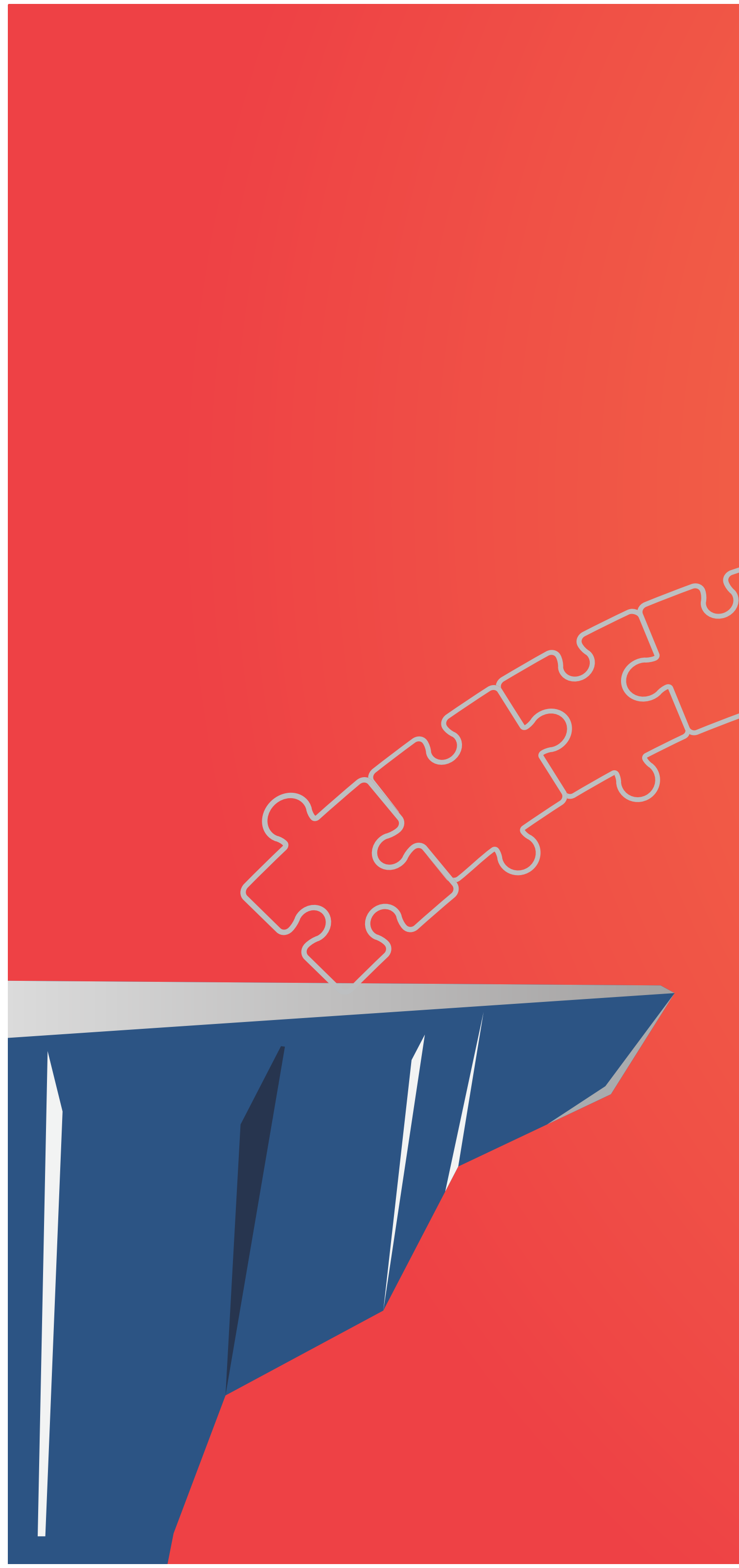


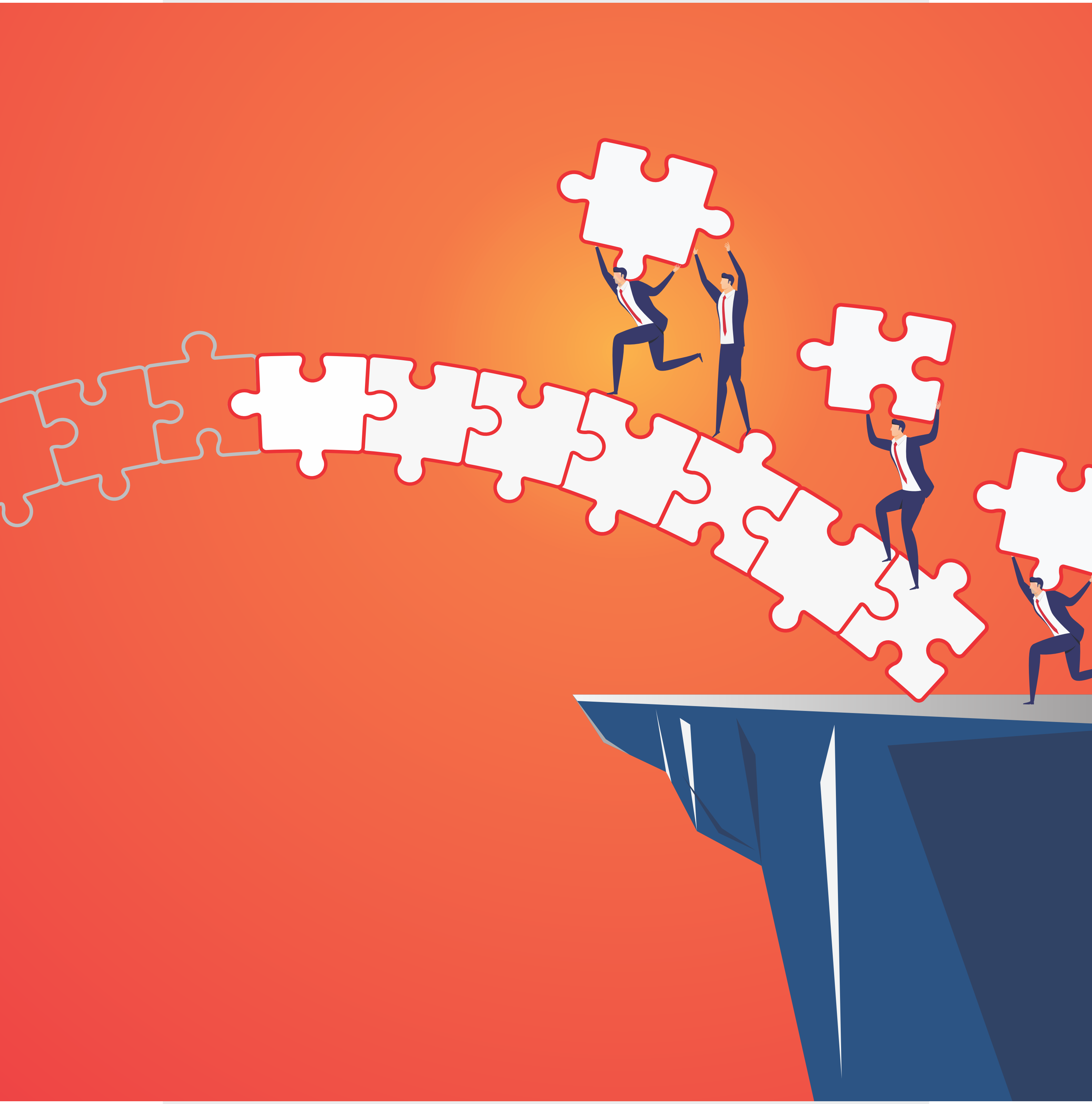
Change is permanent and is the only constant. This is the universal law.

The time keeps changing and along with it, brings many uncertainties, some that are pleasant and some that are not at all beneficial. As the Great Bhagwad Gita propagates "Human life is full of battles, but we must never shirk in fear – we must stand our ground and fight. By concentrating on our goals, doing our karma to the best of our ability and believing in oneself, one can achieve true success in life". At, JK Lakshmi Cement Limited, we firmly believe that while the changing times might bring uncertainties, we can tackle these uncertainties with our collective, positive and progressive actions that lead to all-round, effective and superlative performance.

The key components of our DNA at JK Lakshmi Cement Limited have always been our vision, our beliefs and values, and our pursuit of excellence that reflects in each and every team member of JKLC. While the year gone by has been full of uncertainties and the current year is full of even more obstacles, we firmly believe that the enablers of our performance will hold true for the current year as they held true for the Financial year 19-20. These enablers of our steadfast and encouraging performance are:

1. **Robust Foundation** + **Smart Teamwork**
2. **Customer Orientation** + **Agility in Response**
3. **People Orientation** + **Inclusive Development**





You can't change the direction of the wind, but you can adjust the sails to reach your destination.

Integrated Cement Unit, Sirohi

Vision

- To be a profitably growing, innovative & caring Company
- To become a significantly relevant player in the mind of consumers

Mission

- Achieve Operational Excellence
- Be a workplace of choice - Attract, Retain and Grow Talent Pool of change leaders
- Achieve growth in Sales & Profit, higher than comparable sized players
- Create superior value for the customer through Premium Products & 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 & trust
- Commitment to excellence

Our Journey

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

2001
Capacity Augmentation at Sirohi,
Capacity - 2.4 Mn MT

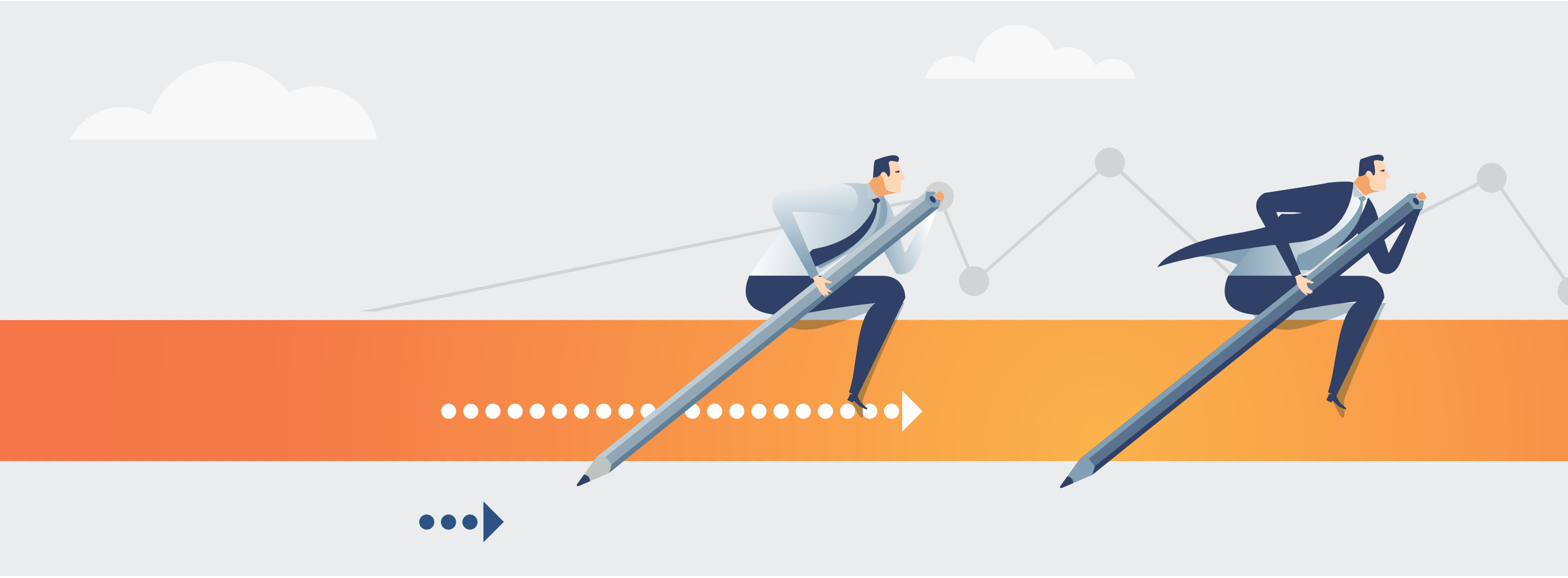
2009
Capacity Addition at Sirohi,
Capacity - 4.2 Mn MT

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

2015
Jharli GU Started & Capacity added-
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

Mn MT = Million Metric Tonne



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 - 10.90 Mn MT

2017
Successfully commissioned
integrated plant of 1.6 Mn MT under Company's subsidiary - UCWL
Total Capacity 12.5 Mn MT

2019
0.8 Mn MT GU Odisha Commissioned in the Second Quarter FY 19-20, Adding to the
Total Capacity - 13.30 Mn MT

CMD'S Message

सत्त्वानुरूपा सर्वस्य श्रद्धा भवति भारत ।
श्रद्धामयोऽयं पुरुषो यो यच्छ्रद्धः स एव सः

Ch. 17 V 3 Srimad Bhagvad Gita

"A man is made by his beliefs, as he believes, so he is"

Dear Stakeholders,

I am writing down this message to all our stakeholders at a time when we are passing through the most volatile and uncertain phase in our lives, owing to the circumstances that the world or humanity has not seen before. Yet, when the times are tough and there is uncertainty all around; it is our individual and collective belief in ourselves that gives us the will and strength to move forward, and carve out a path through the labyrinth of chaos and uncertainty.

Financial year 20 began on a positive note with the overhang of both healthy GDP growth as well as healthy cement growth in the previous financial year 2019. The mood was further buoyed with the formation of a stable government consequent to general elections held in the first quarter. In the first quarter due to elections economic activities slowed down considerably. Healthy monsoon in the second quarter brought very positive prospects of a bumper harvest, increase in the rural income, increase in the rural construction etc., but the demand got impacted more than the normal seasonal phenomenon due to prolonged monsoon which continued well till the third quarter. In the last month of the last quarter of the year global pandemic of COVID 19 broke out in India too resulting in the dismal economic performance during the quarter in which the GDP grew by mere 3.1% thereby dragging the growth to just 4.2% for the year. Consequently cement demand for the entire year showed a drop of ~5% in FY 20 against an handsome growth of ~13% in FY 19.

Rising trade tensions between US & China, rising of nationalistic sentiments across the globe, weak oil prices leading to slowing of construction in middle east also took its toll on FDI in real estate sector which otherwise was limping back to normal after the shocks of demonetisation, GST, and RERA regulations. Lower than expected tax collections also adversely impacted governments' expenditure on infrastructure projects. Despite all the disruption, still Indian economy performed better than many other major global economies in FY 20.

Though the overall cement consumption during the year shrank; the prices remained relatively stable and improved towards last quarter. We retained our focus on improving operational efficiencies, optimised the already commissioned waste heat recovery plant of 7.5 MW at Durg in FY 19 and operationalised captive power plant of 20 MW at Durg in FY 20. On supply chain and distribution side our efforts in rationalisation between plants, markets, modes of transportation, depot locations, etc. resulted in 11% reduction in logistics cost. Aided by favourable fuel and energy costs company registered an increase of ~47% in EBITDA and an impressive jump of ~180% in the net profits. Our current D/E of 0.86 gives us ample leverage to borrow & invest in growth at an opportune time.

Moving back to present as I have mentioned at the beginning that we are all going through a trying time whose length and intensity are highly unpredictable. Notwithstanding the sudden disruptions caused by the global pandemic; the fundamentals of India economy still remain strong. The inflation is under control, global oil prices are stable, current account deficit (CAD) is down and we have healthy foreign exchange reserves. After very stringent lock down in April, the economy has shown resilience and demand in many sectors including cement and construction has come back quite close to the pre lockdown levels. Though the economic stimulus package of Rs. 20 Lakh Crores announced by the government has major components of credit & liquidity boosting measures for the industry but direct fiscal measures which have large rural orientation have began to shown results in terms of rising rural demand and consumption.

The predictions so far of the monsoon this year are positive and with availability of labour in abundance, the 'Kharif' sowing is at its peak. Hopefully, a bumper crop and farm output combined with handsome increase in the support prices of agri-commodities; and increase in the minimum wages of unskilled labour under MGNREGA would revive rural economy further which is still home to 70% of our population, to more than 50% of people employed in urban construction, and also a large part of blue collared workforce employed in the industry. Clearly the tide has turned and revival in urban economy is now largely dependent on the ripple affect of rising rural incomes and rising rural consumptions. Company's focus on developing rural markets since last few years shall stand in good stead and enable the company to capitalise on these opportunities.

The COVID-19 pandemic has shown us that while there are multiple clusters of large outbreak in urban areas, rural India despite lacking in basic infrastructure and healthcare facilities has relatively been less impacted. Clearly urban city planners have a daunting task of decongesting large cities and take infrastructure development to the outskirts, satellite towns, and semi urban centers. The industry too will have to shift its priorities and be more rural-centric. If till today skills from rural have moved to urban for work; now the flow will have to be reversed. Work from home is now becoming a new normal that may become permanent for many. Supply chains in many component based industries are becoming decentralised and diversified with more emphasis on precision and completeness of designs. Construction industry may also see rapid adoption of pre-engineered and pre-fabricated construction technologies which may require only the assemblies at the sites.

I am happy to note that we are rapidly adapting to the changes in this dynamic and fluid environment. Our offerings to the construction sector include ready-to-use products and we shall continue to augment our offerings and invest in new technologies. Our supply chains are increasingly becoming rural centric and are adapting to the rural patterns of demand and consumptions. We shall continue to invest in adoption of newer technologies, people and skill development and in growing our businesses with the unstinted support of all our stakeholders.

More than a century ago, the very foundations of this group were built on the concepts of 'Atma Nirbharta' with use of local capital, local materials, local technologies, and above all the local talent which since then has grown manifold. I call upon all my fellow stakeholders to join me in furtherance of the resolve to take the company to newer heights built on its strong foundations of 'Atma Nirbharta' and 'Vocal for Local'.

Jai Hind – Vande Matram

BHARAT HARI SINGHANIA
Chairman & Managing Director

VCMD'S Message

कर्मण्ये वाधीकारस्ते मा फलेशु कदाचन

– Srimad Bhagvad Gita

"Your right is to perform your duties and work hard, but never get attached to the results. Let the focus be not on the fruits and never be inactive"

Dear Shareholders, Associates and Team JKLC,

In these times where volatility and uncertainty are trying to overshadow the human spirit, the best thing we can do is to focus on our duties and improve our performance without getting bogged down by the volatility. Action and performance are the keys to tackling uncertainty and we, at JKLC have fought the uncertainty and tough times of the year gone by with resilience and a strong all-round performance. Over the past year, the Company has single-mindedly focused on improving its supply chain, operational efficiencies at all levels and maximising its realisations by optimising the product mix, introduction of new brands and augmenting the existing distribution network.

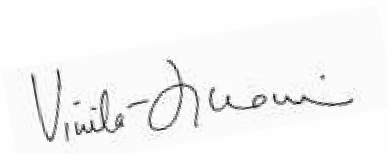
The cement production during the year fell by 7%, despite the lower production, the company maintained its efficiency parameters with respect to fuel and power consumption at an optimum level. The commissioning of the Waste Heat Recovery Power Plant of 7.5 MW in the FY19 and 20 MW Thermal Power Plant in the FY 20 has enabled the Company to contain its power cost at the Durg Plant. Expansion of Waste Heat Recovery Project in Jaykaypuram, Sirohi with an annual capacity of 10 MW is in full swing and is expected to be commissioned in July 2021. Your Company was able to bring down the logistics cost by a significant 11% by optimising dumps and modes of transportation and also encouraging direct dispatches aided by the GST regime. Moreover, to capture the ever-growing demand for its premium brands like JK Lakshmi PRO+ Cement and Platinum Heavy Duty Cement; and proactively moving close to markets; your company is actively pursuing the strategy of outsourcing of grinding capacities in attractive markets. Your Company now has a wide range of products to cater to all segments and we continued our focus on providing better and superior products to the market through innovation and technology in FY 20. Our team left no stone unturned in initiating and implementing sustained marketing and branding efforts; keeping their ears to the ground for customer and trade feedback to further strengthen the distribution system.

During the financial Year 2019-20, the company successfully commissioned a new Grinding Unit with an annual capacity of 0.8 Million tonnes at Cuttack in Odisha . This is expected to improve capacity utilization of its Eastern operation and improve its footprint in the coastal Orissa.

The humanity today is facing one of the most challenging times in it's recent history. The Global pandemic caused by Covid-19 has impacted the world; creating a medical, economical, financial and social crisis; that has changed everything for an individual and for an organisation. The hallmark of a truly effective and efficient organisation in turbulent times is its ability to shift gears, adapt to the situation and relentlessly pursue hard work and excellence in performance with a never-say-die attitude. Every section of the society is fighting against this outbreak. JK Lakshmi Cement Ltd. with its socially responsible fibre, is aware of the challenges. The company's response to the Covid-19 pandemic has simply been the amplification of its core value system. The company has left no stone unturned to keep the work going and spirits positive. Your Company built agile networks to protect the vulnerable and neediest. Be it any strata of stakeholder - employees, dealers, essential service providers, mason community or society-at-large, the company is trying its best to come out with solutions that can uplift human spirit in each one of them. The company is fighting this pandemic at several fronts in collaboration with local panchayats and district administration across its plant locations in Rajasthan, Haryana, Chhattisgarh and Gujarat, by supporting the people living in the vicinity of its plants and helping migrant workers. I am proud to inform you that Your Company has won the well-deserved 'Golden Peacock Award for Corporate Social Responsibility' for the year 2019. The award is given by Institute of Directors (IOD) for significant initiatives in CSR practices and for creating new benchmarks. It recognises the organisation's ability to go beyond the statutory, ethical and sustainability compliances to achieve higher standards in corporate excellence. JK Lakshmi Cement Ltd. is at the forefront in its own humble way for providing basic support and amenities to the society, amidst this global pandemic.

We as an organisation have always endeavoured to lay a solid foundation created with learning and development, training and practical experience, hand-holding and focused skill enhancement for our employees. Our initiatives such as SWAGATAM, SPARK, My Exclusive Time and Customer-in-culture have resulted in further aligning the employees with the Organisation's thought process and also motivated them to perform efficiently. Pandemic COVID-19 has seen our HR both at group level and the individual company level taking proactive initiatives to keep up the morale of the team, keep them engaged and widen their horizon to look for opportunities which may seemingly be hidden through the cloud of uncertainty and despair. The role of the IT team was crucial in this scenario for connecting, communicating and aligning employees with business requirements from safety of employee's homes during the lockdown period.

I would also like to reiterate our gratitude towards our customers, business partners, suppliers and our esteemed shareholders, for their support, loyalty and confidence in us. We all need to come together and fight this uncertainty with hope, collaboration and confidence. At JKLC, we truly believe that our focus and dedication, our hard work, our zeal to improve our performance and our relentless pursuit of excellence will help us in tackling these uncertain times and we will come out of this successfully. I have complete confidence that even in perhaps tougher times to come, we will take our performance to an even higher notch to emerge unscathed and shining out of these uncertain times.



VINITA SINGHANIA
Vice Chairman & Managing Director

Corporate Information

BOARD OF DIRECTORS

BHARAT HARI SINGHANIA
CHAIRMAN & MANAGING DIRECTOR

VINITA SINGHANIA
VICE CHAIRMAN & MANAGING DIRECTOR

B. V. BHARGAVA
DIRECTOR

Dr. RAGHUPATI SINGHANIA
DIRECTOR

N. G. KHAITAN
DIRECTOR

Amb. BHASWATI MUKHERJEE
DIRECTOR

Dr. K. N. MEMANI
DIRECTOR

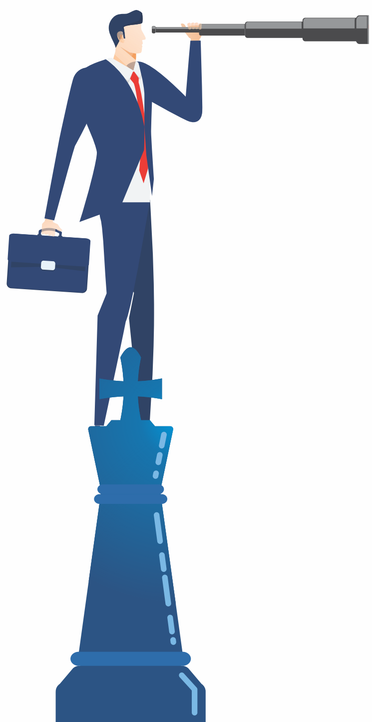
RAVI JHUNJHUNWALA
DIRECTOR

Dr. S. CHOUKSEY
WHOLE-TIME DIRECTOR

S. K. WALI
WHOLE-TIME DIRECTOR

SUDHIR A. BIDKAR
CHIEF FINANCIAL OFFICER

BRIJESH K. DAGA
Sr. VICE PRESIDENT & COMPANY SECRETARY



REGISTERED OFFICE
JAYKAYPURAM, DISTRICT SIROHI - 307019 (RAJASTHAN)

ADMINISTRATIVE OFFICE
NEHRU HOUSE, 4, BAHADUR SHAH ZAFAR MARG, NEW DELHI-110002

CEMENT PLANTS

RAJASTHAN	: BASANTGARH, JAYKAYPURAM, DISTRICT SIROHI - 307019
CHHATTISGARH	: MALPURI KHURD, AHIWARA, DISTRICT DURG - 491001
GUJARAT	: MOTIBHOYAN, KALOL, DISTRICT GANDHINAGAR - 382010
GUJARAT	: VILLAGE DASTAN, TALUKA PALSANA, DISTRICT SURAT - 394310
HARYANA	: VILLAGE BAJITPUR, P.O. JHAMRI, DISTRICT JHAJJAR - 124507
ODISHA	: RADHASHYAMPUR, PO - KHUNTUNI, CUTTACK 754297

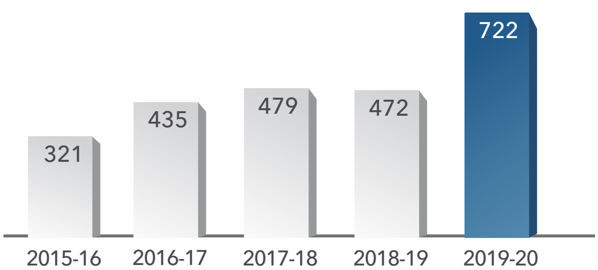
AUDITORS
S. S. KOTHARI MEHTA & COMPANY
CHARTERED ACCOUNTANTS

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

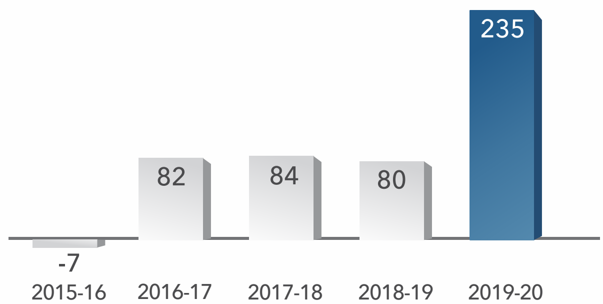
WEBSITE
www.jklakshmicement.com
CIN:L74999RJ1938PLC019511

Financial Highlights

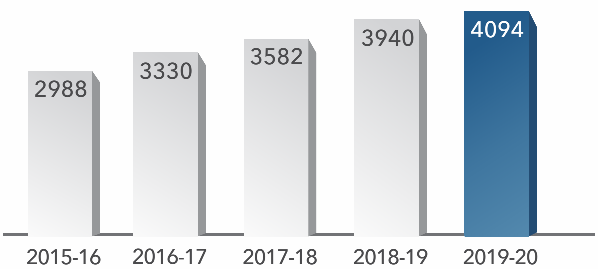
EBIDTA (₹ in crore)



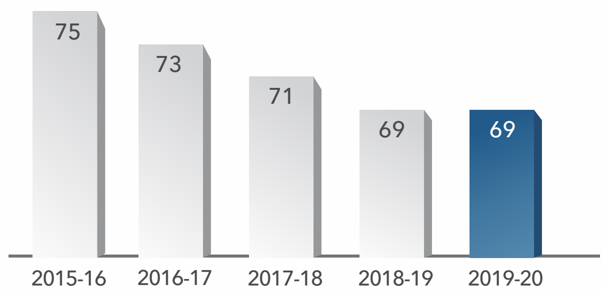
PAT (₹ in crore)



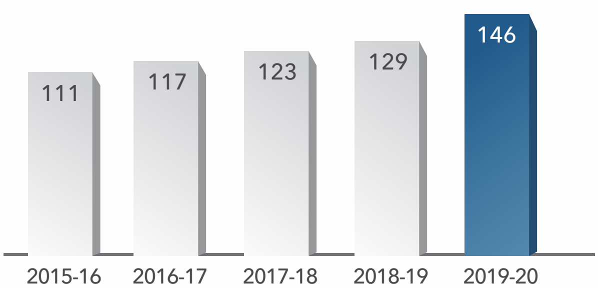
TURNOVER (₹ in crore)



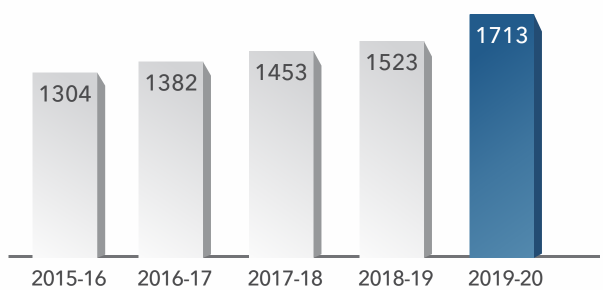
POWER CONSUMPTION (Kwh/MT of Cement)



BOOK VALUE Per Share (₹)

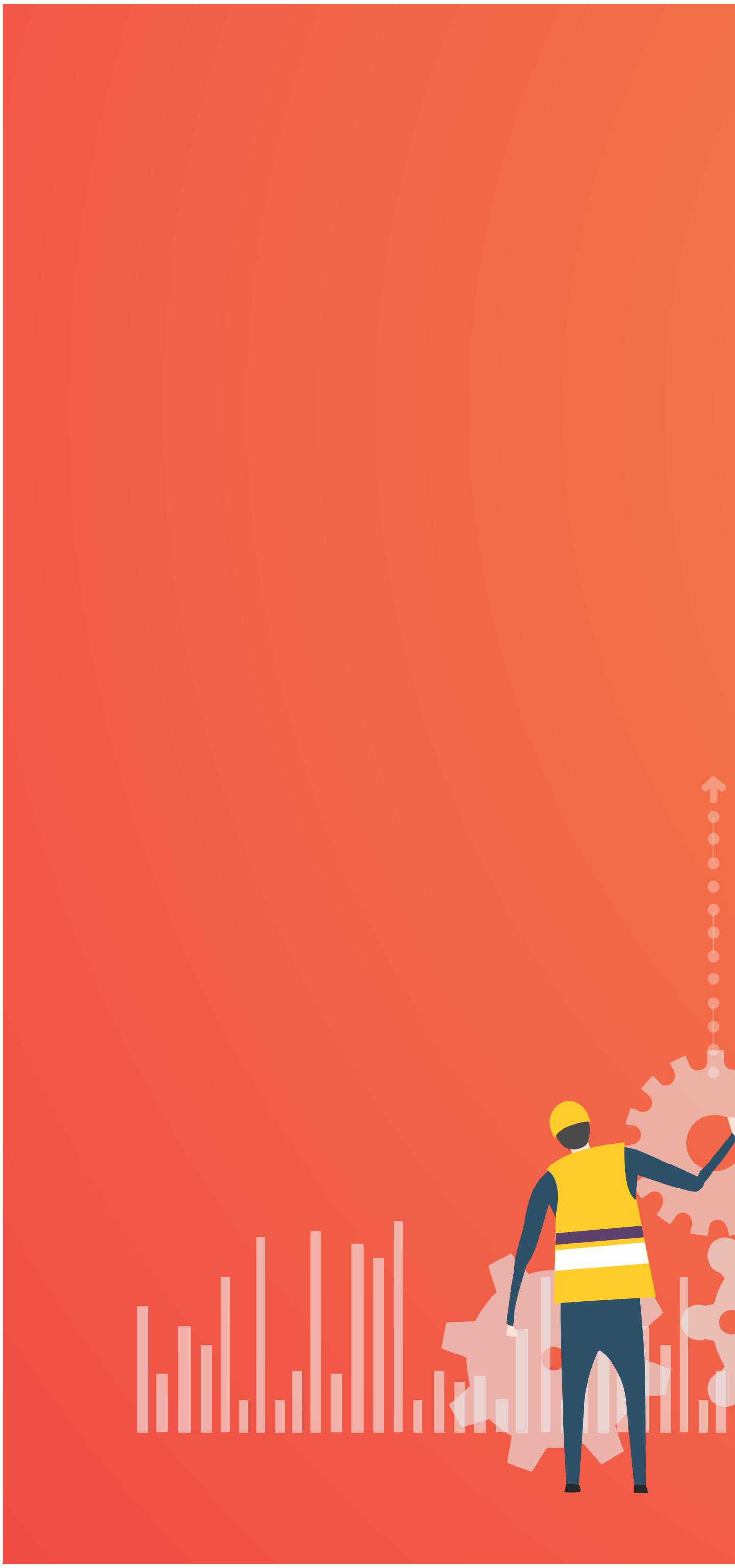


NET WORTH (₹ in crore)



Every successful and future-oriented organisation recognises the importance of a robust and strong foundation.

This foundation is built brick by brick over decades, augmented with strategic additions and tactical modifications that propel the performance of the organisation towards success. Every strong foundation is built with smart, result-oriented and cohesive teamwork where teams across functions come together in one spirit. At JK Lakshmi Cement Limited, our Production capacities and capabilities, our Research & Development focus and our workforce at our various plants relentlessly pursue the strengthening of our foundation with a synergy of hard work and teamwork.



Robust Foundation + Smart Teamwork = Strong Performance

Augmenting a Strong Foundation with a new Grinding Unit at Cuttack, Odisha

Cement Grinding Unit, Cuttack Odisha

Expansion of Your Company's capacity has enabled it to expand its market and create its footprints in the new market. With a view to expand its foothold in Odisha, where company has made a strong presence in the state's western part by road supplies from Durg. It was however not able to make an equally strong dent in the coastal part of Odisha. The company's step of augmenting its production capacity with the launch of its new GU at Cuttack has removed this shortcoming. The plant was officially launched on 7th August, 2019 by Mr. Naveen Patnaik, the esteemed Chief Minister of Odisha. This plant with the production of 0.5 Million MT per annum, is aimed to cater the coastal districts of Odisha. Premium Platinum Heavy Duty Cement and JK Lakshmi PRO+ Cement are being manufactured in this new plant.

One more significant step in captive power generation

In keeping with our efforts towards building a robust foundation, Team JKLC at Durg, commissioned a captive 20 MW Coal fired Thermal power plant. The Hi-tech power plant has been installed by M/s Sinoma, China and LNV Technology, India with a 90 TPH high pressure Boiler and Siemen's TG sets with Air Cooled Condensers. Its state-of-the-art technology enables it to conserve precious water because there is absolutely no water consumption in condensing turbine exhaust steam. The water consumption is negligible and limited to the machine cooling aspect only. The generating station has been built thoughtfully and is fully equipped with the complete infrastructure required for unloading and storage of coal. The plant is fully capable of using and burning all types of coal. Already considered at par with the best in production of affordable captive power, this captive unit along with the already operating 8 MW Waste Heat based power generation has been able to satisfactorily match the expectations of meeting captive power demand.

Thermal Power Plant - Durg

ENVIRONMENT PROTECTION AND ENHANCEMENT OF GREEN POWER GENERATION

In our effort towards environmentally balanced growth and sustainable development, Team JKLC has made consistent efforts towards minimising pollution and generating green energy by installation of Waste Heat Recovery Boilers to utilise the waste heat from flue gases which was earlier released into the atmosphere. Implementing Waste Heat Recovery Technology has not only facilitated us in generation of Green Power by utilising the heat of Cooler and Pre-heater exhaust flue gases at very low generation cost but also helped to conserve highly polluting fossil fuels.

Innovation and Teamwork that propels performance

We at JK Lakshmi Cement consistently strive to upgrade & optimise our production capabilities through innovative ideas and state-of-the-art technologies. Our team at Sirohi has been working relentlessly in carrying out modifications in the plant to increase clinker production since the past few years.

This effort was first initiated in a few years ago by installing Waste Heat Recovery System in all the three Kilns at the plant with an objective to generate green energy.

Years of relentless efforts and constant innovative modifications by a dedicated team has finally resulted in the successful achievement of our objective. The benefits achieved through modification of the system:

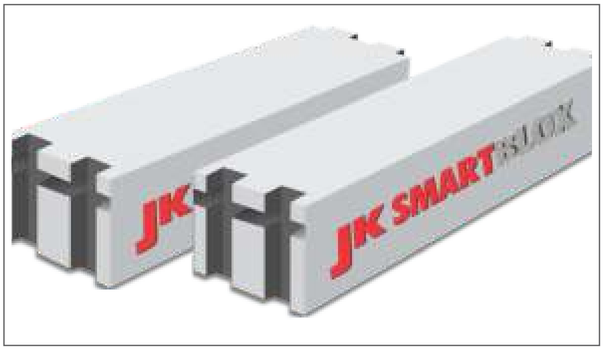
- The efficiency of the turbine has increased which has resulted in more power output in less steam consumption
- As the turbine inlet steam temperature maximum limit has now increased to 400°C from 356°C. Now we do not need to open the bypass damper of cooler boiler flue gas, thereby avoiding the exhaust of waste heat of kiln
- Earlier lower steam temperature margin was maintained by opening higher de-superheating control valve and venting excess steam of high temperature in atmosphere. Now this practice has been stopped, thus, reducing the energy losses and saving of 700 litres / hour water in steam de -superheating process
- We are now able to run ACC at lower RPM, whenever, turbine is at full load, thereby, achieving saving in auxiliary power consumption
- The specific steam consumption is reduced to 4.8 TPH from 5.5 TPH (saving of approx. 700 Kgs./hr.) after implementation of this scheme as steam enthalpy has increased due to higher inlet steam temperature

Water treatment and Recycling towards Environment Protection

One of team JKLC's top priorities has been to ensure conservation of water by recycling and also to ensure the release of safe water in the environment so that the hazardous effect that it causes can be negated. Our endeavour of installation of Effluent treatment plant at mines workshop for effective treatment & recycle of workshop wastewater has been one more step towards this objective. By using the ETP wastewater treatment method we have been able to successfully achieve our objective. By implementing this wastewater treatment method we have been able to purify the wastewater and reuse it. Meanwhile, also working towards releasing safe water in the environment that is devoid of effluents.

ENHANCING CAPABILITIES THROUGH INNOVATION AND TECHNOLOGY

The Makeover of AAC BLOCK PLANT, JKLC JHAJJAR



Our state-of-the-art and well-equipped fully automatic modern plant at Jhajjar is engaged in the production of our Value-added product (VAP) and Autoclaved Aerated Concrete blocks (AAC). Besides the state-of-the-art equipment, the plant also comprises of additional technology like a green separator and a tilting machine for avoiding 0 % green rejection in the process.

The plant was originally designed for usage of 100 % dry fly ash. It was converted to use 100% sand through internal innovation. Further using indigenous internal innovation capabilities, system was further modified to use majorly pond fly ash to match the available resources. With this innovation, we were able to overcome our dependency on dry fly ash and thus ensure that the production doesn't suffer due to the non-availability of dry fly ash.

Grinding Unit, Jhajjar

Energy and Cost; Double Savings = Double Benefit

The usage of energy and energy cost are significant factors in any manufacturing industry. The imperatives of energy shortage call for energy conservation measures, which essentially means using less amount of energy for the same level of activity. The problem of energy waste is made worse because of the design margin that are taken leading to motors being oversized, using more energy than the application actually needs. By innovatively controlling the boiler feed pump, our production team was not only able to generate savings in energy but also save a considerable amount of energy cost. By using both the feed control valve and the VSD, the team effectively managed to control the flow rate while keeping the pressure constant. The expenses incurred towards procuring a VSD have been recovered in the first year itself and the benefits of this innovation can now be reaped in increased energy cost savings for the coming years.

The 'power mix' of Innovation and Futuristic thinking

New and innovative products will add exponentially to the performance of the organisation – that has always been our belief at JKLC. With the latest innovative composition of M90 and M100 concrete, JK Lakshmi Powermix ready mix concrete was launched. Always striving for new products, these mixes are designed keeping the future in mind, this high strength concrete can be used in the construction of High-rise buildings of 60 meters and above. The use of these mixes will help in reducing the section of the column beam thereby increasing the carpet area. Due to its superior uncompromising quality and its ability to effectively contribute towards substantial savings in the construction cost, JK Lakshmi Power mix is fast becoming the recommended product of many structural engineers and other stakeholders.

OUR MOTTO – SAFETY FIRST, ALWAYS

Your Company has always maintained that while we endeavour for excellence and a high-performance quotient, our focus regarding the safety of our employees and the people associated with our plants never waivers. As we further enhanced our capacity and our capabilities in production and operations, we took multiple progressive steps towards Safety Management so that our employees and workers can work more wholeheartedly in a safe environment.


Safety Permit For Work

WP Type*

Plant Area*

Generated Doc No.*

Location

Plant 2000 SIROHI PLANT

Digitisation of Permit to Work System

Permit to Work (PTW) refers to a management system used to ensure that work is done safely and efficiently. PTW system involves procedures to request, review, authorise, document and most importantly, de-conflict tasks to be carried out by front-line workers. It is used to control certain types of work that are potentially hazardous. A permit-to-work is a document which specifies the work to be done and the precautions to be taken.

This PTW process was designed and managed in a way such that any activity or task can be safely executed. This system has been developed in-house that has resulted in excellence in operational effectiveness for organisations as it has:

- Increased efficiency
- Increased uptime
- Lowered operational cost
- Provided a transparent system
- Effective interactions without the physical presence of any individual

For Hydrant System Health Monitoring

In Industries, in a fire emergency, there should be a continuous flow of water through the hydrant line, pressure of which is monitored using pressure switches. If pressure of water goes below the specified level then the pumps connected to the hydrant line are turned ON, which results in increase of water pressure, thereby extinguishing the fire. To keep the water pressure in the hydrant line constant, 24x7, continuous monitoring is essential.

For this IOT was implemented for 24x7 monitoring of Hydrant Line Pressure and Water level in main water tank and priming water tank. SMS alerts generated in case of Hydrant pump starting and Low hydrant line pressure. MIS is generated for Hydrant pump starting frequency and total running hours, Hourly average of hydrant line pressure and also action taken report for any abnormality detected.

The usage of safety-friendly clothing by female workers - Changing the Mindset

JK Lakshmi Sirohi Plant is situated at Sirohi district of Rajasthan. In this region, traditionally women wear ghagra (long skirt) and kanchli (top).

Men and Women from nearby villages are employed in the Company for their livelihood. Loose clothing is highly unsafe for work inside the Plant and it was very challenging to convince them to wear tightly fitting cloth. After a series of counselling, motivation and inspirational sessions we achieved success and the lady workers are now wearing tight fit clothing at the shop floor which has ultimately resulted in women empowerment and enhanced their safety.

Recognition of our efforts - National Safety Award

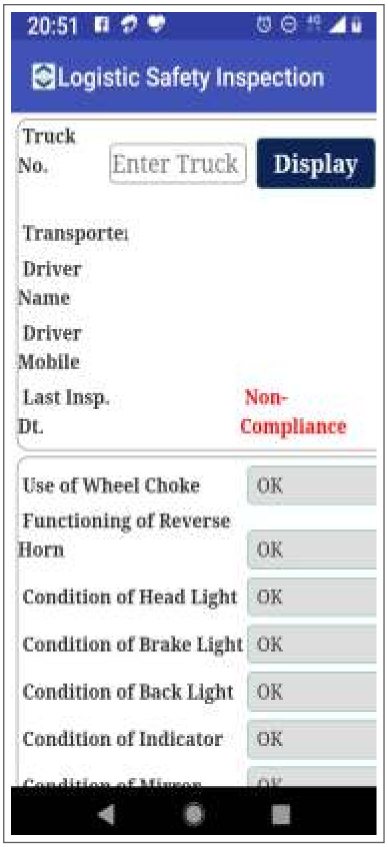
It was a moment of immense pride when our team from Jhajjar Unit was commended with a prestigious award 'National Safety Award (Performance Year 2017)' by 'Ministry of Labour and Employment, India'. The award was presented by Sh. Santosh Gangwar, Minister of State-Independent Charge for Labour & Employment at New Delhi on 17th September 2019. The award was in recognition of outstanding safety measures implemented by the management resulting in improved quality, productivity and working conditions in safety, health and environmental conservation.

Integrated Cement Unit, Sirohi

This was another encouraging achievement for the entire JK Lakshmi team and it will inspire us to keep focusing on Safety Management as one of the important parameters of our growth story.

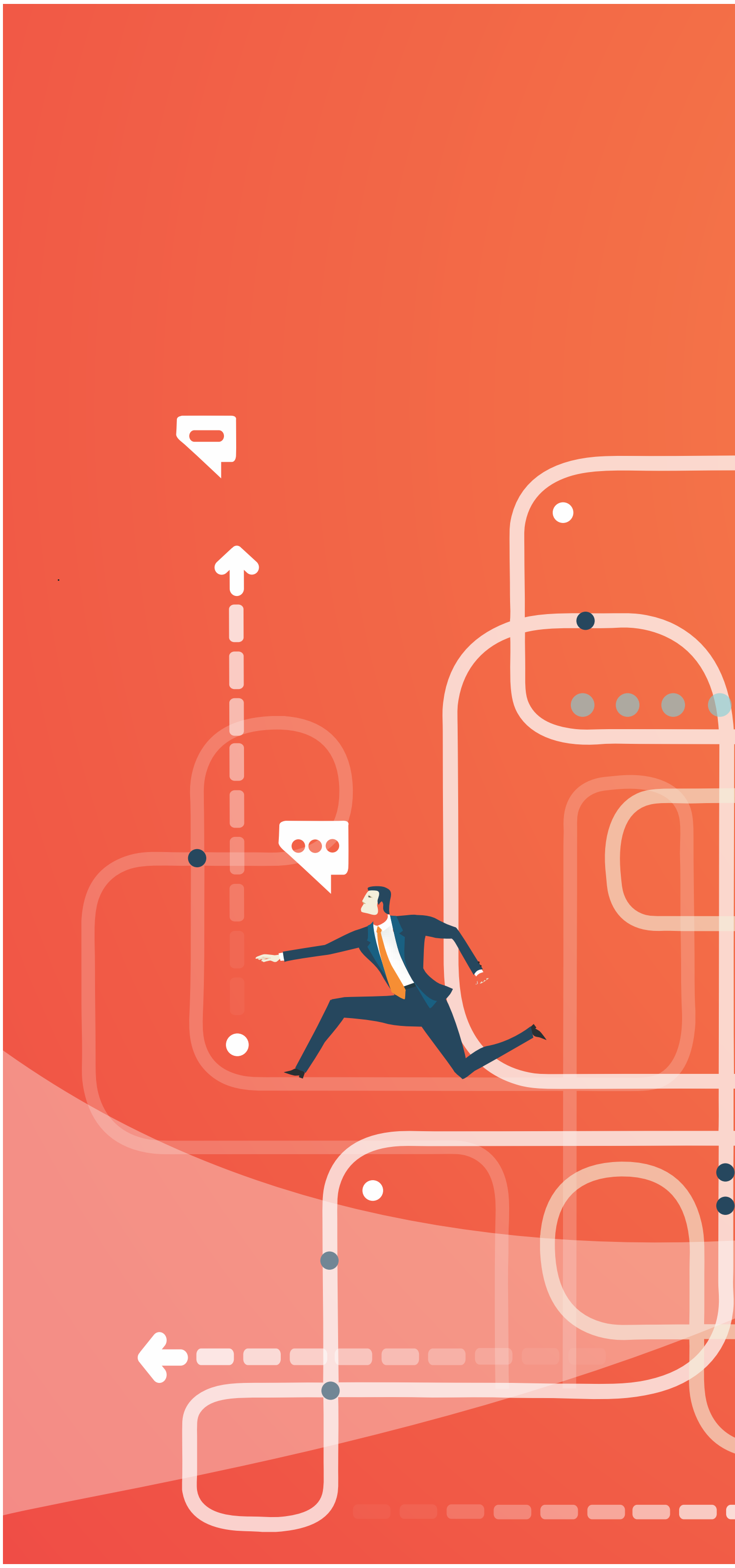
Development of mobile app for Logistic Safety Inspection

Logistics plays an essential part in supply chain management. It is used to plan and coordinate the movement of products timely, safely and effectively. Ensuring safe condition of the logistic vehicle, is of utmost importance, for ensuring road safety inside plant premises as well as on the road, till it reaches its destination. A check list-based Safety Inspection Mobile app was developed to ensure robust inspection of the vehicles; instant real time notification of any abnormality observed, to the Transporter and Logistics Head for their immediate action. The system also takes care of frequent violation by any vehicle and prohibits the vehicle entry inside plant premises on the third violation. The system also generates the MIS report which is utilized for the logistics supplier performance rating as well as their recognition and pointing out areas of improvement.

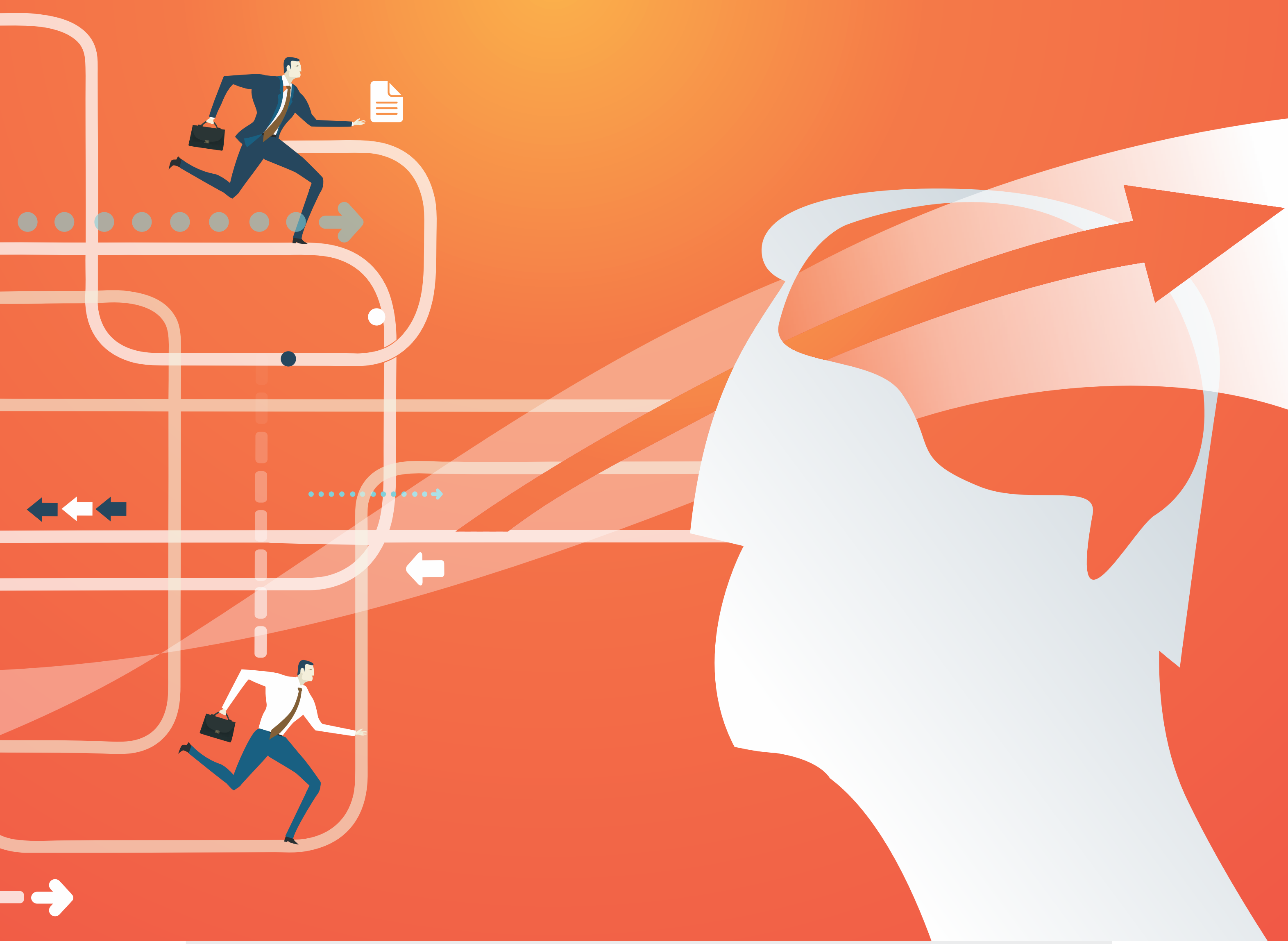


In today's fast-paced highly competitive market, a successful and progressive organisation is marked by its customer orientation and the agility of its response to the changing dynamics of the market.

At JK Lakshmi Cement Limited, we have always given the top-most priority to our customers and the various influencers who have played the most important role in making us who we are today. Various teams at JKLC from R & D to manufacturing; from marketing to sales; and from Logistics to IT, work in a cohesive manner to reach out to the influencers, trade associates, the mason and contractor community, the architects and designers, and finally the end-user.



Customer Orientation + Agility in Response
= Synergistic Performance



Branding blitz at the IPL

The financial year 19-20 saw us taking our association with the Indian Premier League even further. In a country where cricket is like a religion, associating with IPL and hence cricket has been instrumental for our brand to reach large number of households in India. As a result of our strong association with the Rajasthan team as 'Title sponsor' of the team, we have garnered a lot of love and adulation. The strong presence of the brand JK Lakshmi cement in the market along with the backing of a well-driven team, Your Company has achieved tremendous success in terms of brand recall and saliency in the market. This season saw a perfect amalgamation of shared goals between the company and the pink army of the Rajasthan team. The entire 'Brand Blitz' conceptualised and executed around the event consisted of launches; Meet and Greets of the channel partners; celebratory events; Social Media engagement activities, Outdoor and FM Radio campaign; and a JK Lakshmi Cement stall at the Sawai Mansingh stadium, Jaipur.

A superhit winner – JKLC Sixer

JKLC Sixer Cement brand, since its launch has become one of the most sought-after cement brands in the states of Gujarat and Rajasthan match. JKLC Sixer launch campaign during IPL created a highly successful platform for the brand that turned out to be the most successful story in the cement world. Formulated with the best technology and consistent quality control in all its production process, JK Sixer is a superior product that matches global standards. With its unique and superlative qualities, and its promise to overcome any challenge pertaining to modern construction, the winning brand has quickly established a strong demand in Rajasthan and Gujarat.

It did not come as any surprise therefore when JK Sixer Cement won the 'Most Promising Brand, Economic Times Best Brands 2019' award. It was truly a matter of pride for the entire JKLC team when this superhit brand was recognied at a glittering and glamorous awards event in Mumbai and the award was conferred to us in an attendance packed with famous national and international brand representatives.

Connection JKLC Sixer SPs

JK Lakshmiplast smart wall putty – launch

JK Lakshmiplast smart wall putty was launched in October 2019 amidst a lot of anticipation and fanfare. This superior product from the basket of JK Lakshmi Cement Limited is much better than the ordinary putty as it becomes an integral part of the plaster due to its white cement constitution. This gives better compatibility, adhesive strength and a long life to the construction, making it widely acclaimed by customers across all segments of the construction industry. It forms the ideal base for beautiful walls, giving the smoothest surface for luxurious interiors. Being water resistant it also prevents seepage and flaking, while offering maximum paint spread and minimum paint consumption. This excellent product is being made available currently in Delhi, UP, Haryana, Chhattisgarh, Bihar, MP and Maharashtra.

The Bhramastra revolution

If intellect is complimented by relentless pursuit of excellence and hardwork, anything is achievable. The R & D team at JK Lakshmi Cement is true trailblazing example of this adage. After a substantial amount of market research, consumer need analysis and product innovations, the Research and Development team at JKLC came up with a product that has revolutionised the way the cement industry functions. The Bhramastra 4X4 addresses the concerns of the construction industry in multiple ways. This liquid integral water proofing compound allows the free flow placement of the cement easier, while providing water proofing. It gives better finishing, less water requirement, greater strength and increased savings. This new product was launched with great fanfare and has been extolled across the construction industry for its superior quality and never-before benefits.

Sharing Experiences and Shedding light on Corporate Governance Globally

Your Company has always exhibited the best corporate governance practices and this has been recognised by Indian as well as Global Industry at large. Our Whole-time director, Dr. Shailendra Chouksey was invited to 19TH LONDON GLOBAL CONVENTION ON CORPORATE GOVERNANCE & SUSTAINABILITY to share his views on "Board Committees and their Composition: Getting it Right" to have better corporate governance.

Aligning towards a single-minded focus on Customer Orientation: Ek Lakshay

Keeping our customers at the center and working on multiple fronts to get future ready has been the approach of Your Company. In the financial year 2019-20, team JKLC took multiple and significant strides towards cementing the company as a strong customer oriented organisation and these efforts reflect in the profitability achieved in the year.

In the financial year 2019-20, Your Company made sustained and dedicated efforts to connect with our customers and business associates to know their valuable feedback, and pain areas. The project was named "Ek Lakshay". Along with the Management and the Marketing Head, the entire Sales team participated in this project. The internal employee KRAs, targets and back-end IT ecosystem were realigned to meet the expectation of our customers. To enable our sales team to continuously remain in touch with their customers, they were provided with an app on which they can plan their month, track their activities, log complaint and see their KPIs. All these actions resulted into continuous bottom-up improvement in performance quarter-on-quarter.

Moreover, the company is very aggressively working on various IT projects to not just enable various functions to excel individually but also to integrate efforts across functions to create value for all the stakeholders.

Ek Lakshay workshop

Pratham – A program towards efficiency first

A deep-focus 100-day project named "pratham" was launched in the month of July 2019 at the Jhajjar plant. The project is a synergy between marketing tactics and logistical efficiency of the company. Both the brands, JK Lakshmi cement and Platinum heavy duty cement were strategised and logistically streamlined to provide an online customised delivery service ofas low as 20 bags to any site within the jhajjar district.

The prime motive of the project is to enhance the deep penetration in the home district and improve market share. The different marketing techniques such as promotional vans and aggressive highway hoardings, propelled to magnify the effect of the project.

Driving business excellence through initiatives in Logistics

In our efforts to pursue business excellence, we at JK Lakshmi Cement took some significant initiatives in the logistics function. These initiatives were aimed at increasing coverage, improving efficiency and reducing costs thereby ensuring market accessibility and domination. The five main parameters of the logistic initiative program were: 1) Freight reduction, 2) GPS Coverage, 3) Service level improvement, 4) System and IT improvement, and 5) creating a robust logistics policy.

Through freight benchmarking and e-bidding process the team JKLC managed to bring about considerable amount of savings during the financial year 19-20. This was further supplemented by the savings achieved by monitoring of stock-in-motion freight. By implementing and ensuring GPS coverage, Your Company was able

to achieve higher volume coverage by vehicles, ensure vehicle visibility at all times, and arrest leakage and lead correction. By focusing on prioritisation of orders we were able to improve our service levels significantly.

As part of this program, various improvements in Information Technology and Systems were carried out. Developing logic and creating a system where all logistics data is available with one click; Reduction of Transporter payment cycle; SRM portal truck master; and Online transporter incentive were some of the many IT-led initiatives that created an overall positive impact. Moreover, creating and standardising the logistics policy by creating various SOPs (Standard Operating Procedures) the team ensured that the entire organisation followed one single policy in a streamlined way.

Integrated Cement Unit, Durg

CEMENTING RELATIONSHIPS, BUILDING CONNECTIONS

The financial year 2019-20 saw significant strides being taken by team JKLC in energising customer relationship across the organisation. Outreach programs, incentive programs, feedback initiatives and awareness drives were conducted throughout the year to reach out across the trade, influencer segment and ultimately the end-user. This has not only brought Your Company closer to its customer but has also resulted in making the year a profitable one.

Honouring the creative brigade – Architects and Designers

JK Lakshmi Samman is an initiative taken by the company to honour and felicitate the top architects and designers of various zones and operating markets. The officers of JK Lakshmi cement presented a token of appreciation for contributing and constructing the society and nation building exercise. This recognition aims for appreciation of these important pillars of the construction industry in the areas of creativity, innovation, originality and inspiring practices in the field of Indian architecture, interiors and design.

The story of long-lasting trust between JK Lakshmi Cement and the Community of Masons and Contractors – JK Lakshmi Vishwas

The JK Lakshmi Vishwas initiative is committed to the community engagement for masons and contractors along with carrying out brand promotion and development in this important segment of influencers. Your Company's schemes for influencers have helped to connect the key influencers and encourage them for their good work. In turn, their encouraging appreciation and word of mouth is a great help in this

highly competitive environment. Our encouragement & development program to influencers & sales force has helped in generating brand recall and in increasing the sales. This year it was a delightful and happy occasion for all the lucky draw winners as their names were revealed and they received various rewards including motor cycles.

Appreciating our Retail Associates – the JK Lakshmi way

We, at JK Lakshmi Cement understand the significant role that a retailer plays to help us make our presence felt across the various operative markets. We not only focus on various ways where they can be incentivised but also makes consistent efforts to appreciate this important segment. Throughout the financial year 2019-20 our team organised many such retailer meets in various markets to keep the momentum in the markets high. The JK Lakshmi Cement Retailer development program in Rajasthan and UP was one such endeavour. The scheme comprised of rewarding a bike to a potential retailer who joined the JK Lakshmi Cement family and performed outstandingly. In these meets the retailers were made aware of quality of products & various features, besides motivational speeches to exclusive retailers. This not only created a positive atmosphere amongst the retailers but also increased their sense of belonging towards the JK Lakshmi family.

Dazzling the dealer community with recognition and appreciation

At JK Lakshmi Cement Limited, we believe the more we involve our channel partners and associates in the strategising process the more beneficial it will be for us in creating a successful market strategy and thus increasing our market footprint. Team JKLC organises various national and international conferences for our dealer community that encourage the dealers to share their insights and participate in creating ground-breaking strategies which benefit the end-user as well as the entire marketing chain along with the organisation. The Annual dealer meet organised in Thailand for the dealers of Gujarat and Odisha in September 2019 and the scintillating tour of Europe organised for the dealers of UP, Haryana and Rajasthan in November 2019 are testimony to the cohesive approach towards performance enrichment and overall growth of JK Lakshmi Cement Limited.

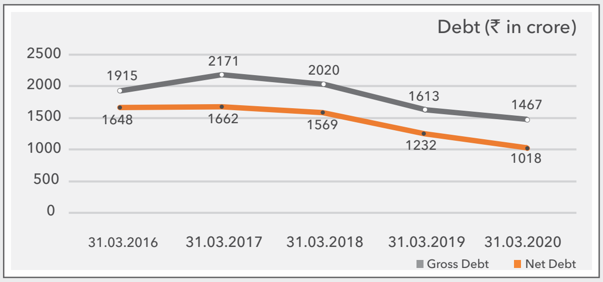
Inroads into rural India

The rural Indian market is the market driver of the future and in the coming years it will have a big role to play in the infrastructure sector. Armed with a visionary approach, JK Lakshmi Cement Limited has been strategically making inroads to the rural sector of India. Team JKLC participated in the Krishi Darshan Expo in Hissar, Haryana to showcase its JK Lakshmi PRO+ Cement to the rural audience. The audience comprised of farmers of the rural belt and other consumers representing myriad sectors across the cement market. It is a matter of pride that the products of Your Company stood out in all segments and were very much appreciated. Such initiatives have not only helped us in creating brand recall and reinforcement but also have been keen vehicles of drawing insight from the rural customer.

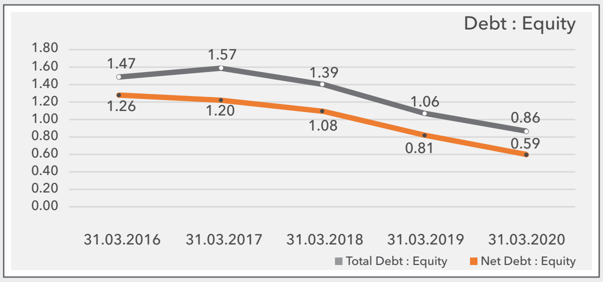
Morocco-Sales Promoter Conference

Deleveraging of the Balance Sheet.

Over the last 4-5 years, the Company has been focusing on Deleveraging its Balance Sheet by continuously reducing its Debt. The Company's efforts in this regard has borne fruits and it has been able to reduce its Debt over Rs.700 Crore from a peak of Rs.2171 Crore as of 31st March, 2017 to Rs.1467 Crore as of 31st March, 2020. Similarly the Net Debt has also been reduced from a peak of Rs.1662 Crore as of 31st March, 2017 to Rs.1018 Crore as of 31st March, 2020.



As a result of the reduction in the Debt, the Debt-Equity Ratio of the Company has come down from a peak of 1.57 as of 31st March, 2017 to 0.86 as of 31st March, 2020. Similarly, the Net Debt Equity has fallen over 50% from a peak of 1.26 as of 31st March, 2016 to a low of 0.59 as of 31st March, 2020.



The Company has a healthy Treasury Corpus of about Rs.450 Crore which it continues to judiciously deploy in various Tax-efficient Debt Instruments to generate returns higher than the Cost of funds.

This Deleveraging of the Balance Sheet, which would continue in Financial Year 2020-21, would provide the Company a firm platform to raise funds to finance its Future Expansion Projects.

The Company continues to enjoy a Credit Rating of AA- (Double A Minus) for its Long-term Borrowings from CARE and highest possible Rating of A1+ (A One Plus) for its Short-term Borrowings from CARE & CRISIL.

The Company is continuing with its programme of sharing Detailed Analysis of its Operational & Financial Performance with the Bankers & Other Stakeholders through Quarterly interactions by way of Concalls & Roadshows both in India & Overseas.

CFO,Sh.S.A.Bidkar addressing the Banks at the Consortium Meeting

Integrated Cement Unit, Durg

It is the people who shape everything, whether it is shaping the world at large or an organisation.

At JK Lakshmi cement, we recognise and acknowledge the importance of our human capital. Our unwaivering focus towards training, development and growth of our employees has increased year-on-year. Similarly, social responsibility has always been an integral part of the DNA at JK Lakshmi Cement limited. Focusing strategically on areas like health, sanitation, education and livelihood, we have been able to create a positive impact towards strengthening the community and contributing to the building of a stronger India. In these times of the Covid-19 pandemic, our teams across JKLC plants and various geographies have contributed to efforts to fight this global pandemic across various areas. We truly believe that only if the humanity comes together we will be able to survive and fight back this global pandemic.

People Orientation + Inclusive Development
= All-round Performance

Our People, Our Pride

We, at JK Lakshmi have always considered as a matter of pride our spirit of working together as one Team to come up with incredible performances in various functions of the organisation. Our multi-cultural workforce hails the length and breadth of India and have come together to form a cohesive unit. Our HR policies and guidelines are designed in a way that encourages team work and synergistic approach.

Our inclusive and progressive culture helps to motivate individuals to seek perfection, deliver results, strengthen markets, increase market share and align to operating profitability.

We have always believed in finding talent from within the company and then train them to take more responsibilities and perform better. We have a successful practice of identifying potential leaders for our various functions from within the existing team members. More so, youth of the Company is encouraged, equipped and empowered to handle larger chunk of areas and markets. Such a synergistic policy, which is aligned with the needs and expectation of any employee, has created a win-win work environment.

To further strengthen our bond with the employees and create a progressive environment, several unique initiatives are undertaken. Few of the noteworthy ones are:

- Annual Open House Communication Meeting at the Head Office, Marketing Zones and Factories. These meetings are addressed by the Top Management and the major highlights, challenges, achievements and suggestions are discussed
- To encourage young employees (upto 35 years of age) to come up with innovative ideas and the winners along with their family are invited for a one-to-one meeting with VCMD over a cup of coffee to discuss modalities for implementation of their suggestions and their ownership
- Young Executive Meet Program designed to give an opportunity to act independently and develop young-minds
- Self-Reflection Workshops to indicate an integrated insight of employees' feelings about the company and the means to take it forward
- My Exclusive Time (MET), a quarterly programme wherein HR personnel meets and accompanies employees personally at their work areas for a whole day to understand their pain and pleasure points. And from the assessment, further training and development programs are created and implemented
- Udaan Competition - To foster healthy creative competition amongst identified talents and high performers for the last five years up to DGM level
- We - Care (Cementing Aspirations through Receptive Exchange) - New employees meet the Senior Management along with the HR Head after completion of 6 and 12 months in a structured 20-minutes one-to-one interaction. This has helped integrate the employees into the culture of our Company
- SPARK INITIATIVE - (Stimulating Passion in Achievers for Excellence in Results & enhanced Knowledge) - To develop young leaders who would take up leadership responsibilities in the company in the future as part of our "grow our own timber" philosophy
- Sham Ki Mulakat - HR Personnel meets the family members/spouse of the employees and ascertains the issues, concerns or other matters and puts up to higher authorities for quick remedial action
- As part of leadership development, a 360-degree Feedback and Executive Coaching Program is undertaken by a reputed external agency; comprising of 8 feedback sources including boss, peer, subordinate and internal/external customer of the executive

Testimony to the impact of such encouraging and secured atmosphere is:

- Lowest attrition across the Industry
- An enlarged talent pool

Our focused approach towards our Human Capital has also helped us earn rewards and recognition:

- "Global HR Excellence – Best Workplace Practices" award by ET Now – February, 2020
- "Best Employee Engagement Company of the Year" award by ET Now – February 2019
- The TRIM index has always made us proud and has put us amongst the top 10% global companies. It is a reflection of our innovative retention strategies, our enabling work culture and practices encompassing 'Care', 'Passion' and 'Ethical Performance'
- Our TRIM index score over the years has grown considerably and is a matter of pride for us

2005 – 77	2013 – 91
2007 – 80	2015 – 92
2009 - 81	2017 – 92
2011 - 85	2019 - 99

A strong community builds a strong Nation: Social Responsibility is Our Priority

Your Company has strong social commitment towards needy and vulnerable people and families and accordingly the CSR vision clearly states 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.

Our approach towards CSR is strategic which means our focus of CSR is on creating value for Bottom- of-the- Pyramid stakeholders in the product value chain and neighborhood community around our plants. This also means that all the social investments are in the nature of development and essentially linked to SDGs, but is also integrated to the sustainability of the business and the organization, and this is achieved through benefits creation for the bottom-of-the-pyramids in the business value chain, such as, truck drivers, loaders, masons, and petty contractors.

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

Health, Water & Sanitation	**Education**
Livelihoods & Skill Development	**Rural Development**

Our sustained efforts towards supporting the community at large and all-round development of the nation has so far positively impacted

90 **villages**	54 **hamlets**
4 **states**	2 **lakhs+ people**

The Key development issues & Impact areas for vulnerable communities that have been taken up by the team at JK Lakshmi Cement Limited are:

- Working to improve the Low maternal & child health status & high mortalities
- To improve access to affordable quality medical services and improve knowledge and practices with respect to poor health-seeking behaviour
- Efforts towards improving the poor nutrition of MDR-TB patients
- To improve learning environment and physical facilities at schools to reduce high incidence of school drop-outs. Also providing remedial classes to improve age and class appropriate learnings to to Never-been-to-school children for their mainstreaming.
- To empower differently abled children with education and skills for their mainstreaming and inclusion to work towards providing skill-based training to improve the low level of skills due to absence of skilling opportunities in the neighbourhood
- To provide livelihood opportunities and support system for enhancing income opportunities
- To facilitate last mile connectivity so that the actually needy and vulnerable communities are able to access the schemes and benefits provided by the Government
- To ensure provision of some other basic and urgent community needs like drinking water; panchayats building / assets; Playgrounds; support to Government facilities; water harvesting & source renovation; community library and others

CSR Projects Beneficiaries are majorly from disadvantaged communities

Working Disadvantaged	Below Poverty Line families
	Women & Girls
	Scheduled tribe
	Scheduled caste
	Small / Marginal farmers
	Landless labourers
	Unemployed Youths
	Others
Vulnerable	Differently abled children
	Women-headed families
	Persons suffering with disease like Multi-Drug Resistant TB; Silcosis
Bottom of pyramid stakeholders in product supply chain	Masons
	Loaders
	Truck drivers
	Small contractors
	Labourers

Bringing transformative changes through impactful CSR in the lives of communities around plant

During the Financial Year the Company has undertaken multiple CSR projects to address the issues of low maternal and child health status; lack of quality medical health services for the poor and marginalised communities; high incidence of out-of-school and school drop-out children; poor infrastructure of government schools; lack of skills among youth and women for self and job employment in the villages and communities across plant locations which benefitted the disadvantaged, vulnerable and economically marginalised 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 youths with no skills for either employability or resources for small business. The Company also strategically endeavored towards facilitating “last-mile-connectivity” for the poor to access various State and National Government schemes aimed at poverty alleviation.

Bringing children back to school: Project Aarambh

Team JKLC has been constantly striving to improve the education facilities and the literacy levels amongst the needy community. By motivating parents to break the stereotype and encouraging children team JKLC has been able to generate encouraging results. Project Aarambh is a unique project that focus on identification, remedial support and mainstreaming of out -of-school; never-been-to-school and drop-out children among the tribal; scheduled caste and low-income communities. Since its inception this project has enrolled number of children into various government schools. The dropouts are either mainstreamed with schools or linked to NIOS. Various activities like liaising with the schools; arranging for the birth certificates and bridge classes; providing study materials are organized. Total 78 Tribal children enrolled into schools in FY 2019-20 and 31 Girls enrolled with NIOS for 10th & 12th at Kalol. Till date our efforts have lead to a total 899 tribal children (507 Girls & 392 boys) have gone back to school.

Kailash goes to school : Project Aarambh

Surama Ram Ghasiya, a small farmer and farm labourer lives in a small tribal hamlet of the Rampura Panchayat. Surama has a total of 7 children, all in the age group of 7-13 years. Out of the 4 eligible children, 2 of them dropped out due to economic instability and 2 were never able to enroll in the school at all. Due to the intervention and efforts of team JKLC, now his son Kailash Kumar has got enrolled in Class VI; and the others Mancha Ram, Antu Kumari & Sumit Kumar have got enrolled in class III , II and I at the Government Primary School, Dungari.

Providing Scholarships to the bright lights of tomorrow

Furthering our pursuit of strategic corporate responsibility in the area of education, team JKLC tied-up with various similar minded partners to provide scholarships to the children in the villages around our plants at Jaykaypuram, Rajasthan and Jhajjar, Haryana. Around 800+ Masons' children from 08 districts of Rajasthan & Haryana have been registered for about 32 lakh scholarships. Your Company has been able to facilitate scholarships worth Rs. 35 lakhs for 228 children under JK Lakshmi Vidya Scholarship project in partnership with Buddy4Study. Moreover, we have also facilitated our commercial vehicle drivers' children to enroll and access the educational scholarship of Shri Ram Transport Finance Company (STFC) for the children of commercial vehicle drivers.

Small steps towards a big change

Besides the school enrollment and scholarships initiative, our corporate social responsibility team has provided basic essential support in the shape of various need-based support to students and government schools; provision of teachers; bags and stationeries to children; facilities like tables , carpets , sheds & toilet construction; E-learning classes ; plantations around the school; school libraries; and even tuition support to slow learners. Our initiative of the Savera School in partnership with the District Child Welfare Office, Jhajjar provides Support to Differently Abled children. This year more than 50 mentally retarded children were able to get support in areas like Physiotherapy, Speech Therapy, Health Check Up, Sports, etc. under this initiative.

The company is supporting Haryana Chief Minister's Good Governance Associate (GMCA) - Project-Saksham - for improving grade level learning competencies in the identified districts of Haryana including Jhajjar. The project is being implemented by Ashoka University. Saksham Haryana'- is a systemic transformation programme primarily focused on bringing 80% of students in government schools of Haryana (Standards 1st - 8th) at grade level competency. More than 30,000 children from Jhajjar district have benefitted from this initiative.

A new dawn of life – Naya Savera

Naya Savera – Our model project created with an objective of reducing the burden of Infants & Maternal Mortality has been able to effectively bring down the mortality rate in the villages where it was implemented. This model project is rapidly progressing towards the target of reducing the Infant Mortality Rate to 25 per 1000 live births by March 2023.

This Naya Savera project of Integrated Family Welfare has been implemented in 35 villages & 54 hamlets at Pindwara Block in Sirohi, Rajasthan with an objective of improving Reproductive & Child Health and thereby reducing the mortality rate. Working together with Government health departments, ASHA and ANM, and the Community Health Centre of Pindwara, team JKLC was able to ensure successful births for 1379 children; about 155 children referred had severe illnesses which were cured; a total of 248 high-risk pregnant women were referred where successful deliveries happened without any harm to the mother or the newborn.

The blessing of life to a newborn-Naya Savera

Among the many newborn lives saved, there was one of a Garasia child, born in a Garasia tribal family of Rampura village on June 5, 2019. At 1.4 kg birth weight, born with Chicken pox, the child became critical with high fever, rashes and boils on body. The chances of saving the child looked very bleak, however, with the timely intervention of team JKLC and the officals under the Naya Savera, the child was saved. Now the child is healthy and the village feels blessed having benefitted from the model project.

Building healthy community through delivering quality medical services at the door step

As part of our strategic corporate responsibility initiatives, team JKLC has been striving over the years to provide quality health services at the doorstep of the needy and vulnerable rural communities. In the financial year 2019-20, our team took this initiative forward with even more enthusiasm. Support to the Poor Multi-Drug Resistant (MDR)-TB patients was provided with 348 staple food kits to 29 MDR-TB Patients in Kalol and Surat. During the reporting period, a total of 728 medical camps were organised which benefitted around 28,000 people. Other need-based health service initiatives like Eye camps were organised; 8 Eye camps were conducted for truck drivers benefitting 591 drivers with about 180 drivers being provided with spectacles to improve their visibility. Moreover, other preventive interventions like regular fogging in Malaria endemic villages and awareness meetings & sessions on Maternal & Child Health care, Anaemia, Silicosis, HIV, Personal Hygiene, etc. were also conducted.

Together we stand with the community and nation: JKLC fights back Covid-19

The year end saw outbreak of global pandemic Covid-19. Every section of the society is fighting against this crisis. The effect of coronavirus is damaging on health services around the world and more so in our country. The company's response to the Covid-19 pandemic has been a further progression of its core value system. The company has left no stone unturned to keep the work going and spirits positive. Taking full safety measures as directed by the government, the company has ensured that its people never for one instance feel left alone. In this scenario, mutual aid has been the guiding principle for the company. And it has taken a defining role, by organising support and care systems within their communities.

Your Company has always been committed to support underprivileged people and families for equitable and inclusive care, so that no one is left out. Your Company is fighting this pandemic at several fronts in collaboration with local panchayats and district administration across its plant locations in Rajasthan, Haryana, Chhattisgarh and Gujarat, by supporting the people living in the vicinity of its plants and helping migrant labourers. While rapidly mobilising the kind of resources needed to effectively increase essential support, Team JKLC has built agile networks to protect the vulnerable and needy. Be it any strata of stakeholder - employees, dealers, essential service providers, mason community or society-at-large, the company is trying its best to come out with solutions that can uplift each one of it. Distribution of survival kits, food packets, disinfecting the surroundings, and through many more initiatives Your Company is at the forefront of providing basic support and amenities to the society, amidst this pandemic.

Food distribution

In this time of uncertainty, feeding the needy has been a priority. Along with our network of local volunteers, an immediate and urgent response to COVID-19 pandemic was executed with food kits distribution to most needy families in the villages across our plant locations in Sirohi and Udaipur in Rajasthan; Kalol and Surat in Gujarat; and Jhajjar in Haryana.

Mask production and distribution

In our efforts to fight the COVID-19 pandemic, team JKLC deployed creative problem-solving skills combined with the humanitarian and entrepreneurial skills. The team responded to the shortage in masks in a unique way by setting up and implementing cotton masks production by Self Help Groups of women and distribution in the villages across all its plant locations. These women had been trained in tailoring and stitching as a part of our CSR initiatives towards women empowerment. And by this bulk mask production they were able to earn a humble amount as extra income while contributing towards overall safety and hygiene needs of the community.

An important aspect in dealing with this pandemic has been sanitisation and raising awareness about it. Team JKLC has distributed more than 5000 units of Sanitizers & Hand Wash till date and conducted awareness meetings across villages along with distributing pamphlets, banners and home visits.

Dealers join hands

JK Lakshmi Cement Limited is extremely proud of its dealer partners for their philanthropic and humanitarian endeavors in the fight against Covid -19. Across the nation, the dealer community got together to help feed communities and individuals facing hunger. They diverted resources to feed kids in the hardest hit communities. The dealers also have plans in place to ensure food distribution and other medical aid in the future .

The Show must go on – Business continuity, Employee interaction and Associate engagement

It was imperative that the organisation doesn't waiver from its focus and its objectives during this pandemic crisis. Our leadership and support functions like IT, Administration and HR ensured that business as usual continued while under lockdown and important functions were not hampered beyond a point. Our IT and Administration team worked relentlessly to ensure that "work-from-home" was a smooth transition for employees across the organisation. Our Human Resources team ensured that the employee engagement was higher so that an environment of bonding and togetherness was prevalent during these tough times.

Team JKLC embraced digital technology for engaging its employees with activities like webinars, training sessions, interaction programs and many other productive initiatives that kept the focus on knowledge and skill improvement. For keeping the employee morale high, activities like E-FAMILY MILAN were initiated, with participation of families of team members from different regions and functions. It was a great interaction amongst the families with E Quiz & E Antakshari competitions for the spouses and children.

In our endeavour to support our dealers in all the ways possible, team JKLC explored the digital route to create awareness and engagement amongst the dealer community about Covid-19. Various online activities were designed to not only help their physical and mental health but also to boost morale and keep the energy levels high.

Achievements

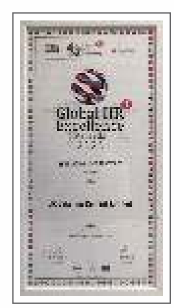
Mahatma Award for Leadership in Corporate Social Responsibility and Business Sustainability 2019 was awarded to Mrs. Vinita Singhania, VCMD, JK Lakshmi Cement

JKLC is the winner of Institute of Directors (IOD) Golden Peacock Award for CSR-2019

JK Lakshmi Cement Jhajjar Unit won the Safety Innovation Award 2019

CII - Excellence Energy Efficient unit Award – 2019

Won National Awards for Environment Excellence instituted by NCCBM



"Global HR Excellence Awards" by ET NOW-2020

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

The Directors are pleased to present the 80th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2020.

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

₹ in Crore

	2019-20	2018-19
Sales & Other Income	4,093.58	3,939.50
Profit before Interest, Depreciation & Tax (EBIDTA)	722.46	472.16
Profit before Depreciation (Before Exceptional Item)	558.04	283.82
Profit / (Loss) after Tax	236.11	80.10
Surplus Brought Forward	330.18	269.23
Amount available for Appropriation	**566.29**	**349.33**
Appropriations		
Transfer to Debenture Redemption Reserve	-8.21	8.51
Dividend (Including Interim) & Dividend Distribution Tax	46.10	10.64
Surplus carried to Balance Sheet	528.40	330.18
	566.29	349.33

DIVIDEND

The Board of Directors approved payment of an Interim Dividend of ₹ 2.50 per Equity Share (50%), in March 2020. Total Dividend outgo has been ₹ 46.10 Crore (including Dividend Distribution Tax of ₹ 7.86 Crore). No further Dividend has been recommended by the Board for the Financial Year 2019-20 ended 31st March 2020.

PERFORMANCE

Financial Year 2019-20 was a difficult year for the Industry and Economy on many counts. First, there were elections in the first quarter, followed by an unusually prolonged monsoon stretching into the third quarter of the year. Usually a good monsoon is a precursor to an uptick in rural demand but India being part of global economy could not have remained insulated from the turmoil of global slowdown. In the last quarter when the demand was showing signs of picking up, sudden hit due to COVID-19 in March 2020 not only brought down the quarterly figures but also dashed all the hopes of revival of demand in the near future.

The Industry witnessed a fall in demand of 6% - 7% during the Financial Year 2019-20. The Company's combined sales of Cement and Clinker fell by 5% over the previous year and Cement capacity utilizations fell marginally due to incremental capacity addition. Managing volatility and fluctuation in the prices of key raw materials such as PET Coke, Coal, Fly Ash etc. is a continuous process and are leveraged to retain our position to be one of the least cost producers. During the year, average pet coke prices fell by about 12% whereas there was a reduction of 2% in power costs. Over the past year, the Company has single-mindedly focused on 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 existing distribution network, thus resulting in the net Sales realization to improve by 8%.

Further, despite lower production, the Company maintained its efficiency parameters including with respect to fuel and power consumption to an optimum level. The commissioning of the Waste Heat Recovery Power Plant of 7.5 MW in the Financial Year 2018-19 and 20 MW Thermal Power Plant in the Financial Year 2019-20 has enabled the Company to contain its power cost at the Durg Plant. The cost of logistics, a derivative of global oil prices, is the single biggest cost element in our operations. By optimising dumps and modes of transportation and encouraging direct dispatches aided by the GST regime, the Company was able to bring down the logistics cost by 11%.

The Company registered an EBIDTA of ₹ 722.46 Crore as against ₹ 472.16 Crore in the previous financial year, while the Net Profit topped ₹ 236.11 Crore as against ₹ 80.10 Crore in the corresponding previous period.

Creditably, the Company improved its Debt Equity ratio to 0.86 in Financial Year 2019-20 from 1.06 in Financial Year 2018-19.

PROGRESS OF THE PROJECTS & EXPANSIONS

During Financial Year 2019-20, the Company successfully commissioned a new Grinding Unit with an annual capacity of 0.8 Million tonnes at Cuttack, Odisha and a 20 MW Captive Thermal Power Plant at Durg, Chhattisgarh.

Expansion of Waste Heat Recovery Project in Jaykaypuram, Sirohi with an annual capacity of 10 MW is in full swing and is expected to be commissioned in July 2021.

OUTLOOK FOR INDIAN ECONOMY, INDUSTRY STRUCTURE & DEVELOPMENTS

The economy is in swing mode since last few years. When all seemed to be going smoothly, the Government's pro-active measures like demonetization in November 2016 and introduction of GST in July 2017 caused economic

pendulum to swing in opposite direction impacting all sectors of the economy for at least a year. However, it also ushered in many positive and structural changes in the economy such as greater tax compliance, transparency, digitization, less cash; just to name a few. It took about an year thereafter to recover and then about a year to stabilize in 2019; unfortunately now the current crisis of global pandemic caused by COVID-19 has swung the pendulum again in the opposite direction whose trajectory and magnitude is so unpredictable that it is changing by every day, hour, and minute.

The Indian economy, which began showing signals of slowing down since 3rd quarter of Financial Year 2019-20, is still expected to perform better than other major global economies; to grow by 4% - 5% in Financial Year 2019-20 as against 6.8% during Financial Year 2018-19. However, the growth in Financial Year 2020-21 is likely to be less than 2% due to the severe ongoing contraction of economic activities. While an early lifting of the lockdown is key to the resumption of the stalled economic engine, the strength of the recovery will also depend on the fiscal stimulus and relief by the Central and State governments in addition to monetary and liquidity measures announced by the Central Bank. The wide-ranging economic stimulus package of nearly ₹ 20 Lakh Crore announced by the Prime Minister rekindles the hopes of an early and sustained revival to economic activities at the grass root levels.

India is the world's second largest producer of cement with a cumulative production capacity of ~550 MTPA. Like other commodity businesses, cement is a cyclical industry which is subject to peaks and troughs of growth every few years. During the peak phases, the demand growth reaches near double-digit levels, leading to sustained capacity utilisation at more than 90% and paving the way for fresh capacity addition. These periods of high growth are punctuated by the lean phases when demands tends to taper off causing capacity utilization to decline. As against a growth of over 12% during Financial Year 2018-19, the demand for cement registered a de-growth of about 6% to 7% in Financial Year 2019-20. The history of indiscriminate capacity additions seen between 2005 and 2010, which led to industry almost doubling its capacity, is unlikely to be repeated in the near future as there are hardly any new players that have entered the industry in the recent past. Unexpectedly, low capacity utilisation levels in recent years have seen exit of some of the new entrants in cement business and this has led to consolidation of some of the capacities. This change can act as a stabilizing force in prices which have been quite volatile in recent years.

Overall, apart from continuing resilience of agriculture and allied activities, other sectors of the economy may be adversely impacted by the pandemic, depending upon its intensity, spread and duration. Relatively modest upsides are expected to emanate from monetary, fiscal and other policy measures and the early containment of global COVID-19 pandemic.

COVID-19, OPPORTUNITIES AND THREATS

The sheer scale, size and intensity of COVID-19 pandemic across the world – perhaps the greatest global health emergency of the last 100 years; in the last quarter of Financial Year 2019-20, has injected a huge element of uncertainty in our operating business environment and clouded the outlook for the coming financial year. Given the enormous risks that the unchecked proliferation of the pandemic poses to human life, health and well-being, governments across the world have been forced to take extraordinary measures, including in the Indian context, an unprecedented country-wide lockdown involving more than 1.3 billion people, whose duration and eventual complete lifting remains an open question. While, it is too early to quantify the full extent and magnitude of the impact that this crisis will have for businesses in India, it is evident that all major sectors of the economy will take a major hit for a prolonged duration. The abrupt stop in the economy caused by the lockdown will only get accentuated by the increasing stress in the financial sector, the tightening of credit, the curtailment of non-essential spending, severe slowdown and the general across-the-board contraction in demand.

Housing and infrastructure are two key segments that account for more than 80% of total cement consumption in the country. Demand in both these sectors remained subdued during Financial Year 2019-20. Amidst this crisis of COVID-19 pandemic and it's looming side effects on the economy, the emerging consensus suggests that as and when things start rolling back to the normal, it would happen sooner in rural economy as compared to urban economy which could take much longer to return back to normal. There may still be some sectors of the economy which could never get back to the place where they were before.

The migration of rural labour from Urban centres has begun leaving an uncertainty about their return to contribute to sustenance of industrial activities. The government also seems to be working towards reviving and strengthening the rural economy by focussing on rural social and community infrastructure. The aim appears to be containment of the movement of people till such time threat is fully not over and it can be a long haul. Rapidly changing environment is forcing the organizations to adopt to new way of working. Social distancing and 'Work from Home' has become new normal. Some of these changes can remain permanent. However, this new normal can well be an opportunity for the future.

Your Company was quick to visualize with this rapidly evolving situation and made a quick move to shift to work from home with maximum use of IT infrastructure without any major disruption in efficiencies. A real testimony of this is that while this disruption happened at the very end of the closing of the financial year; the annual closing of accounts happened much before than earlier years when the offices would function without any interruption. This is an opportunity to reorganize the work, way of functioning and cut fixed costs in all spheres of working. While there is saying that cut flab but not cut the muscle; your Company is cognizant of this very fact and is making selective investments in IT infrastructure and back end operation capabilities so that while physical distancing is maintained; emotional bonding is even made stronger.

Efforts are being made to strengthen rural distribution network and supply chain capabilities and your Company has taken several innovative steps; many of them being first time in the industry. The emphasis is to provide delivery convenience to a rural customer consuming cement in small volumes in far flung areas – a privilege which erstwhile is enjoyed only by an urban customer buying cement in big volumes. The beauty of rural demand is such that while it is small in number for an individual buyer but the number of buyers are far larger than the numbers in urban centres. Given the situation where there is abundance of labour supply in rural areas; rural construction is expected to rise rapidly and our these initiatives will help us to tide over some of the adversities in current turbulent times.

RISKS AND CONCERNS

"Some risks that are thought to be unknown, are not unknown. With some foresight and critical thought, some risks that at first glance may seem unforeseen, can in fact be foreseen. Armed with the right set of tools, procedures, knowledge and insight, light can be shed on variables that lead to risk, allowing us to manage them."

If there is something that can be predicted with a great degree of certainty is unpredictability of the events that would unfold in the coming future. While it has been widely argued and debated that the Millennials who now form a significant part of working age population globally are quite different in their habits, beliefs and spending patterns, the impact of this difference is now gradually being felt across various sectors of the economy, housing and real estate being one among those. If this alone was not enough, the current COVID-19 pandemic may have wide ranging impact on the economic behavior of the people that is too early to predict. Already there are indicators of shifting consumer preferences across sectors with people either postponing the large value expenditures or intending to postpone, construction and real estate sectors are bound to get impacted.

Supply chains cutting across all industries are likely to remain adversely impacted for long and this impact may come in waves which may become difficult to predict. Experts are forecasting multiple scenarios which may unfold in future. These range from a permanent loss of 4% in GDP to a quick rebound to a gradual and slow recovery over next 3 – 4 years. While each of these emerging scenarios would need a different kind of response; quick adaptability and agility are the key capabilities that are common to each situation.

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.

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%. 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 governments 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.

KEY CHANGES IN FINANCIAL INDICATORS

On account of improved performance and profitability, there was significant improvement in following financial ratios in comparison to previous year as given hereunder:

Sl. No.	Particulars	Unit	As at 31.3.2020	As at 31.3.2019
1	Operating Profit Margin	%	17	11
2	Net Profit Margin	%	5.84	2.06
3	Return on Net-worth	%	13.79	5.26
4	Interest Coverage Ratio	Times	4.39	2.51
5	Debt Service Coverage Ratio	Times	1.79	1.21
6	Current Ratio	Times	0.85	0.72
7	Debt Equity Ratio	Times	0.86	1.06
8	Net Debt Equity Ratio	Times	0.59	0.81
9	Net Debt to EBIDTA	Times	1.41	2.61
10	Inventory Turnover	Times	11	12
11	Debtors Turnover	Times	53	49

HUMAN RESOURCE - "OUR PEOPLE, OUR PRIDE"

JK Lakshmi Cement has always placed pivotal importance to human capital in its journey of growth and expansion. The explicit and tacit knowledge of our talents has led to number of in-house low-cost innovations. The Company has sustained over the years a culture of openness, trust and collaboration to drive change and mitigate successfully challenges posed by business environment and competition. With extremely low level of attrition of talents, it has been able to retain, grow and expand organizational knowledge for seeking competitive edge.

Over the years, it has not only sustained Best HR Practices but focused on Next HR Practices. Some of the key initiatives in practice during the year under report include, Swagatam, We-Care (Cementing Aspirations through Receptive Exchange), Open House Communication Meeting with VC&MD, Whole-time Directors and Plant Heads, Udaan, Umang, Sham Ki Mulakat, Spring Fun Fest, and more. Since Best and Next HR Practices thrive on culture and culture has roots in quality of human resources, therefore the Company has relentlessly pursued Assessment and Development Centers with World Leaders in Assessment and Development Centers across the levels with post assessment support with Certified Experts designing of Individual Development Plans with specific inputs and actions in collaboration with assessees and his/her reporting managers and superior's superior. This unique kind of collaboration in development of building both capacity and capability of people has resulted in not only innovation but sustaining a high-performance work culture.

The current unparalleled situation caused by pandemic COVID-19 has seen our HR both at group level and the individual company level taking proactive initiatives to keep up the morale of the team, keep them engaged and widen their horizon to look for opportunities which may seemingly be hidden through the cloud of uncertainty and despair. This period also saw emergence of various Standard Operating Procedures (SOPs) like Work From Home which has been hitherto rare practice in manufacturing sector. Technology was widely used in connecting, communicating and aligning employees with business requirements from safety of employee's homes during the lockdown period. Leadership played a pivotal role during this period and communicated one-to-one with the employees and other departments/ work groups while assessing and implementing the business strategy.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

The Company has appointed External Auditors to carry-out Internal Audit of all its manufacturing units and certain key Marketing offices / depots. The Company also has a strong and independent Corporate Internal Audit Department which reviews the controls and systems of all the functions of the Company. These Internal Auditors report directly to the Chairman of Audit Committee of the Board.

The Internal Audit Programme and Plan for the Audit of all the locations and departments of the Company are approved before the start of the Financial Year by the Audit Committee of the Board. Based on this Plan, the Internal Auditors carry out the Internal Audit of the Company and check the adequacy and effectiveness of the Internal Control Systems. Their Audit Reports are presented directly to the Audit Committee on quarterly basis. The Audit Committee reviews the findings of the Internal Auditors and ensures implementation of the recommendations of the Internal Auditors.

INTERNAL FINANCIAL CONTROLS

The Company has put in place a strong Internal Financial Control System, Policies and Procedures which ensures accuracy and completeness of Accounting Records and also timely preparation of the reliable Financial Statements. These Internal Financial Control Systems are adequate for safeguarding the assets of the Company and for the prevention and detection of errors and 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 and efficient conduct of the business of the Company.

The Company also has a strong Budgetary Control System and Management Reporting System under which actual performance is periodically mapped against the Budget and corrective actions are taken wherever necessary.

The Company has in place specific Standard Operating Practises (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. Based on the review of the Internal Financial Control System during the year by the Management and the Auditors of the Company, no reportable material weaknesses were observed in these Internal Financial Control Systems during the year.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on 31st March 2020 in the prescribed Form MGT-9 is attached as Annexure 'A' to this Report and forms a part of it and is also available on the website of the Company at www.jklakshmicement.com.

RELATED PARTY TRANSACTIONS

During the Financial Year ended 31st March 2020, 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 Companies Act, 2013 (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 2019-20 as per the Related Party Transactions Policy is attached as Annexure 'B' to this Report and forms a part of it. The Related Party Transaction Policy as approved by the Board 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 the provisions of Section 186 of the Act are given in the Notes to Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Act, Dr. Raghupati Singhania (DIN: 00036129) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Shri Pradeep Dinodia (DIN: 00027995) ceased to be Director of the Company w.e.f 31st August 2019, on expiry of his term of office as Independent Director of the Company.

The Board has taken on record the declarations and confirmations received from Ambassador Bhaswati Mukherjee, Shri B.V. Bhargava, Dr. K.N. Memani, Shri N.G. Khaitan and Shri Ravi Jhunjhunwala, the Independent Directors of the Company regarding their independence pursuant to Section 149 of the Act and Regulation 16 of the Listing Regulations.

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

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.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2019-20 have been prepared in accordance with the Act read with the Rules made there under 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, consolidated financial statements along with relevant documents of the Company 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 there under.

The Particulars in respect of the deposits covered under Chapter V of the said Act, for the Financial Year ended 31st March 2020 are: (a) Accepted during the year – ₹ 20.66 Crore; (b) Remained unclaimed as at the end of the year – ₹ 0.89 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; and (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act-Nil.

AUDITORS

(a) In accordance with the provisions of the Act and Rules made there under, M/s S.S. Kothari Mehta & Company, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 77th AGM held on 7th September 2017 until the conclusion of the 80th AGM to be held in the year 2020. Accordingly, the term of office of said Auditors shall expire at the conclusion of the ensuing AGM.

In terms of the provisions of Section 139 of the Act and the Rules made there under, your Directors have proposed re-appointment of M/s S.S. Kothari Mehta & Company, Chartered Accountants as Statutory Auditors of the Company for another term of five consecutive years from conclusion of the ensuing AGM of the Company till the conclusion of the 85th AGM of the Company to be held in the year 2025, for approval of Shareholders of the Company. M/s S.S. Kothari Mehta & Company have given consent to act as Statutory Auditors of the Company and have further confirmed that their appointment, if made, at the ensuing AGM shall be in accordance with conditions specified in the Act.

The observations of the Auditors in their Report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

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 2019-20.

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 qualifications, reservations or adverse remarks.

(c) Cost Auditors and Cost Audit Report

M/s R.J. Goel & Co., Cost Accountants, conducted the Audit of cost records of the Company for the Financial Year ended 31st March 2019 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 ended 31st March 2020 is being conducted by the said firm and the Report will be duly filed.

CORPORATE SOCIAL RESPONSIBILITY

Your Company strongly believes in the process of giving back to the society. Since inception the Company has taken this as a moral responsibility to build a better society by focusing on areas such as Health, Sanitation, Education, Skill Development, Livelihood Interventions, to name a few.

The Company won the well-deserved 'Golden Peacock Award for Corporate Social Responsibility' for the year 2019. Corporate Social Responsibility (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 award is given by Institute of Directors (IOD) for significant initiates in CSR practices and for creating new benchmarks. It recognizes organisations ability to go beyond the statutory, ethical and sustainability compliances to achieve higher standards of corporate excellence.

As the end of Financial Year saw outbreak of CORONA COVID-19 Pandemic, the Company responded to this unprecedented crisis, taking several initiatives for the local communities and migrants' workers in collaboration with local panchayats and district administration across its plant locations. Large number of food kits, sanitizers, cotton masks and hand wash were distributed to the needy families as well as sessions and meetings were organized to create awareness on COVID-19.

The Company has undertaken several activities for empowering women especially tribal women in the areas of adult literacy, formation of self-help groups for income generation through providing them trainings on various trades.

The Company has requisite Corporate Social Responsibility Policy in accordance with the provisions of the Act and Rules made there under. The contents of the CSR Policy are 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 'E'.

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, as amended, is annexed to this Report as Annexure 'F'. 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 Report and Accounts are 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 up to the ensuing AGM. Any member interested in obtaining such particulars may write to the Company Secretary.

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.

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 REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report of the Company for the Financial Year 2019-20 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms a part of it.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 of the Listing Regulations, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report. The Corporate Governance Report also covers the following:

(a) Particulars of the five Board Meetings held during the Financial Year under review.

(b) Salient features of the Nomination and Remuneration Policy, including changes therein.

(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.

(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 has 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

The Board gratefully acknowledge the continuing faith reposed in the Company by the Financial Institutions, Banks, Government Authorities, Dealers, Suppliers, Business Associates and esteemed Shareholders, who have extended their splendid co-operation and support to the Company. The Directors also take this opportunity to thank Company's valued Customers who have patronized its products.

Last but not the least, the Board places on record its appreciation towards "Team JK Lakshmi" for their dedication and excellence displayed in conducting all operations of the Company and without whose whole-hearted efforts and solidarity, the Company's consistent growth would not have been possible in these challenging times.

CAUTIONARY STATEMENT

The Directors' Report & 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 & 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.

On behalf of the Board of Directors

Place: New Delhi
Date: 20nd May 2020

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	: L74999RJ1938PLC019511
(ii)	Registration Date	: 6th August 1938
(iii)	Name of the Company	: JK Lakshmi Cement Limited
(iv)	Category/Sub-Category of the Company	: Public Company Limited by shares/ Non-Government Company
(v)	Address of the Registered Office and Contact Details	: Jaykaypuram Distt. : Sirohi- 307 019, Rajasthan Ph. No. : 02971-244409/244410 Fax No. : 02971-244417 Email id : lakshmi_cement@lc.jkmail.com Website : www.jklakshmicement.com
(vi)	Whether Listed Company (Yes/ No)	: Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	: MCS Share Transfer Agent Ltd. F-65, 1st Floor, Okhla Industrial Area, Phase -I New Delhi- 110 020 Ph. No. : 91-11-41406149-50 Fax No : 91-11-41709881 Email id : admin@mcsregistrars.com Website : www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Cement	2394	93%

** As per National Industrial Classification (2008)– Ministry of Statistics and Programme Implementation.*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Hansdeep Industries & Trading Company Ltd. Patriot House, 4th Floor, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U74899DL1993PLC054817	Subsidiary	100	2(87)
2	Ram Kanta Properties Pvt. Ltd.# Nehru House, 4th Floor, 4, Bahadur Shah Zafar Marg, New Delhi-110 002	U74999DL1990PTC332116	Subsidiary	100	2(87)
3	Udaipur Cement Works Ltd. Shripati Nagar, CFA, P.O. Dabok, Udaipur, Rajasthan-313022	L26943RJ1993PLC007267	Subsidiary	Equity-72.54 OCCRPS@ -100	2(87)
4	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002	U31200DL2005PLC278945	Associate	Equity-35 OCCRPS@ -33.33	2(6)

Wholly owned Subsidiary of Hansdeep Industries & Trading Company Limited; @ OCCRPS- Optionally Convertible Cumulative Redeemable Preference Shares.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

(Equity Share of ₹ 5/- each)

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2019)				No. of Shares held at the end of the year (as on 31st March 2020)				%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters **									
(1) Indian									
(a) Individual/HUF	8,65,542	-	8,65,542	0.73	15,12,442	-	15,12,442	1.28	0.55
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	5,31,93,217	-	5,31,93,217	45.21	5,28,68,217	-	5,28,68,217	44.93	-0.28
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	5,40,58,759	-	5,40,58,759	45.94	5,43,80,659	-	5,43,80,659	46.21	0.27
(2) Foreign									
(a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/ FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)**	5,40,58,759	-	5,40,58,759	45.94	5,43,80,659	-	5,43,80,659	46.21	0.27
**The total shareholding of Promoters at (A) above includes 2,60,01,864 (22.10%) as on 1st April 2019 and 19,92,338 (1.69%) as on 31st March 2020 pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The same does not form part of the Promoters as defined in the Companies Act, 2013.									
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1,99,24,598	2,160	1,99,26,758	16.93	1,89,19,582	2,160	1,89,21,742	16.08	-0.85
(b) Banks/FI	10,863	20,404	31,267	0.03	6,759	20,404	27,163	0.02	-0.01
(c) Central Govt.	8,88,527	-	8,88,527	0.76	9,52,809	-	9,52,809	0.81	0.05
(d) State Govt. (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	40,63,725	5,804	40,69,529	3.46	22,63,190	5,804	22,68,994	1.93	-1.53
(g) FIIs	1,06,28,001	-	1,06,28,001	9.03	1,24,87,472	-	1,24,87,472	10.61	1.58
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others Alternate Investment Funds	-	-	-	-	10,83,994	-	10,83,994	0.92	0.92
Sub-Total (B)(1):-	3,55,15,714	28,368	3,55,44,082	30.21	3,57,13,806	28,368	3,57,42,174	30.37	0.16
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	90,65,322	1,17,864	91,83,186	7.80	89,17,643	1,16,934	90,34,577	7.68	-0.12
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	97,85,256	11,19,685	1,09,04,941	9.27	1,04,82,204	10,06,961	1,14,89,165	9.76	0.49
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	73,09,114	27,600	73,36,714	6.24	63,15,535	27,600	63,43,135	5.39	-0.85
(c) Others (specify)									
(i) Non-Resident Indians	5,55,599	11,336	5,66,935	0.47	5,97,511	10,766	6,08,277	0.52	0.05
(ii) Trust & Foundation	68,770	484	69,254	0.06	68,820	484	69,304	0.06	-
(iii) Cooperative Societies	12	448	460	0.00	12	448	460	0.00	-
(iv) NBFCs registered with RBI	5,735	-	5,735	0.00	2,315	-	2,315	0.00	-
Sub-Total (B)(2):-	2,67,89,808	12,77,417	2,80,67,225	23.85	2,63,84,040	11,63,193	2,75,47,233	23.41	-0.44
Total Public shareholding (B)= (B)(1)+(B)(2)	6,23,05,522	13,05,785	6,36,11,307	54.06	6,20,97,846	11,91,561	6,32,89,407	53.79	-0.27
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11,63,64,281	13,05,785	11,76,70,066	100	11,64,78,505	11,91,561	11,76,70,066	100	-

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2019)			Shareholding at the end of the year (as on 31st March 2020)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Bengal & Assam Company Ltd.	2,80,56,895	23.84	-	5,23,88,321	44.52	-	20.68
	Total	2,80,56,895	23.84	-	5,23,88,321	44.52	-	20.68

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2019)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Bengal & Assam Company Ltd.** At the beginning of the year	2,80,56,895	23.84	2,80,56,895	23.84
	Date wise Increase/Decrease in Promoter Shareholding during the year				
	1. Pursuant to the Scheme of Arrangement between Florence Investech Ltd. (Florence), BMF Investments Ltd. (BMF), J.K. Fenner (India) Ltd. and Bengal & Assam Company Ltd. (BACL), which became effective on 24th May 2019, Florence and BMF stands amalgamated with BACL and stands dissolved. Accordingly, the shareholding of Florence (1,36,45,040 Equity Shares – 11.60%) and BMF (1,10,11,386 Equity Shares – 9.36%) in the Company stand transferred to and vested with BACL, resulting into increase in the shareholding of BACL to 5,27,13,321 (44.80%).			5,27,13,321	44.80
	2. 3,25,000 Equity Shares sold on 28th May 2019.			5,23,88,321	44.52
	At the end of the year i.e. 31st March 2020	-	-	5,23,88,321	44.52

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2019)		Shareholding at the end of the year (31st March 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Franklin India Focused Equity Fund ^ ^	45,00,000	3.82	45,00,000	3.82
2	HDFC Life Insurance Company Ltd. ^ ^	32,03,462	2.72	36,23,345	3.08
3	Franklin India Equity Fund ^ ^	39,00,000	3.31	32,00,000	2.72
4	Government Pension Fund Global ^ ^	30,94,262	2.63	30,94,262	2.63
5	Sachin Bansal ^ ^	27,95,036	2.38	29,57,883	2.51
6	India Capital Fund Ltd.@	9,57,203	0.81	28,26,833	2.40
7	Axis Mutual Fund Trustee Ltd. A/C Axis Mutual Fund@	-	-	28,12,273	2.39
8	Franklin India Smaller Companies Fund ^ ^	23,45,030	1.99	23,45,030	1.99
9	Sachin Bansal@	14,01,904	1.19	15,61,904	1.33
10	Life Insurance Corporation of India ^ ^	28,93,126	2.46	13,00,717	1.11

Note: More than 98% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

^ ^ Common Top ten Shareholders as on 1st April 2019 and 31st March 2020.

@ Shareholders as on 31st March 2020.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year (as on 1st April 2019)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Shri Bharat Hari Singhania, Chairman & Managing Director**				
	At the beginning of the year	1,27,946	0.11	1,27,946	0.11
	(a) On 28th June 2019; 26,100 Equity Shares purchased from Market.	-	-	1,54,046	0.13
	(b) On 16th to 17th March 2020; 20,000 Equity Shares purchased from Market.	-	-	1,74,046	0.15
	At the end of the year i.e., 31st March 2020	-	-	1,74,046	0.15
2	**Smt. Vinita Singhania, Vice Chairman & Managing Director**				
	At the beginning of the year	88,758	0.08	88,758	0.08
	(a) On 28th June 2019; 78,300 Equity Shares purchased from Market.	-	-	1,67,058	0.14
	(b) On 16th to 17th March 2020; 35,000 Equity Shares purchased from Market.	-	-	2,02,058	0.17
	(c) On 18th to 19th March 2020; 21,088 Equity Shares purchased from Market.	-	-	2,23,146	0.19
	(d) On 20th March 2020; 13,912 Equity Shares purchased from Market.	-	-	2,37,058	0.20
	At the end of the year i.e., 31st March 2020	-	-	2,37,058	0.20
3	**Shri Bhupendranath Vidyanath Bhargava, Director**				
	At the beginning of the year	6,660	0.01	6,660	0.01
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31st March 2020			6,660	0.01
4	**Dr. Raghupati Singhania, Director**				
	At the beginning of the year	97,632	0.08	97,632	0.08
	(a) On 28th June 2019; 94,000 Equity Shares purchased from Market.	-	-	1,91,632	0.16
	(b) On 16th to 17th March 2020; 43,265 Equity Shares purchased from Market.	-	-	2,34,897	0.20
	(c) On 18th March to 19th March 2020; 14,087 Equity Shares purchased from Market.	-	-	2,48,984	0.21
	(d) On 20th March 2020; 17,648 Equity Shares purchased from Market.	-	-	2,66,632	0.23
	At the end of the year i.e., 31st March 2020	-	-	2,66,632	0.23
5	**Shri Nand Gopal Khaitan, Director**				
	At the beginning of the year	15,948	0.01	15,948	0.01
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31st March 2020			15,948	0.01
6	**Shri Brijesh Kumar Daga, Sr. Vice President & Company Secretary**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31st March 2020			1	0.00
7	**Shri Sudhir Anna Bidkar, Chief Financial Officer**				
	At the beginning of the year	180	0.00	180	0.00
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e. 31st March 2020			180	0.00

Note: Shri Pradeep Dinodia ceased to be Director of the Company w.e.f 31st August 2019 on expiry of his term of office as Independent Director of the Company. Further, Shri Ravi Jhunjhunwala, Dr. Kashi Nath Memani, Amb. Bhaswati Mukherjee, Dr. Shailendra Chouksey and Shri S.K. Wali, Directors of the Company were not holding any shares in the Company at the beginning of the year i.e. as on 1st April 2019, during the year 2019-20 and at the end of the year i.e. as on 31st March 2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Crore)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (as on 1st April 2019)				
(i) Principal Amount	1,581.43	-	31.44	1,612.87
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	8.43	-	2.30	10.73
Total (i+ii+iii)	1,589.86	-	33.74	1,623.60
Change in indebtedness during the Financial Year				
• Addition	85.71	-	5.82	91.53
• Reduction	(239.55)	-	0.28	(239.27)
Net Change	(153.84)	-	6.10	(147.74)
Indebtedness at the end of the Financial Year (as on 31st March 2020)				
(i) Principal Amount	1,429.46	-	37.26	1,466.72
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	6.56	-	2.58	9.14
Total (i+ii+iii)	1,436.02	-	39.84	1,475.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager

(₹ In Crore)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Bharat Hari Singhania (Chairman & Managing Director)	Smt. Vinita Singhania (Vice Chairman & Managing Director)	Dr. Shailendra Chouksey (Whole-time Director)	Shri Sushil Kumar Wali (Whole-time Director)	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3.20	6.07	3.41	3.52	16.20
	(b) Value of perquisites under Section 17(2) Income-Tax Act, 1961	0.39	0.40	0.12	0.02	0.93
2.	Commission	7.70	7.70	0.75	0.75	16.90
3.	Others (mainly contribution to Provident Fund)	0.31	0.62	0.18	0.18	1.29
	Total (A)	11.60	14.79	4.46	4.47	35.32
	Ceiling as per the Act	₹ 38.33 Crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

(The Company does not have Sweat Equity/Scheme for stock option.)

B. Remuneration to other Directors

(₹ In Crore)

Sl. No	Particulars of Remuneration	Name of Directors							Total Amount
		Shri B.V. Bhargava	Shri N.G. Khaitan	Shri Ravi Jhunjhunwala	Dr. K.N. Memani	Shri Pradeep Dinodia#	Amb. Bhaswati Mukherjee	Dr. Raghupati Singhania	
1	Independent Directors								
	• Fee for attending Board / Committee Meetings	0.06	0.07	0.04	0.03	0.01	0.03	-	0.24
	• Commission	0.09	0.09	0.09	0.09	0.02	0.09	-	0.47
	Total (1)	**0.15**	**0.16**	**0.13**	**0.12**	**0.03**	**0.12**	-	**0.71**
2.	Other Non-executive Directors								
	• Fee for attending Board / Committee Meetings	-	-	-	-	-	-	0.05	0.05
	• Commission	-	-	-	-	-	-	0.09	0.09
	Total (2)	-	-	-	-	-	-	**0.14**	**0.14**
	Total (B) = (1+2)	**0.15**	**0.16**	**0.13**	**0.12**	**0.03**	**0.12**	**0.14**	**0.85**
	Total Managerial Remuneration (A+B)								36.17*
	Overall Ceiling as per the Act	₹ 42.17 Crore (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

Ceased to be Director of the Company w.e.f 31st August 2019 on expiry of his term of office as Independent Director of the Company.

*Total Remuneration to Managing Directors, Whole-time Directors and other Directors (being the total of A and B), includes sitting fees of ₹ 0.29 Crore.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Crore)

Sl . No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri S.A. Bidkar, Chief Financial Officer	Shri B.K.Daga, Sr. Vice President & Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3.19	1.12	4.31
	(b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.02	0.05	0.07
2.	Others (mainly contribution to provident fund)	0.07	0.05	0.12
	Total	**3.28**	**1.22**	**4.50**

(The Company does not have Sweat Equity/Scheme for stock option. Commission- Not Applicable)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended 31st March 2020.

On behalf of the Board of Directors

Place: New Delhi
Date: 20th May 2020

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'B' TO DIRECTORS' 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 third 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 2020 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ trans-actions	Salient terms of the Contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Transaction Amount (₹ in crores)
Udaipur Cement Works Ltd. – Subsidiary Company	Clinker Sale, Brand Royalty Cement & other	June 2013 ongoing	Sale of Clinker/other at Arm's length price	N.A.*	6.03
Udaipur Cement Works Ltd. – Subsidiary Company	Sale of Cement	June 2018 ongoing	Sale of Cement at Arm's length price	N.A.*	230.18
Udaipur Cement Works Ltd. – Subsidiary Company	Purchase of Cement	August 2018 onwards	Purchase of Cement at Arm's length price	N.A.*	177.26
Udaipur Cement Works Ltd. – Subsidiary Company	Corporate Guarantee Given	August 2018 onwards	Corporate Guarantee by the Company to Bank for sanctioning Term Loan	02.08.2018	100.00

* 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 of the transactions stated above.

On behalf of the Board of Directors

Place: New Delhi
Date: 20th May 2020

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'C' TO DIRECTORS' REPORT

A. Conservation of Energy

(I) Steps taken for Conservation of Energy

Energy conservation dictates how 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 2019-20

- Optimization of Cement Mill-2 by modification of mill vent bag house circuit.
- Dry fly ash circuit modification to reduce standard deviation of fly ash feeding.
- Optimization of Coal Mill-1 circuit by reducing false air ingress.
- Optimization of China VRM circuit by reducing false air ingress.
- Replacement of FRP Fans with modified FRP Fans in TPP.
- Installation of MVVFD in Boiler feed pump in TPP.
- Installation of VFD in Air cooler condenser fans in WHRB.
- In-house Enhancement of Solar Power by 6 KW at Colony Building.
- Optimization of Cooling air in Cooler to get higher enthalpy in hot air for slag mill.
- Modification in Nozzle ring orientation resulted in increase of Coal Mill.

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

- In-house installation of liquid AFR feeding system in Kiln-3.
- Installation of Conveying Belt for Shredder in AFR circuit.
- Optimization of raw mix design to increase AFR usages.
- Used flue dust as alternate raw material.
- Used of plastic waste from Urban Local Bodies as AFR.

(III) Capital Investment on energy conservation equipment

Sr. No.	Particulars/ Equipment Names	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1	Variable frequency drive for WHR boiler feed water pump.	4.80	4.10
2	Variable frequency drive for Raw coal bag filter fan.	2.70	1.00
3	Variable frequency drive for LS Crusher bag filter fan.	10.58	5.50

B. Technology Absorption

(I) Efforts made towards technology absorption

- Model predictive control system deployed for Plant for optimisation of coal and power consumption.
- Installed Integrated Load Management System (ILMS) to avoid nuisance tripping of the plant during grid disturbances.

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

- Kiln firing coal bin also made available for firing in Slag VRM HAG. Cement production capacity increased during kiln shutdowns.
- Turn Around Time for internal shifting of clinker/ other material improved by RFID based monitoring system.
- Alternate arrangement of fly ash feeding at Cement VRM resulted in savings of compressed air.
- Collection of LS dust at Bag filter and transporting it directly to plant to avoid dust emission throughout the circuit.

- System modified for PSC manufacturing with negligible investment.
- Eliminated heat loss at SP boiler inlet by modifying damper arrangement.
- Enhancement of Clinker crusher hammer life at cement grinding.
- Optimisation of boiler efficiency by changing the refractory in wind box and burner to reduce the boiler light up time.

(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

1. Boiler, for CPP
2. Flue Gas Desulpurization (FGD) for CPP

b. The year of import

Particulars	Year of Import
Boiler, for CPP	2018-19
FGD for CPP	2018-19

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

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

(IV) The expenditure incurred on Research and Development:

S.No.	Particulars	Amount (₹ in Crore)
1.	Capital Expenditure	0.55
2.	Revenue Expense	6.53
	Total	**7.08**

C. Foreign Exchange Earning 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.)	298.88

On behalf of the Board of Directors

Place: New Delhi
Date: 20th May 2020

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'D' TO DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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-307019
District Sirohi (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** (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, 2020 (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, 2020 according to the provisions of:

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

(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 thereunder;

(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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period),

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018- (Not applicable to the Company during the Audit Period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 and Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973
- Mines Act, 1952 and Mines Rules, 1955
- Mines Vocational Training Rules, 1966
- Metalliferous Mines Regulations, 1961, Mineral Conservation and Development Rules, 1988

- Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960
- 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate Notice is given to all directors to schedule the Board 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, the following major events have taken place –

1. Privately placed Non-Convertible Debentures amounting to ₹ 20 Crore which were allotted on 4th February 2010 were redeemed during the Financial Year 2019-20.
2. Interim dividend of ₹ 2.50 per equity share was declared by the Company

This report is to be read alongwith the following-

1. Maintenance of secretarial record 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. Where ever 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.
7. The prevailing circumstances in the country on account of Lockdown and COVID-19 have impacted, to some extent, my verification of documents and records of the company.

Place: New Delhi
Date: 15th May 2020
UDIN: F000234B000234589

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

ANNEXURE 'E' TO DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2020

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy-**

   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, 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 region of our business and plant locations.

   The CSR policy of the Company strongly reflects the commitment towards inclusive growth and development. The CSR policy objective clearly state that "the Company aspires to be a leading company in the Indian Cement Industry while maintaining a clear focus on social upliftment for inclusive growth to the realization of truly empowered society". The vision of the Company's CSR is "to strengthen community relationship and to bring sustainable change in quality of life of neighbourhood community through innovative solutions in Education, Health, Livelihood and Community Development". The major CSR thrust areas of the organization are Health; Water & Sanitation; Education; Skill development and Livelihoods; Environment sustainability and Community Development.

   As the end of Financial Year saw outbreak of CORONA COVID-19 Pandemic, the Company responded to this unprecedented crisis, taking several initiatives for the local communities and migrants' workers in collaboration with local panchayats and district administration across its plant locations. Large number of food kits, sanitizers, cotton masks and hand wash were distributed to the needy families as well as sessions and meetings were organized to create awareness on COVID-19.

   During the Financial Year under review, the Company has undertaken multiple CSR projects like Naya Savera - a family integrated welfare program which focus on reducing maternal and infant's mortality; Project Aarambh for drop-outs; Gyan Lakshmi; Arogya Lakshmi; Anna Lakshmi; support to Savera School for differently abled children; Vama Lakhsmi for skilling of women and girls and various others projects in the thematic area of Health, Education, Livelihoods; environmental conservation; water and sanitation and rural development, to address the issues of low maternal and child health status; lack of quality medical health services for the poor and marginalized communities; high incidence of out -of-school and school drop-out children; poor infrastructure of government schools; lack of skills among youths and women for self and job employment in the villages and communities across plant locations which benefited the 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 youths with no skills for either employability or resources for small business. The Company also strategically endeavored towards facilitating "last-mile-connectivity" for the poor to access various State and National Government Schemes aimed at poverty alleviation.

   Under thematic area of livelihoods and skills development, the Company implemented various activities in the areas of vocational skills and livelihood for the purpose of creating employability for unemployed youths and women and girls through courses on stitching, beautician, embroidery and two-wheeler repairing. Income generation projects like stitching & embroidery, broom, paper plate/dona, phenyl making, pickle/papad making, cotton bags, sanitary napkin making were implemented for women for generating additional income. Integrated Livestock Development projects by the Company was successfully completed for cattle breed improvement in collaboration with JK Trust. Apart from the vocational trainings, other key intervention has been to support small and marginal farmers with high yielding varieties seeds to increase production and income. The Company also implemented "Vidya Scholarship" project for the purpose of supporting education of masons and petty contractors.

The social intervention programs and initiatives are aligned to various Sustainable Development Goals. As required under the provisions of Section 135 of the Companies Act, 2013, the Company has framed a CSR Policy.

The details of the CSR Policy have been posted on the website of the Company and the web-link for the same is https://www.jklakshmicement.com/wp-content/uploads/2015/06/CSR-Policy-contents.pdf

2. **The Composition of the CSR Committee:**

The CSR Committee comprises of the following Members:

- Smt. Vinita Singhania, Chairperson
- Shri Pradeep Dinodia (ceased w.e.f 31st August 2019)
- Shri S.K. Wali
- Dr. S. Chouksey
- Amb. Bhaswati Mukherjee (appointed w.e.f 1st November 2019)

During the Financial Year 2019-20, CSR Committee Meeting was held on 22nd May 2019 which was attended by all the Members.

3. **Average Net Profit of the Company for last three financial years:** ₹ 8,602 lakh
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 172.04 lakh
5. **Details of CSR spent during the Financial Year**

   a. **Total amount spent for Financial Year 2019-20:** ₹ 181.48 lakh

   b. **Amount unspent, if any :** NIL

   c. **Manner in which the amount spent during the Financial Year is detailed below:**

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
1	CORONA Relief & Response Contingency Fund	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan	-	10.82	10.82	Direct
2	Medical Camps & Aids to patients under Health Care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water	Durg, Chhattisgarh / Kalol & Surat, Gujarat/ Jharli, Haryana/ Jaykaypuram, Rajasthan	20.31	18.68	171.68	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
3	Naya Savera Project (Integrated Family Welfare Programme)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan	23.81	23.94	145.67	Direct
4	Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan/ Kalol & Surat, Gujarat/ Jharli, Haryana	20.51	33.66	283.55	Direct/ Impleme-nting Agency (Buddy 4Study)
5	Water & Sanitation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Durg, Chhattisgarh/ Jharli, Haryana/ Surat, Gujarat	14.90	15.48	153.14	Direct
6	Vocational Skills & Livelihood Intervention	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Jaykaypuram, Rajasthan/Durg, Chhattisgarh/ Kalol & Surat, Gujarat	23.73	17.1	190.33	Direct/ Impleme-nting Agency (Mr. Nabarun Sen Gupta)
7	Environment protection & plantation	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal	Durg, Chhattisgarh/ Kalol, Gujarat	5.50	0.82	22.40	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
		welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga fund set up by the Central Government for rejuvenation of river Ganga					
8	Rural Development	Rural Development Projects	Jaykaypuram, Rajasthan/Durg, Chhattisgarh/ Kalol & Surat, Gujarat	5.52	3.97	151.49	Direct
9	Contribution to Ashoka University-CMGGA Project in Haryana	Promoting Education, Livelihood & Skill Development	Jhajjar, Haryana	50.00	50.00	50.00	Impleme-nting Agency (Ashoka University)
	Others			7.76	7.01	54.59	Direct
	TOTAL			**172.04**	**181.48**	**1,233.67**	

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Vinita Singhania
Chairperson, CSR Committee

S.K.Wali
Whole-time Director

Place: New Delhi
Date: 20th May 2020

ANNEXURE 'F' TO THE DIRECTORS' 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 2019-20 ended 31st March 2020:

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 N.G. Khaitan, 2.28; Shri Ravi Jhunjhunwala, 1.74; Shri Pradeep Dinodia, 0.40; Dr. Kashi Nath Memani, 1.61, Dr. Raghupati Singhania, 1.88, Shri B.V. Bhargava, 2.01 and Amb. Bhaswati Mukherjee, 1.61.

Executive Directors: Shri Bharat Hari Singhania, CMD, 155.70, Smt. Vinita Singhania, VC & MD, 198.52; Shri S.K. Wali, WTD, 60.00 and Dr. S. Chouksey, WTD, 59.87.

B. **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year** – During the financial year remuneration of Shri Bharat Hari Singhania, CMD, Smt. Vinita Singhania, VC & MD, Dr. S. Chouksey, WTD and Shri S.K. Wali, WTD increased by 232.38%, 151.10%, 28.53% and 28.45% respectively. The remuneration of Shri S.A. Bidkar, CFO and Shri B.K. Daga, Sr. VP & CS increased by 13.49% and 7.08% respectively. The remuneration of Non-executive Directors - namely Dr. Raghupati Singhania, Shri B.V. Bhargava, Dr. Kashi Nath Memani, Shri Pradeep Dinodia, Shri Ravi Jhunjhunwala and Shri N.G. Khaitan increased by 16.67%, 50.00%, 20.00%, (62.50%), 8.33% and 21.43% respectively.

C. **The percentage increase in the median remuneration of employees is** 4.49 %.

D. **The number of permanent employees on the rolls of Company** - 1,769.

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 2019-20 on an average employee received an annual increment of 9% with individual increment varying from 0 to 20%. There was an increase of 93.67% in managerial remuneration during the current financial year. Such increase was mainly attributable to increase in profits for the year by 194.77%, resulting in payment of commission to Executive Directors (EDs) during Financial Year 2019-20, whereas no commission was paid to EDs during Financial Year 2018-19.

F. **Affirmation that the remuneration is as per the remuneration policy:** We affirm that the remuneration paid during the Financial Year 2019-20 is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: 20th May 2020

Bharat Hari Singhania
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

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 a 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 2020, the Board of Directors of the Company consists of Directors comprising of four Executive Directors and six Non-executive Directors (NED) out of which five are Independent Directors (IND). Five Board Meetings were held during the Financial Year 2019-20 ended 31st March 2020, on 22nd May 2019, 6th August 2019, 1st November 2019, 28th January 2020 and 13th March 2020. Attendance and other details of the Directors for the Financial Year ended on 31st March 2020 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (31.8.2019)	No. of other 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 & Managing Director	00041156	Executive	5	Yes	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	5	Yes	5	-	-
Shri B.V. Bhargava*	00001823	IND	5	No	4	3	1
Dr. Kashi Nath Memani*	00020696	IND	5	No	3	1	-
Shri Nand Gopal Khaitan*	00020588	IND	5	Yes	6	7	2
Dr. Raghupati Singhania	00036129	NED	4	No	7	2	1
Shri Ravi Jhunjhunwala*	00060972	IND	3	No	8	5	2
Dr. Shailendra Chouksey, Whole-time Director	00040282	Executive	5	Yes	2	1	1
Shri Sushil Kumar Wali, Whole-time Director	00044890	Executive	4	Yes	1	-	-
Amb.Bhaswati Mukherjee*	07173244	IND	5	No	2	-	-
Shri Pradeep Dinodia*#	00027995	IND	1	No	N.A.	N.A.	N.A.

* The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Shri Pradeep Dinodia, ceased to be Director of the Company w.e.f 31st August 2019, on expiry of his term of office as Independent Director of the Company.

$ Excluding private companies, foreign companies, companies under Section 8 of the Act. Independent directorships held by the Directors are in accordance with the Listing Regulations.

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

N.A. – Not Applicable

Other Listed companies where Directors of the Company are Directors and their category of directorship (as on 31st March 2020)

Sl.No	Name of Director	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	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 B.V. Bhargava	The Supreme Industries Limited	Independent
		Sumitomo Chemical India Limited	Independent
4	Dr. Kashi Nath Memani	Emami Limited	Independent
		DLF Limited	Independent
5	Shri Nand Gopal Khaitan	Mangalam Cement Limited	Independent
		Reliance Chemotex Industries Limited	Non- Executive
		India Power Corporation Limited	Independent
		HSIL Limited	Independent
		Chase Bright Steel Limited	Independent
		Somany Home Innovation Limited	Independent
6	Dr. Raghupati Singhania	JK Agri Genetics Limited	Non-Executive
		Radico Khaitan Limited	Independent
		JK Tyre & Industries Limited	Executive
		Bengal & Assam Company Limited	Non-Executive
7	Shri Ravi Jhunjhunwala	HEG Limited	Executive
		RSWM Limited	Non-Executive
		Maral Overseas Limited	Non-Executive
		BSL Limited	Non-Executive
		India Glycols Limited	Independent
8	Amb. Bhaswati Mukherjee	Jindal Stainless Limited	Independent
		Udaipur Cement Works Limited	Independent

Note: Other Directors do 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 (core skills) 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- Shri Bharat Hari Singhania & Smt. Vinita Singhania are Industrialists & Entrepreneurs with long diversified Industry experience including Cement, Paper & Tyre, etc.; Shri S.K. Wali - Professional having technical knowledge pertaining to cement industry and Quality, Safety, Risk governance, sustainability and community service; and Dr. S. Chouksey – Professional having vast knowledge pertaining to cement industry with experience in commercial, marketing, quality, safety and risk governance (b) the Non-executive Directors of the

Company; namely- Dr. Ragupati Singhania and Shri Ravi Jhunjhunwala are eminent Industrialists and Entrepreneurs with long diversified Industry experience, Shri B.V. Bhargava – retired from ICICI in 1996, as its VC & MD, having wide financial & accounting knowledge with specialization in development Banking and Project Financing; Dr. K. N. Memani – Ex-Chairman & Country Managing Partner of Ernst & Young, India, having extensive Financial and Accounting knowledge with specialization in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy, etc.; Shri N.G 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; and 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.

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 implemented 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 2020 are: Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan–15,948 shares and Dr. Raghupati Singhania – 2,66,632 shares. Dr. Kashi Nath Memani, Amb. Bhaswati Mukherjee and Shri Ravi Jhunjhunwala do not hold any shares 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 28th January 2020. 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 web link is http://www.jklakshmicement.com/companys-policy-pdf/Familiarisation-Programme-Policy.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 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 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 & Managing Director were 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. 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. Four meetings of the Audit Committee were held during the financial year ended 31stMarch 2020.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
22nd May 2019	4
6th August 2019	3
1st November 2019	3
28th January 2020	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	Member (NED)	3
Shri Ravi Jhunjhunwala	Member (IND)	3
Shri B.V. Bhargava	Member (IND)	4

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

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee at the Board level which consists of four Directors. 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
22nd May 2019	4
6th August 2019	4
1st November 2019	3
28th January 2020	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)	3
Shri Nand Gopal Khaitan	Member (IND)	4
Shri Bharat Hari Singhania	Member	4
Dr. Shailendra Chouksey	Member	4

Shri B.K. Daga, Sr. Vice President & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transfer of shares, non-receipt of balance sheet and dividends etc. During the Financial Year ended 31st March 2020, the Company received 4 complaints from the investors and the same have since been resolved to the satisfaction of investors. Also, there are no complaints pending in respect of previous period.

The Board of Directors has delegated the power of transfer of shares and related matters to 'Share Transfer Committee'. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the Financial Year ended 31st March 2020, 24 Meetings of the Share Transfer Committee were held.

8. NOMINATION AND REMUNERATION COMMITTEE

The Company has a 'Nomination and Remuneration Committee' comprising of four Directors, out of which one is Executive Director and three are Non-executive Independent Directors. 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.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
22nd May 2019	4
6th August 2019	3

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	Member (IND)	2
Shri Ravi Jhunjhunwala	Member (IND)	1
Shri Bharat Hari Singhania	Member	2

9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Act and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including 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/wp-content/uploads/2019/04/NR-Policy.pdf

The salient features of the policy are as follows:

(i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a 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 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 the Act and Listing Regulations or other applicable laws & regulations.

(ii) The Committee will recommend to the Board appropriate compensation 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 factors, as the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

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

(iv) 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.

(v) 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.

10. REMUNERATION PAID TO DIRECTORS

(i) **Executive Directors:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the Financial Year ended 31st March 2020 to the following Executive Directors is as follows: Shri Bharat Hari Singhania - ₹ 11.60 Crore, Smt. Vinita Singhania - ₹ 14.79 Crore, Shri Sushil Kumar Wali - ₹ 4.47 Crore and Dr. Shailendra Chouksey - ₹ 4.46 Crore. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT-9, which forms part of the Directors' Report.

The tenure of office of the Managing Directors and the Whole-time Directors 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 Directors is remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

(ii) **Non-executive Directors:** During the Financial Year 2019-20, the Company paid sitting fees aggregating to ₹ 29.05 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 ₹ 56 Lakh; ₹ 9 Lakh each to Shri B.V. Bhargava, Dr. Kashi Nath Memani, Shri Nand Gopal Khaitan, Amb. Bhaswati Mukherjee, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala and ₹ 2 Lakh to Shri Pradeep Dinodia (Director for part of the year). The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

11. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2016- 17	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7th September 2017	12:30 P. M.
2017- 18	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7th September 2018	12.00 Noon
2018-19	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	31st August 2019	12.00 Noon

Details of Special Resolutions passed in the previous three AGMs:

Special Resolution for: (1) Issue of securities of upto ₹ 500 Crore was passed in the AGM held on 7th September 2017 and 7th September 2018. (2) Issue of Non-convertible debentures of upto ₹ 500 Crores was passed in the AGM held on 31st August 2019. (3) Re-appointment of Independent Directors namely; Shri B.V. Bhargava and Dr. Kashi Nath Memani for second term of three consecutive years each; Shri Nand Gopal Khaitan and Shri Ravi Jhunjhunwala for second term for five consecutive years each and re-appointment of Whole-time Directors namely, Shri Sushil Kumar Wali and Dr. Shailendra Chouksey for three years each, were passed in the last AGM held on 31st August 2019.

No Special Resolution passed last year through postal ballot. There is no immediate proposal for passing any Special Resolutions through postal ballot.

12. 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 http://www.jklakshmicement.com/wp-content/uploads/2020/01/RPT-Policy2020.pdf

(ii) Details of non-compliance by the Company, penalties, 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 has 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 behaviour, 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. 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 the 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, no complaint was filed with ICC and no complaint pending as on the end of the Financial Year 31st March 2020.

(v) **Risk Management**: The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. The Company has a Risk Management Committee since 2005, comprising of Whole-time Directors 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.

In addition, during the Financial Year 2018-19, the Board constituted another Risk Management Committee (RMC), pursuant to Regulation 21 of the SEBI Listing Regulations, with majority of the Members comprising of Directors-namely, Smt. Vinita Singhania, Vice Chairman & Managing Director (Chairperson), Shri N.G Khaitan, Independent Director, Dr. S. Chouksey and Shri S. K. Wali, Whole-time Directors of the Company. The other Members are Shri S.A. Bidkar, Chief Financial Officer, Shri S. Ramesh, Senior Vice President (Materials) and Shri P.L. Mehta, Senior Vice President (Works). During the year, one meeting fo the RMC was held on 6th August 2019 which was attended by all the members.

The Role and Responsibilities of the RMC broadly include: Evaluating various risks of the business and to draw out a risk management plan for the Company, taking steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis, identifying total exposure of the Company towards Commodity risks faced and hedged exposure etc., monitoring and reviewing risk management and mitigation plan of the Company and informing Board on the effectiveness of the risk management framework and process of risk management.

(vi) **Disclosure of commodity price risks and commodity hedging activities**: As a part of Risk Management mechanism, 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 2019-20, 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 listed entity to commodities: ₹ 669 Crore.

(b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR 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	449 Crore	5.07 Lakh MT	Nil	Nil	Nil	Nil	NA
Coal	220 Crore	3.49 Lakh MT	Nil	Nil	Nil	Nil	NA

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

(vii) **Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A):** During the Financial Year ended 31st March 2020, the Company has not raised any funds through Preferential Allotment or through Qualified Institutions Placement.

(viii) **Certificate:** The Company has received a certificate dated 8th May 2020 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS No. 234, CP No. 3331) that none of the Directors on the Board of JK Lakshmi Cement Ltd. has 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.

(ix) **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, is a material subsidiary as defined in Regulation 16 of the Listing Regulations and the requirements pertaining to the same are complied with.

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 www.jklakshmicement.com/companys-policy-pdf/Policy-for-Material-Subsidiary.pdf.

(x) **Credit Ratings**

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

Sl. No.	Facility	Rating Agency	Rating Assigned
A	**Long Term Bank Facilities**		
1	Long Term Bank facilities of ₹ 1,412.84 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
2	Non-Convertible Debentures of:		
	- ₹ 300 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
	- ₹ 16.60 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
3	Fixed Deposits of ₹ 50 Crore	CARE Ratings Ltd.	CARE AA- (FD); Stable (Double A Minus [Fixed Deposits]; Outlook Stable)
B	**Short Term Bank Facilities**		
1	Short Term Bank Facilities of ₹ 700 Crore	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
2	Commercial Paper of ₹ 175 Crore	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
3	Commercial Paper of ₹ 175 Crore	CRISIL Ltd.	CRISIL A1(+) (A One Plus)

During the year under review, CARE Ratings Ltd. has reaffirmed the Credit Rating in respect of Company's Long Term Banking Facilities & Non-Convertible Debentures at CARE AA- (Double A Minus; Outlook Stable). Further, CARE has also reaffirmed the Credit Rating in respect of Company's Fixed Deposits at CARE AA- (FD); Stable (Double A Minus; [Fixed Deposits]; Outlook Stable).

CARE Ratings Ltd. & CRISIL have maintained the Credit Rating in respect of Short Term Banking Facilities & Commercial Paper at CARE A1(+) (A One Plus) & CRISIL A1 (+) (A One Plus) respectively.

(xi) Dividend Distribution Policy

1 Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website.

Accordingly, the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 3rd February, 2017.

2 Objective

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act, 2013 & Rules made therein & other applicable legal procedures.

The Company currently has only one Class of Shares viz: Equity Shares.

3 Factors to be considered while declaring Dividend

While recommending Dividend, the Board shall take into account various Internal & External factors which shall *inter-alia* include:

(1) Profitability of the Company during the relevant year.

(2) Past Dividend trends.

(3) Leverage profile.

(4) Future capital expenditure programmes including organic and inorganic growth opportunities.

(5) Company's Liquidity Position and Cash flow position.

(6) Economic conditions and regulatory environment.

(7) Any other relevant factors that the Board may deem fit to consider.

4 Utilisation of retained Earnings

The retained earnings will be used *inter-alia* for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

5 Declaration of Dividend

The Board may declare/recommend Interim / Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act. Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

The Board shall endeavour to achieve a Dividend Pay-out Ratio in the range of 15% - 25% (gross of dividend distribution tax) of Distributable Profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

6 Review & modification of Dividend Distribution Policy

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the Dividend Distribution Policy, it shall disclose such changes alongwith the rationale therefor.

7 Disclaimer

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

(xii) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the Financial Year ended 31st March 2020.

(xiii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor 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 48 to the Standalone Financial Statements. No fees has been paid by any of the subsidiaries to the said Statutory Auditor. Further, no fees 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.

13. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are published in the leading English newspapers, namely, The Financial Express, Business Standard, Hindustan Times, Hindu Business Line and one regional daily newspaper namely "Dainik Bhaskar" (Pali), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial 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.

14. GENERAL SHAREHOLDERS' INFORMATION

(i) Registered Office

Jaykaypuram - 307 019, Distt. Sirohi, Rajasthan

(ii) Annual General Meeting (AGM)

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

Venue: Regd. Office: Jaykaypuram - 307019, Distt. Sirohi, Rajasthan or virtual AGM

(b) A brief resume and other particulars of Director seeking re-appointment at the aforesaid AGM is given in the Notes 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 30.06.2020	Within 45 days of the end of the quarter
• for the half-year ending 30.09.2020	
• for the quarter ending 31.12.2020	
• for the year ending 31.03.2021 (Audited)	Within 60 days of the end of the financial year.
• Annual General Meeting for the Financial Year ending 2020-21	Between July to September 2021

(v) **Dividend Payment Date:** Not Applicable

(vi) **Date of Book Closure:** As in the 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 fee for the Financial Year 2020-21 has been paid to both the aforesaid Stock Exchanges.

The securities of the Company are not 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 (2019-20)	BSE Ltd. (₹)		National Stock Exchange of India Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2019	382.00	339.05	382.25	340.55
May 2019	396.20	333.85	395.20	333.50
June 2019	395.00	325.70	395.95	325.00
July 2019	369.40	315.55	371.70	327.70
August 2019	354.80	317.50	353.90	317.45
September 2019	334.90	287.40	334.50	288.00
October 2019	318.00	260.20	314.60	277.20
November 2019	317.00	275.05	317.85	275.00
December 2019	293.40	263.00	294.70	262.75
January 2020	389.35	281.60	388.00	281.15
February 2020	366.65	302.45	367.00	301.75
March 2020	312.70	187.80	314.05	180.00

JK Lakshmi Cement Ltd. Share performance v/s BSE Sensex (April'19 - March'20)

(x) Distribution of Shareholding as on 31st March 2020

No. of Equity Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	58,63,873	4.98	66,162	93.58
501-1,000	19,57,729	1.66	2,654	3.75
1,001-5,000	31,08,095	2.64	1,499	2.12
5,001-10,000	11,51,766	0.98	161	0.23
10,001 & above	10,55,88,603	89.74	223	0.32
TOTAL	11,76,70,066	100.00	70,699	100.00

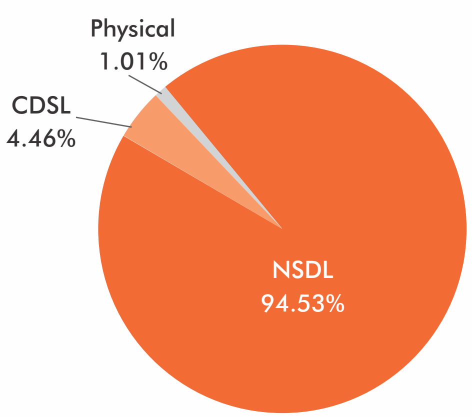
(xi) Share Transfer System

All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

(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 2020, 98.99% 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 Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2020



(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity**: As on 31st March 2020 – NIL.

(xiv) **Commodity price risk or foreign Exchange risk and hedging activities**: During the Financial Year ended 31st March 2020, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contacts.

(xv) Plant 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 Gandhinagar – 382010 (Gujarat)

(4) **JK Lakshmi Cement**
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 – 754 029 (Odhisha)

(xvi) **Address for correspondence regarding share transfers and 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) 30179862-864-869-894
Contact Person: Shri B.K. Daga
(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) **Debenture Trustee**
IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai- 400 001
Tel No.: (022) 40807000
Fax No.: (022) 66311776
Email: itsl@idbitrustee.com
Website: http://www.idbitrustee.com

(xviii) This Corporate Governance Report of the Company for the Financial Year ended 31st March 2020 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xix) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Executive; (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 already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit Report to the Audit Committee on quarterly basis.

(xx) 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.

(xxi) (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 71,192 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF Authority), during the year. The details of such shares 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:

As on 1st April 2019, the Company had 40,178 Equity Shares, which were unclaimed by 587 Equity Shareholders. These were lying in dematerialized mode in the unclaimed suspense account. Out of the above, the Company had transferred 34,244 Equity Shares which remained unclaimed by 565 Equity Shareholders to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 7 requests for 478 Equity Shares for crediting to the Demat Account of the Shareholders/ dispatch of physical Share Certificate on rematerialisation during the year. These have since been transferred / dispatched. Accordingly, as on 31st March 2020 the Company has 5,456 Equity Shares which remain unclaimed by 15 Equity Shareholders in the unclaimed suspense account. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owner of such shares claims the shares.

15. DECLARATION

This is to confirm that for the Financial Year ended 31st March 2020, 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

We have examined the compliance of conditions of Corporate Governance by JK Lakshmi Cement Limited ("the Company") for the year ended March 31, 2020, as stipulated in Regulations 17 - 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 above-mentioned Listing Regulations.

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 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: 20th May, 2020
UDIN :20087294AAAACD7637

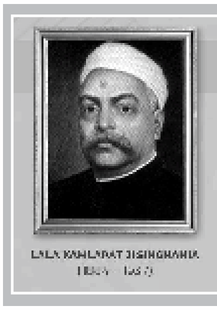
BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we present our Business Responsibility Report (BRR) for the Financial Year 2019-20. The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective. We strongly believe in our core values - commitment to excellence and customer satisfaction, maximizing long term shareholders value, socially valued enterprise, caring for people and environment. Giving back to the community is central to the culture of the Company.

The World Economic Forum Theme of year 2020 "Stakeholders for a Cohesive and Sustainable World" aims to give concrete meaning to "stakeholder capitalism", assist governments and international institutions in tracking progress towards the Paris Agreement and the Sustainable Development Goals, and facilitate discussions on technology and trade governance - This is a step towards a healthy future for the upcoming generations.

The Company follows the founding father belief of having a noble and beautiful life by working hard in all domains of life.



> "I believe that a man who works with his own hands can claim the fruits for his work, a dignified position, a noble and beautiful life and honour among men."
>
> Late Lala Kamlapat Singhania

The Company endorses various aspects and initiatives of sustainable development, which are adopted and formulated both nationally and internationally. Some of these include the Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI) and Corporate Social Responsibility (CSR).

At the Financial Year 2019-20 Quarter end COVID-19 hit the grounds of India. JK Lakshmi Cement following its core values and philosophy towards social communities helped needy and vulnerable group of people in many ways like Food kits distribution, providing medicines, mask distribution etc.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<table>
<tr><th>Sr. No.</th><th>Disclosures</th><th colspan="4">Information/Reference Sections</th></tr>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">L74999RJ1938PLC019511</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td colspan="4">JK Lakshmi Cement Ltd.</td></tr>
<tr><td>3.</td><td>Registered address</td><td colspan="4">Jaykaypuram, Distt. : Sirohi- 307 019, Rajasthan
Ph. No. : 02971-244409/244410 | Fax No. : 02971-244417</td></tr>
<tr><td>4.</td><td>Website</td><td colspan="4">www.jklakshmicement.com</td></tr>
<tr><td>5.</td><td>E-mail id</td><td colspan="4">lakshmi_cement@lc.jkmail.com</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td colspan="4">1st April 2019 to 31st March 2020</td></tr>
<tr><td rowspan="3">7.</td><td rowspan="3">Sector(s) that the Company is engaged in
(industrial activity code-wise)</td><td colspan="4">Cement and Value added Product Manufacturing</td></tr>
<tr><td>Group</td><td>Class</td><td>Sub Class</td><td>Description</td></tr>
<tr><td>239</td><td>2394</td><td>23941
23942</td><td>Manufacture of Clinker and Cement</td></tr>
<tr><td>8.</td><td>List three key products/services that the Company manufactures/provides
(as in balance sheet)</td><td colspan="4">i. PPC, OPC, Slag Cement and Composite Cement
ii. Ready-Mix-Concrete
iii. Autoclaved Aerated Concrete(AAC) Blocks</td></tr>
</table>

Sr. No.	Disclosures	Information/Reference Sections
9.	Total number of locations where business activity is undertaken by the Company	No. of International Location: Nil No. of National Location: The Company has two Integrated Cement Plants, four Grinding Units, twelve RMC Plants & one AAC Block Unit
10.	Markets served by the Company	India (North, East, West and Central)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Disclosures	Information/Reference Sections
1.	Paid-up Capital	₹ 58.65 Crore
2.	Total Turnover	₹ 4,093.58 Crore
3.	Total Profits after Taxes	₹ 236.11 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	During the Financial Year 2019-20, the Company spent ₹ 181.48 lakh on CSR activities. This represents 2.11% of the Average Net Profit after Tax for three Financial Years immediately preceding the FY 2019-20.
5.	List of activities in which expenditure in 4 above has been incurred	• Health • Education • Livelihood & Skills Development • Water and Sanitation • Rural Development

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the Company has two subsidiary companies namely, Hansdeep Industries & Trading Company Limited, Udaipur Cement Works Limited and a step-down subsidiary Ram Kanta Properties Private Limited.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):**

   The Subsidiary companies do not participate in the BR Initiatives of the Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

   No, the other entities e.g. Suppliers, Distributors, etc. of the Company do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   (a) Details of the Director/Directors responsible for implementation of the BR policy / policies

1.	DIN Number	00044890
2.	Name	Shri S. K. Wali
3.	Designation	Whole-time Director

   (b) Details of the BR Head

1.	DIN Number (if applicable)	08152305
2.	Name	Shri Naveen Kumar Sharma
3.	Designation	Head BRR
4.	Telephone Number	0294 - 2655077
5.	e-mail id	naveensharma@lc.jkmail.com

2. Principle-wise (as per NVGs) BR policy/policies

The 9 Principles are as under:

'P'1. Ethics, Transperancy and Accountability: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

'P'2. Product Life Cycle Sustainability: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

'P'3. Employee's Well Being: Businesses should promote the well-being of all employees

'P'4. Stakeholder Engagement: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

'P'5. Human Rights: Businesses should respect and promote human rights

'P'6. Environment: Businesses should respect, protect and make efforts to restore the environment

'P'7. Policy Advocacy: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

'P'8. Inclusive Growth: Businesses should support inclusive growth and equitable development

'P'9. Customer Value: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Most of the policies are aligned to various standards like: 1) ISO 9001 for Quality Management System 2) ISO 14001 for Environment Management System 3) ISO 50001 for Energy Management System 4) ISO 45001/OHSAS 18001 for Occupational Health & Safety Management System, etc.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	View restricted to internal stakeholders								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	While the policy has been circulated to key internal stakeholders, other relevant stakeholders are being covered as deemed necessary, from time to time.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Conforming to the ISO Standards, the Company undergoes periodic audit to validate above systems.								

(b) **If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options) - Not Applicable.**

3. **Governance related to BR**

   (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

   Business Review Meetings are held on monthly basis. Such Meetings are chaired by CEO. In addition, on quarterly basis, the Board and the Audit Committee of the Board also review business performance.

   (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the Company has been publishing BRR from the FY 2016-17 onwards as an integral part of the Annual Report.

   Business Responsibility Report FY 2018-19: http://www.jklakshmicement.com/wp-content/uploads/2019/07/79th-Annual-Report-2018-19-JKLC.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   The Company has in place a "Code of Corporate Ethics and Conduct" from February 2002, which reiterates its commitment to maintain the highest standards in its interface with stakeholders, clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. All the employees sign this Code at the time of joining the Company.

   The Company also has in place a "Code of Conduct for Board Members and Senior Management". Every year, the Board Members and Senior Management affirm Compliance with this Code of Conduct.

   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 relating to actual or suspected fraud, unethical behavior, and 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.

   The said Codes/Policy covers all dealings with the suppliers /customers/business associates / others.

   The Company also encourages its suppliers/ contractors/NGOs/others to practice the same in a fair manner.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has not received any complaint under the Codes/Policies mentioned at Sr. No. 1 above during the Financial Year 2019-20. However, four complaints were received from the shareholders, which were promptly resolved to their utmost satisfaction. No complaint was pending as on 31st March 2020.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company understands the value it holds by being a responsible corporate organization that promotes manufacturing of products with sustainable design and technology. The Company engaged in manufacturing of cement and a wide range of cement products including Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement. PPC, PSC and Composite Cement utilize waste derived raw materials such as Flyash and Slag, thereby reducing virgin resource consumption and promoting the circular economy. The Company is progressively trying to increase the percentage use of alternate fuels instead of fossil fuels in its fuel mix required to produce clinker.

   The Company manufactures CII-GREEN PRO Certified, green value-added product with trade name of JK SMARTBLOX - a waste-derived Autoclave Aerated Concrete Blocks (AAC Blocks), which is produced by the highly automated manufacturing process and incorporates the technological innovations such as "Green Separation" and "Horizontal Autoclaving". It is capable of delivering unmatched consistency in product quality. It has numerous advantages, some of which are as follows:

   - Gaining Energy Efficiency in buildings: Product provides a very high degree of thermal insulation as compared to any other wall construction material including conventional clay bricks, thus resulting in less energy consumption, required for cooling / heating of buildings.
   - Long Resistance to Fire: Product offer 3 times or more fire resistance (2 to 6 hours) than conventional clay bricks, thereby reducing fire hazards.
   - Pest & Termite Resistant: The inorganic nature of the blocks does not allow the spread of termites and growth of pests and hence provides longer life to expensive wooden interiors.
   - Resource Efficient: The Product uses flyash (waste generated in abundance by thermal power plants) and thus providing a solution to waste management and conserving of top fertile soil, essential for the food security of the nation, which is otherwise consumed in manufacturing red mud bricks.
   - Light Weight: Product not only consumes fewer quantities of fossil fuels during manufacturing but

also offers opportunity in optimization of civil design of various structures due to reduced dead load.

JK Lakshmi Smart Serve: It is the smart packaging concept offered by JK Lakshmi Cement Ltd. to cement bulk users. It saves tons of packaging material i.e. Polypropylene and also meets product quality responsibility to consumers. It is a unique concept that promises to fulfill, new-age construction needs. It is premium service offered at no extra cost, equipped with latest technology-enabled features like GPS tracker, Quantity Check Sensor, Anti-theft Lock and many more benefits.

The Company has installed state of art technology equipment and has progressively implemented various innovations, process modifications, etc. to maximize resource efficiency. Some of the major initiatives are: Installation of Waste heat recovery systems of 15 MW and 7.50 MW at Sirohi and Durg Manufacturing units respectively which mitigates GHG Emission to the tune of 136235000 Kgs CO2eq per year.

Further, the Company has installed solar power generation plants at various locations, with potential to mitigate about total 13245654 kgs. of Carbon Emissions annually.

Location	Solar Power Plant capacity	GHG Emission mitigation potential (Kg Co2eq. per year)
Phalodi, Rajasthan	6000 KW	13245654
Surat, Gujarat	2360 KW	
Kalol, Gujarat	500 KW	
Jhajjar, Haryana	500 KW	
Jaykaypuram, Rajasthan	300 KW	

The Company is committed to educate its stakeholders on various aspects related to working with cement and its value-added products and educate through on-site demonstrations, helpline nos. & social media platforms like Youtube, Facebook, Twitter, etc. Company has also made available Material Safety Data Sheet (MSDS) for its consumers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

Consumption per unit of Product	FY 2018-19	FY 2019-20
Electrical Energy (Kwh/Ton of Cement)	69	69
Thermal Energy (Kcal/Kg of Clinker)	701	701

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Cement manufactured by the Company is used by diverse range of consumers and therefore, it is not possible to measure the usage (energy, water) by them. Our energy efficient value-added product AAC Blox has led to a reduction in the use of cementing materials and consumption of energy required for heating and cooling of the building during its lifetime, thereby promoting the green building concept. However, exact saving figures are not ascertainable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

   The Company has a vast working network of local (within country) as well as international suppliers that provide raw materials, technology, equipment and services. The focus lies mostly on procuring from local suppliers, leading to an ease of delivery and services, reducing environmental footprint and hence boosting local economy.

   The procurement practices have always been associated with aspects defined as per our green procurement practice in upstream activities. Collaboration effort between supplier and the Company has been the main ingredient of our supply chain management system. Suppliers are encouraged to participate in the assessment of their state of Environment & Social Aspects through responding to "Environment Health & Safety Questionnaire" shared with them during vendor registration as per the Green Procurement Guidelines.

The Company segments suppliers based on nature of operations, volume of business and type of risk associated, assigning them risk ratings. The selection criteria are based upon transparency of suppliers about their sustainability programmes covering production of goods in an environmental friendly way, societal interest and cost effective procurement. The Company takes into account its vision regarding responsible business practices while entering into contracts with the suppliers.

E-procurement has enabled structured supplier relationships, effective communication, reduced external spending, eliminated paperwork as well as travel hours. Our sound logistic management system help us to add value to our indirect footprints downstream, through balanced and resourceful strategies.

JK Lakshmi Cement understands the value of natural resources and believes in their optimal usage and espousing the principles of Circular Economy. With fusion of technology and conservative approach to natural resources, manufacturing units are utilizing waste derived raw materials in place of virgin natural raw materials wherever possible. The strategy is to use alternative materials to encourage sustainability.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company strives to promote local vendors by procuring from them at all its manufacturing locations thereby improving the efficiency of the procurement cycle. The Company keeps in touch with its vendors by organizing periodic meetings to discuss possible opportunities and ways of further enriching the partnership, to strengthen the means of implementation and revitalize the partnership for Sustainable development. The Company organizes various capacity building programmes and encourages its vendors & suppliers to participate in them. Also, technical assistance is provided to them on aspects of being resource efficient thereby saving the environment. We engage with them with a constructive dialogue which aims at understanding their concerns and expectations while taking business decisions. In such interactions, we communicate our efforts, endeavors and targets, and seek their suggestions.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   There is no direct solid or liquid waste generated from the operations. Domestic waste water generated from colony, offices, canteen and rest rooms is treated through innovative sewage treatment plants and the treated water is used in development of greenbelt, plantation etc. Dust collected from pollution control equipment is recycled back into the process. The Company uses various alternative fuels and raw materials such as biomass, fly ash, slag and waste derived gypsum in its manufacturing process. The Company has also obtained requisite permissions for utilization of hazardous and other wastes generated from various industries like automobiles, refinery, pharmaceutical etc. as an alternative fuel.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees:** 1,769 permanent employees
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 2,908
3. **Please indicate the Number of permanent women employees:** 21
4. **Please indicate the Number of permanent employees with disabilities:** 0
5. **Do you have an employee association that is recognized by management?**

   There are Worker Unions affiliated with INTUC and BMS.
6. **What percentages of your permanent employees are members of this recognized employee association?**

   Around 15% of our permanent workmen are parts of the mentioned trade unions.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Category	No. of Complaints filed during the Financial Year	No. of Complaints pending as on the end of the Financial Year
Child Labour / Forced Labour / Involuntary Labour	NIL	NIL
Sexual Harassment	NIL	NIL
Discriminatory Employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Category	Safety	Skill Up-gradation
Permanent employees	99%	90%
Permanent Women employees	100%	77%
Casual/ Temporary/ Contractual employees	90%	72%
Employees with disabilities	0%	0%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has identified its internal as well as external stakeholders and has identified key stakeholders group including employees, customers, business partners/suppliers, government and government agencies, lenders, shareholders/ investors and the society.

   The Company has various mechanisms in place for engagement with these stakeholders such as employee satisfaction surveys, customer satisfaction surveys, organizing plant visits for the suppliers and conducting regular Dealers and Lenders meet.

   The Company has a dedicated email id for the Shareholders for prompt attention and response. The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community development initiatives.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, as a part of its Corporate Social Responsibility (CSR), the key principle in terms of selection of the beneficiary is "social and economic deprivation and marginalization" of the groups and families and accordingly the Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. Scheduled castes and Scheduled tribes, economically weaker groups including Below Poverty Line families, small and marginal farmers, landless groups, women-headed families, special children, person suffering with chronic diseases like HIV-AIDS; MDR-TB, youths with no skills for either employability or resources for small business - communities in the vicinity of the manufacturing plants and the contractual workers and their families working in the plant.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company has taken special initiatives to engage with disadvantaged, vulnerable and marginalized stakeholders. Projects to empower women through skill development and livelihood are one of the key focus areas of the company's CSR.

   The Naya Savera project is addressing the issues of Infant and maternal mortality in some of the most vulnerable and excluded groups/ communities. This intervention has focused extensively on the health and welfare of women and eligible couples majorly from the scheduled tribes group like Bhil, Gharasia and other poor and marginalized families in the vicinity, by providing them medical facilities like the door to door checkups, medical awareness, support for institutional delivery, immunization of below 2 children and family planning. Company under its Ann Lakshmi Initiative has been delivering its extended responsibility through partnering with government initiative of eradicating TB through supplying free of cost, advised nutritional food kits to MDR TB Patients in marginalized sections community in the state of Gujarat. The Company has also been working with number of differently abled children through supporting "Savera School" in the Jhajjar district of Haryana.

   Some of the livelihoods and education CSR projects are being implemented for women jail inmates in Jhajjar district in Haryana.

   Kindly refer to Annexure E to the Directors' Report.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

   We at JK Lakshmi Cement uphold "Human Rights" relating to life, liberty, equality and dignity of an individual as enshrined in our constitution of India. We honour individuality of all employees and strive to adhere to the following fundamental human rights:

(a) All employees shall practice business ethics and professional code of conduct of the Company.

(b) There is no discrimination in hiring process and the employees are given equal opportunity for growth and development.

(c) There is no discrimination to any employee based on race, gender and nationality.

(d) All employees have right to freedom of professional expression and suggestions.

(e) All employees have right to freedom to practice their religion and professional endeavors.

(f) All employees must live with social dignity.

The Company has not conducted any formal assessment on human rights. However, general guidelines are being provided in various interactive platforms within sites and operations. Also, all the contractual/ vendors agreements includes clauses that are aligned to considering human rights aspects.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The company had not received any stakeholder's complaint in the Financial Year 2019-20 for violation of human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

Sustainability is built into JK Lakshmi Cement's business processes through well-defined Sustainability and Corporate Environment Policies. The Company also encourages its subsidiaries, vendors, and dealers to take health, safety and environment friendly measures on sustainable basis for a better tomorrow.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company has devised strategies and mechanisms towards addressing the environmental issues. The Company is very much committed to reduce its ecological footprint. Our initiatives towards these issues have been recognized by CII and other agencies. The Company has also framed a Corporate Environment Policy to implement holistic approach to manage our carbon footprint and develop a proactive top level drive for tackling Climate Change issues within the organization. The ingrained value of sustainability backed by a policy for a cleaner and greener environment, JK Lakshmi Cement has been limiting its emission level well below the permissible limits fixed by the regulatory authorities.

To utilize the available waste heat from the operations, the Company has installed Waste Heat Recovery based Power Generation System (WHRS) of 15 MW at Sirohi and 7.50 MW at Durg. Further, the Company has installed Solar Power Plants of total 9.66 MW capacity at its various locations. The Company has registered various Clean Development Mechanism (CDM) and Voluntary Carbon Standard (VCS) projects to address the global issues of climate change, global warming etc.

For more details please refer to our website: www.jklakshmicement.com.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company has instrumented an elaborate mechanism to identify and assess potential environmental risks at all its operational sites and in greenfield as well as brownfield projects.

Further, all our operational sites are certified for internationally accepted Environment Management System i.e. ISO 14001 and follow its guidelines for assessing Environment risks, their impact as well as opportunities which are reviewed and audited periodically.

Sr. No.	Certification	Unit Sirohi	Unit Durg	Unit Kalol*	Unit Jhajjar	Unit Surat
1	ISO14001	✓	✓	✓	✓	✓
2	ISO 9001	✓	✓	✓	✓	✓
3	ISO 50001	✓	✓	✓	✓	✓
4	ISO 45001/ OHSAS 18001	✓	✓	✓	✓	✓

*Company's Kalol Grinding Unit also has ISO 14064 and ISO 14046 certifications for Carbon and Water Footprint respectively.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company has registered 3 nos. of projects related to Clean Development Mechanism (CDM) with United Nations Framework Convention on Climate Change (UNFCCC) and 2 nos. of projects with Verified Carbon Standard (VCS) (now Verra). The details are given below:

CDM Projects:

- Replacement of fossil fuel by biomass in PyroProcessing JK Lakshmi Cement Ltd, Rajasthan.:

Reference Number-0852

https://cdm.unfccc.int/Projects/DB/SGS-UKL1168427579.65/view

- 15 MW Waste Heat Recovery based Power Generation at JK Lakshmi Cement Ltd., Rajasthan.

  Reference Number-10115

  https://cdm.unfccc.int/Projects/DB/ESPL1422698423.24/view

- 6 MW Solar PV based Power Generation at Phalodi, Rajasthan : CPA 9502-0007

  Reference Number – 9502

  https://cdm.unfccc.int/ProgrammeOfActivities/index.html

VCS Projects:

- Bundled Rooftop Solar PV based Power Generation by JKLCL Project ID- PL1730 https://www.vcsprojectdatabase.org/#/pipeline_details/PL1730
- AAC Block Manufacturing Using Energy Efficient Technology by JKLCL Project ID-1651

  https://www.vcsprojectdatabase.org/#/project_details/1651

  The Company's project of 7.50 MW Waste Heat Recovery based power generation at JK Lakshmi Cement Ltd., Durg is under registration at UNFCCC.

  There is no requirement of filing any compliance Report.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes, the Company is following a proactive approach towards adoption of green energy and has installed 6 MW solar power plant at Phalodi, Rajasthan. Also, the manufacturing units at Surat, Kalol and Jhajjar have solar power plant of an aggregate capacity of 3.36 MW. The manufacturing units at Kalol and Surat are also outsourcing the wind power energy of capacity 4.0 MW. Further, installation of Waste Heat Recovery (WHR) based Power generating unit and Selective Non-Catalytic Reaction (SNCR) system at Sirohi and Durg are few initiatives taken by the Company towards harnessing green and clean technology. Use of alternative fuels and raw materials at all our manufacturing sites helps to reduce the consumption of fossil fuels like coal to conserve natural resources.

   The Company is ardently working towards energy efficiency. All our manufacturing units are ISO 50001 certified for Energy Management System.

   Our efforts and resulting energy efficiency in our process systems have been well recognized by Confederation of Indian Industries (CII) in their energy benchmarking study conducted during the year.

   The Company is actively working towards further optimizing its operations to gain better energy efficiency through various small and cost-effective modifications through various innovations.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emissions / waste generated by the Company are well within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB). The Company has already installed Online Continuous Emission/Effluent Monitoring systems (OCEMS) that provide real-time data directly to Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

   All our emission sources are equipped with the latest art of technology air pollution control equipment like Bag houses, Electrostatic Precipitator, Bag-filters, SNCR etc. to ensure compliance with the applicable norms.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   This is to confirm that no show cause/legal notices received from CPCB/SPCB are pending as on end of Financial Year 2019-20.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is a Member of the following Trade / Chamber / Associations:

   (a) Cement Manufacturers' Association(CMA)

   (b) PHD Chamber of Commerce and Industry

   (c) Rajasthan Chamber of Commerce

   (d) Udaipur Chamber of Commerce

   (e) Federation of Indian Mineral Industries

   (f) Federation of Mining Association of Rajasthan

   (g) National Council for Cement and Building Materials (NCBM)

   (h) Coal Consumers Association of India

   Apart from above, some of the senior executives of the Company are active members (Office Bearers) of

Industry Associations of repute and work towards promoting common interests of trade and industries and address issues faced by businesses and encourage formulation of industry friendly environment through policy makers.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

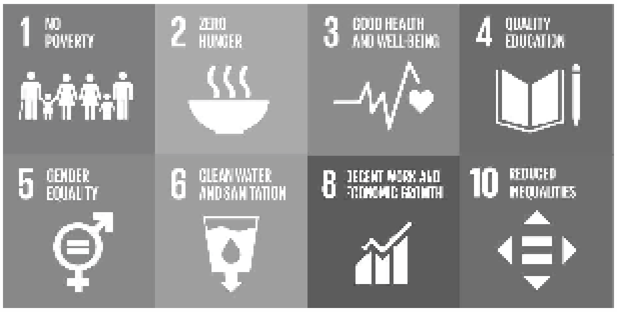
   The company has been extensively using platforms of the Trade Association/Chambers of Commerce and industry and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles etc.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company has always been committed to inclusive growth and equitable development. The CSR policy of the Company strongly reflects the commitment towards inclusive growth and development. The CSR policy objective clearly state that "the Company aspires to be a leading company in the Indian Cement Industry while maintaining a clear focus on social upliftment for inclusive growth to the realization of truly empowered society". 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, Livelihood and Community Development". Accordingly, the major CSR thrust areas of the organization are Health; Water & Sanitation; Education; Skill development and Livelihood; Environment sustainability and Community Development. The contents of CSR Policy are disclosed on the Website of the Company at www.jklakshmicement.com.

   The various CSR and social projects have been aligned to Sustainable Development Goals (SDGs) Agenda Nos. 1,2,3,4,5,6,8&10 and thus address the global level SDGs.



   During the year the Company has undertaken multiple CSR projects to address the issues of low maternal and child health status; lack of quality medical health services for the poor and marginalized communities; high incidence of out-of-school and school drop-out children; poor infrastructure of government schools; lack of skills among youths and women for self and job employment in the villages and communities across plant locations which benefited the 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 youths with no skills for either employability or resources for small business. The Company also strategically endeavored towards facilitating "last-mile-connectivity" for the poor to access various State and National Government Schemes aimed at poverty alleviation.

   Some of the key CSR projects which the Company implemented in the pursuit of inclusive growth and equitable development were Naya Savera - a family integrated welfare program which focus on reducing maternal and infant's mortality; Project Aarambh for drop-outs; Gyan Lakshmi; Arogya Lakshmi; Anna Lakshmi; support to Savera School for differently abled children; Vama Lakhsmi for skilling of women and girls and various others projects in the thematic area of Health, Education, Livelihood; environmental conservation; water and sanitation and rural development. As the end of Financial Year saw outbreak of CORONA COVID-19 Pandemic, the Company responded to this unprecedented crisis, taking several initiatives for the local communities and migrants' workers in collaboration with local panchayats and district administration across its plant locations. Large number of food kits, sanitizers, cotton masks and hand wash were distributed to the needy families as well as sessions and meetings were organized to create awareness on COVID-19.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   The Company implements various CSR projects through in-house CSR teams deployed at each of the plant units. However, the CSR unit/ team brings need-based support from the external CSR organization, NGO, and government departments. The projects are designed and implemented in partnership with the local communities. There are concerted efforts to work in close collaboration and synergy with local government departments like Health, Education, Animal Husbandry and others as well as local Panchayat Institutions. As per the need and requirements, the projects have synergy with local NGOs working in the area in terms of knowledge sharing and resource leveraging.

3. **Have you done any impact assessment of your initiative?**

   There is a dedicated CSR team for regular monitoring and evaluation of the CSR projects. The project activities are periodically reviewed by CSR Committee and the

Board. The help of external agencies is taken to assess impact of CSR projects. The impact assessment also helps us to improve the implementation of the initiative or expand its scope as per the requirement of the communities.

4. **What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?**

During the financial year 2019-20, the Company has spent ₹ 181.48 Lakh on CSR initiatives.

Please refer to ANNEXURE E of the Directors' Report for the CSR projects undertaken.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

At JK Lakshmi Cement Ltd., engagement with the community comes with people's full participation and involvement to reap maximum benefits of the proposed welfare project. Before initiating any community engagement and welfare programme, Company consults and organizes group discussions with the village sarpanch and gram panchayats, detailing on the purpose and long-term benefits of the project intervention ensuring full participation of the community people. Consultations are also done on regular basis as a part of "Need Assessment and CSR Project formulation and implementation". Feedback from the community/ beneficiaries/ stakeholders on the implementation of the CSR projects and achievements is also collected during the meetings and informal discussions. The process of constant engagement with the community is an ongoing process. Focus on awareness and capacity building of community groups is at the core of building sustainability of various CSR projects and through this process positive skills and behaviors are adopted which bring qualitative improvement in the lives of people. The Company also focus on building trust, faith and rapport with local communities/stakeholders as a part of creating "local ownership and participation" into the project planning, implementation and evaluation which helps in successful adoption of projects by the communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as at the end of financial year?**

No customer complaints/consumer cases were pending as on end of the financial year 2019-20.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)**

Yes, the Company displays product information as per Bureau of Indian Standards Rules & Guidelines.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

State of Haryana filed a complaint with Competition Commission as it felt that Cement companies, participated in a tender including JK Lakshmi Cement for supply of cement, had colluded to quote higher cement rates. Aggrieved by adverse judgement given by the Competition Commission, the Company has filed an appeal before the Competition Appellate Tribunal (Since merged with NCLT), which has granted a stay on the Commission's orders.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, Customers are our key stakeholders, who keep showing us the right direction. The Company performs ahead of the curve, not just by producing and selling best quality products but by gauging feedback and listening to its customers and thereafter taking corrective actions towards product development and services, etc. The Company puts a lot of effort to understand the need of customers, their pain areas, and their complaints / feedback through Focus Group Discussion with Customers and important influencers like Masons, Contractors & Architects etc. or online survey or by making individual calls to our customers or dealers through the call center. The Company ensures that none of the calls or missed calls at the call center goes unattended. During last financial year, we have received around 4600 calls regarding some query or complaints from the end consumers and resolved all the queries and got an average rating of 4.28 out of 5. Further, digital surveys were conducted on Facebook to understand the preference of customers & our Brand Positioning. Through expanding reach to customers with digital media like Twitter, Youtube, Facebook, Linkedin, etc. Company's key focus is to connect with the far end customer and delivering on his expectations.

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, 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, 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, 2020, its profit and total comprehensive income, 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'sCode 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.

Emphasis of Matter

We draw attention to Note 67 to the standalone financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

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, 2020. 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. 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 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 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 presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year 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" • On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. • 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 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 any 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, 2020 from management. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes.

Key Audit Matters	
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 2020. • 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 Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("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, 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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, 2020 on its financial position in its standalone financial statements- Refer note 54, 55, 56, 57 and 59.

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.

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 87294

Place: New Delhi
Date: May 20, 2020
UDIN : 20087294AAAACE7956

Annexure A to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 20, 2020.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("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) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed asset have been verified by the management according to the program of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. 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 are held in the name of the Company except as stated in noted no. 2 of the of the standalone financial statements.

(ii) The inventories of the Company except stock in transit have been physically verified by the management at reasonable intervals. In our opinion and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

(iii) (a) The Company has granted loan to Two company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the loan is not prejudicial to the interest of the Company.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the subsidiary company is repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) There are no amount of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Act which are overdue for more than ninety days. Hence, reporting requirement is not applicable.

(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 provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable as at March 31, 2020 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 Income tax, sales tax, service tax, duty of customs, duty of excise value added tax and goods & service tax 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 Statute	Nature of the Dues	Amount (Rs. In crore)	Period (Financial Year)	Forum where dispute is pending
Sales Tax Act	Sales Tax	3.71	2006-2014	Jodhpur High Court
		116.77	2003-09	
		0.63	1995-1998	
		0.46	1992-1994	
		4.74	2005-2006	
		0.42	1995-2000	High Court
		23.83	2015- 2020	Anti Evasion, Pali
The Rajasthan Tax on Entry of Goods into Local Area Act , 1999	Entry Tax	37.90	2002-2016	Supreme Court
		0.79	2012-2015	Jodhpur High Court
		2.72	2007-2008	Dy. Comm. (App.)
		0.39	2013-2014	CTO (AE)
		0.39	2012-2013	
		0.88	2015-2017	
		2.82	2014-2018	AO Pali
Cental Excise Act	Excise Duty	0.02	2007-2008	CESTAT
		1.22	1996-1998	
		1.83	2015 - 2018	Add Commissioner, Jodhpur
Finance Act , 1994	Service Tax	0.15	2012-2013	CESTAT
		6.64	2012-2014	Jodhpur High Court
		0.24	2012-2014	CESTAT
		3.19	2016-18	
		1.18	2007-2008	Excise Comm.
		0.07	2012-2013	CESTAT
Income Tax Act	Income Tax	3.67	2012-2013	Comm (Appeals), Kolkata
		1.07	2014-2015	
		0.23	2015-2016	

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks, government and dues to debenture holders.

(ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer and monies raised by way of term loans have been utilized for the purpose for which term loans were obtained.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) In our opinion and according to the Information and explanation given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.

(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) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
ICAI Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 87294

Place: New Delhi
Date: May 20, 2020
UDIN : 20087294AAAACE7956

Annexure B to the Independent Auditors' Report to the Members of JK Lakshmi Cement Limited dated May 20, 2020 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 1(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, 2020 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, 2020, 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:- 87294

Place: New Delhi
Date: May 20, 2020
UDIN : 20087294AAAACE7956

JK Lakshmi Cement Limited
Balance Sheet as at 31st March 2020

₹ In Crore (10 Million)

		Note No.	As at 31st March 2020	As at 31st March 2019
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	2,787.90	2,633.39
	(b) Capital Work-in-Progress	2A	151.89	411.07
	(c) Investment Property	3	0.50	0.55
	(d) Right-of-Use Assets	3A	11.52	-
	(e) Intangible Assets	4	3.79	5.06
	(f) Financial Assets			
	(i) Investments	5	367.30	357.30
	(ii) Loans	6	60.16	58.10
	(iii) Others	7	0.71	0.89
	(g) Deferred Tax Assets (Net)	21	-	22.03
	(h) Other Non-Current Assets	8	39.61	28.39
			3,423.38	3,516.78
(2)	**Current Assets**			
	(a) Inventories	9	412.84	311.70
	(b) Financial Assets			
	(i) Investments	10	416.94	362.37
	(ii) Trade Receivables	11	88.22	106.57
	(iii) Cash and Cash Equivalents	12	1.74	1.95
	(iv) Bank Balance other than (iii)	13	29.70	16.08
	(v) Loans	14	43.33	3.33
	(vi) Others	15	14.77	9.80
	(c) Other Current Assets	16	117.15	126.85
	(d) Current Tax Assets (net)	28	1.79	-
			1,126.48	938.65
	Total Asset		4,549.86	4,455.43
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	17	58.85	58.85
	(b) Other Equity		1,653.83	1,463.82
			1,712.68	1,522.67
	LIABILITIES			
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	1,078.17	1,260.40
	(ii) Other Financial Liabilities	19	214.78	175.63
	(b) Provisions	20	11.41	10.85
	(c) Deferred Tax Liabilities (Net)	21	20.46	-
	(d) Other Non-Current Liabilities	22	181.34	175.64
			1,506.16	1,622.52
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	23	104.81	58.58
	(ii) Trade Payables	24		
	Micro and Small Enterprises		7.51	6.01
	Others		460.98	505.41
	(iii) Other Financial Liabilities	25	534.71	516.39
	(b) Other Current Liabilities	26	217.52	206.11
	(c) Provisions	27	5.49	5.97
	(d) Current Tax Liabilities (net)	28	-	11.77
			1,331.02	1,310.24
	Total Equity and Liabilities		4,549.86	4,455.43

Significant Accounting Policies	1
The accompanying notes form an integral part of these financial statement.	2-69

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President & Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
} Directors

JK Lakshmi Cement Limited

Statement of Profit and Loss for the year ended 31st March 2020

₹ In Crore (10 Million)

		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	Revenue from Operations	29	4,043.50	3,882.34
II.	Other Income	30	50.08	57.16
III.	**Total Income (I+II)**		**4,093.58**	**3,939.50**
IV.	**Expenses :-**			
	Cost of Materials Consumed	31	611.35	563.95
	Purchases of Stock-in-Trade	32	312.01	169.79
	Change in inventories of finished goods, work-in-progress and traded goods	33	(72.03)	83.93
	Employee Benefits Expense	34	311.96	269.01
	Finance Costs	35	164.42	188.34
	Depreciation and Amortization Expense	36	188.35	179.39
	Other Expenses	37	2,207.83	2,380.66
	Total Expenses (IV)		**3,723.89**	**3,835.07**
V.	**Profit before exceptional items and tax (III-IV)**		**369.69**	**104.43**
VI.	Exceptional Items	2A	30.23	-
VII.	**Profit before tax (V-VI)**		**339.46**	**104.43**
VIII.	Tax expense	45		
	(1) Current tax		63.13	27.21
	(2) Deferred tax		43.01	(2.34)
	(3) Tax adjustments for earlier years		(1.91)	-
	Total tax expense (VIII)		**104.23**	**24.87**
IX.	**Profit for the year after tax**		**235.23**	**79.56**
X	**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		1.35	0.83
	(2) Income tax effect		(0.47)	(0.29)
	Total Other comprehensive income (X)		**0.88**	**0.54**
XI	**Total comprehensive income for the year (IX + X)**		**236.11**	**80.10**
XII	Earnings per equity share (face Value of ₹ 5 each)	38		
	Basic earnings per equity share (₹):		19.99	6.76
	Diluted earnings per equity share (₹):		19.99	6.76

Significant Accounting Policies	1
The accompanying notes form an integral part of these financial statement.	2-69

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
} Directors

JK Lakshmi Cement Limited
Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2018	Change during the year	As at 31st March 2019	Change during the year	As at 31st March 2020
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	
Balance as at April 01, 2018	25.64	88.65	60.10	950.74	272.96	(3.73)	1,394.36
Profit for the year	-	-	-	-	79.56	-	79.56
Dividend payment including dividend distribution tax	-	-	-	-	(10.64)	-	(10.64)
Transfer to debenture redemption reserve	-	-	15.31	-	(15.31)	-	-
Transfer from debenture redemption reserve	-	-	(6.80)	-	6.80	-	-
Other comprehensive income	-	-	-	-	-	0.54	0.54
Balance as at March 31, 2019	**25.64**	**88.65**	**68.61**	**950.74**	**333.37**	**(3.19)**	**1,463.82**
Profit for the year	-	-	-	-	235.23	-	235.23
Dividend payment including dividend distribution tax	-	-	-	-	(46.10)	-	(46.10)
Transfer from debenture redemption Reserve	-	-	(8.21)	-	8.21	-	-
Other comprehensive income	-	-	-	-	-	0.88	0.88
Balance as at March 31, 2020	**25.64**	**88.65**	**60.40**	**950.74**	**530.71**	**(2.31)**	**1,653.83**

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

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For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
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Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
Directors

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. 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 20th May'2020.

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 the accounting policies 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 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.

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

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(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 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 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 Aircraft & 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 Property

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 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 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 : 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. 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.

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 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 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 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 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 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 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.

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.

Commitments include the amount of Purchase Order (net of Advances) issued to parties for Completion of Assets.

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

ii) **Other Litigation Claims**

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

iii) **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.

(13) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

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) **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.

iii) **Dividend Income**

The Company recognises as income, when the Company's right to receive dividend is established, which is generally when it is approved by the shareholders, except in case of interim dividend which is authorised when it is approved by the Board of Directors.

iv) **Lease Incentives**

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.

v) **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.

vi) **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.

vii) **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.

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) All other borrowing costs are recognized as expense in the period in which they are incurred.

(16) Leases

16.1 Policy applicable with effect from April 1, 2019

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

Company as a lessee

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

i) **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the 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 borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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.

16.2 Policy relating to leases till March 31, 2019

i) **As a Lessee**

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

Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability .Finance charges are recognized in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leasehold lands are amortized over the period of lease.

ii) **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 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) Recent accounting pronouncements

(i) New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard is described below.

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

As a result of adoption of Ind AS 116, Depreciation expenditure and finance cost is higher by ₹ 2.23 crore & ₹ 1.34 crore and Rent expenditure is decreased ₹ 2.89 crore

(b) Amendment to existing issued Ind AS

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments

ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement

iii) Amendment to Ind AS 12, Income Taxes

iv) Amendment to Ind AS 23, Borrowing costs

The effect on adoption of above mentioned amendments were insignificant on the financial statements of the Company

(c) Accounting Standards, Interpretations and amendments to existing standards that are Effective from 1st April, 2020.

During the year Ministry of Corporate Affairs (MCA) hasn't issued any Standard which has been applicable from April 01, 2020.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
Gross Block									
As at 1st April'2018	236.94	55.27	207.27	2,748.19	4.16	5.88	34.20	10.43	3,302.34
Additions/Adjustments	0.41	1.02	0.93	11.54	0.23	0.77	7.33	-	22.23
Disposals/Adjustments	-	-	-	0.68	0.03	-	1.90	-	2.61
As at 31st March'2019	237.35	56.29	208.20	2,759.05	4.36	6.65	39.63	10.43	3,321.96
Additions/Adjustments	17.56	0.41	17.81	298.16	0.21	1.68	5.47	0.67	341.97
Disposals/Adjustments	-	-	0.02	1.99	-	0.04	14.02	-	16.07
As at 31st March'2020	254.91	56.70	225.99	3,055.22	4.57	8.29	31.08	11.10	3,647.86
Accumulated depreciation									
As at 1st April'2018	-	1.36	35.83	446.81	2.33	3.13	19.69	1.99	511.14
Charged for the year	-	0.50	12.54	158.90	0.46	0.91	4.81	0.68	178.80
On disposal	-	-	-	0.10	0.01	-	1.26	-	1.37
As at 31st March'2019	-	1.86	48.37	605.61	2.78	4.04	23.24	2.67	688.57
Charged for the year	-	0.50	12.87	164.34	0.39	0.99	4.97	0.72	184.78
On disposal	-	-	-	1.89	-	0.03	11.47	-	13.39
As at 31st March'2020	-	2.36	61.24	768.06	3.17	5.00	16.74	3.39	859.96
Net carrying amount									
As at 31st March'2019	237.35	54.43	159.83	2,153.44	1.58	2.61	16.39	7.76	2,633.39
As at 31st March'2020	254.91	54.34	164.75	2,287.16	1.40	3.29	14.34	7.71	2,787.90

1) Leasehold land includes ₹ 2.82 crore (previous year ₹ 1.82 crore) pending transfer of title in the name of the company.
2) Based on report of the valuers on business valuation of cement business, fixed assets value was re-determined at net replacement cost basis on 1st April 2005. Certain plant and machinery and railway siding of aforesaid plant were revalued and up dated as at 1st April 2011. The gross block as at 31st March 2020 includes aggregate revaluation / business valuation of ₹ 396.71 crore (previous year ₹ 396.71 crore).
3) For hypothecation refer note 18

Note-2A Capital-Work-in-Progress (CWIP)

Movement in capital-work-in-progress	As at March 31, 2020	As at March 31, 2019
Opening	411.07	226.14
Addition during the year	77.59	191.13
Capitalised during the year	(306.54)	(6.20)
Impairment transferred to statement of profit & loss as exceptional item (refer note 1)	(30.23)	-
Closing	151.89	411.07

1) Exceptional item of Rs 30.23 crore during the year 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.

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2018	₹ 34,812*	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2019	₹ 34,812*	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	₹ 884*	-	-	-
As at 31st March'2020	₹ 33,928*	0.04	0.71	0.76
Accumulated depreciation				
As at 1st April'2018	-	₹ 19,452*	0.15	0.15
Charged for the year	-	₹ 6,484*	0.05	0.05
On disposal				
As at 31st March'2019	-	₹ 25,936*	0.20	0.21
Charged for the year	-	₹ 3,242*	0.05	0.05
On disposal	-	-	-	-
As at 31st March'2020	-	₹ 29,178*	0.25	0.26
Net carrying amount				
As at 31st March'2019	₹ 34,812*	0.04	0.51	0.55
As at 31st March'2020	₹ 33,928	0.04	0.46	0.50
Fair value*				
As at 31st March'2019				4.91
As at 31st March'2020				5.09
Rental income				
For the FY 2018-19				0.59
For the FY 2019-20				0.65

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 with ₹ symbol represents absolute figure.

Note-3A Right of Use Assets

Particulars	ROU Assest
Gross Block	
As at 1st April'2019	13.76
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2020	13.76
Accumulated Depreciation	
As at 1st April'2019	-
Charged For the Year	2.24
Disposal	-
As at 31st March'2020	2.24
Net Carrying Amount	
As at 31st March'2019	-
As at 31st March'2020	11.52

Transition to Ind AS 116

The Company has adopted to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and taken the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected expedients on transition.

The following are the amounts recognised in statement of profit and loss as per IND AS 116

Year ended March 31, 2020	(₹ In Crore)
Depreciation expense on right of use assets	2.24
Interest expense on lease liabilities	1.34
Expense relating to leases of short-term / low value assets (included in other expenses)	16.71
Total amount recognised in statement of profit and loss	**20.29**

Amounts recognised in statement of cash flows:

Year ended March 31, 2020	(₹ In Crore)
Total cash outflow for leases	19.60
Financing activities	
Repayment of principal	1.55
Repayment of interest	1.34
Operating activities	
Short term / low value assets lease payment	16.71

Note-4 Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April'2018	3.30
Additions/Adjustments	3.89
Disposals/Adjustments	-
As at 31st March'2019	7.19
Additions/Adjustments	0.01
Disposals/Adjustments	-
As at 31st March'2020	7.20
Accumulated amortisation	
As at 1st April'2018	1.59
Charged for the year	0.54
On disposal	-
As at 31st March'2019	2.13
Charged for the year	1.28
On disposal	-
As at 31st March'2020	3.41
Net carrying amount	
As at 31st March'2019	5.06
As at 31st March'2020	3.79

Note-5 Non Current Investment

₹ In Crore (10 Million)

	As at 31st March 2020		As at 31st March 2019	
	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 Company Limited (₹ 10 each)	116,050,007	116.05	116,050,007	116.05
Associate- at cost				
Dwarkesh Energy Limited (₹ 10 each)	350,000	0.35	350,000	0.35
Others- fair value through profit and loss (FVTPL)				
V. S. Lignite Power Private Limited (₹ 10 each) #	4,396,136	-	4,396,136	-
Sungaze Power Private Limited (₹ 10 each)	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	47.00	6,600	43.70
Udaipur Cement Works Limited (6% cumulative redeemable preference shares) (₹ 100 each)	500,000	5.79	500,000	5.49
Associate				
Dwarkesh Energy Limited (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	1,100,000	11.90	1,100,000	10.66
Others				
V. S. Lignite Power Private Limited (0.01%) (₹ 10 each) #	3,899,777	-	3,899,777	-
Other investments in subsidiary				
Capital contribution on account of financial guarantee		20.33		17.27
		367.30		357.30
Aggregate carrying amount of quoted investment		128.88		128.88
Aggregate market value of quoted investment		170.32		322.35
Aggregate amount of unquoted investment		238.42		228.42

* Equity component of 5% 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 2020	As at 31st March 2019
Note-6 Loans		
Unsecured, Considered Good:		
Security Deposits	43.03	37.63
Loan to Related Parties	17.13	20.47
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	60.16	58.10
Note-7 Other Non Current Financial Assets		
Bank Deposits with original maturity for more than 12 months*	0.71	0.89
	0.71	0.89
* Under lien		
Note-8 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances	37.80	26.11
Deferred Expenditure	1.81	2.28
	39.61	28.39
Note-9 Inventories		
Raw Materials	20.17	13.37
Work -in -progress	87.78	32.43
Finished Goods	41.22	25.80
Stock-in -Trade	2.60	0.56
Stores and Spares (Including in transit ₹ 91.71 crore previous year ₹ 92.59 crore)	251.92	231.86
Packing Materials	9.15	7.68
	412.84	311.70

For hypothecation refer note 23

Note-10 Current Investment

₹ In Crore (10 Million)

	As at 31st March 2020		As at 31st March 2019	
	Numbers	Amount	Numbers	Amount
Investment in Non Convetible Debentures at FVTPL				
IIFL -DWFEC850-300719	-	-	3,000	34.91
IIFL -EWFEC850 - 120819	-	-	5,000	55.27
IIFL -GWFEC900-161020	2,472	26.33		
IIFL - IFRS02- MLD-2021	4,896	50.66		
IIFL - LWFEC850-MLD-2021	4,218	50.64		
Investment in mutual funds at FVTPL				
HDFC FMP 1161 D Feb 2016(1) Regular Gr. Series 35	-	-	25,000,000	33.06
HDFC FMP- 1190 d March 2016(1)- Regular Gr. Series 36	-	-	15,000,000	19.70
HDFC FMP- 1167 D Jan 2016(1) - Direct Gr.Series 35	-	-	10,000,000	12.83
Nippon India Fixed Horizon Fund - xxxi - Series 2 - Growth plan	-	-	25,000,000	31.59
DSP BlackRock FMP - Series 196 - 37M - Regular - growth	-	-	10,000,000	11.41
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	25,000,000	33.16	25,000,000	30.41
HDFC FMP - 1302 D Sept 2016 (1) - Regular Growth	25,000,000	33.10	25,000,000	30.34
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	25,000,000	33.16	25,000,000	30.41
Nippon India Fixed Horizon FD xxxii Sr4 Regular FMP - 19oct 2016 - Regular Growth	25,000,000	31.84	25,000,000	29.90
L&T FMP - SERIES XIV - SCHEME A - Regular Growth	25,000,000	30.08	25,000,000	29.35
Franklin India Low Duration Fund - Direct - Growth	-	-	5,950,621	13.19
Aditya BSL Saving Fund - Direct - Growth	1,376,315	55.17	-	-
Aditya BSL Low Duration Fund - Regular - Growth	128,628	6.22	-	-
SBI Magnum Low Duration Fund - Regular - Growth	23,891	6.22	-	-
ICICI Prudential Savings Fund - Regular - Growth	134,017	5.19	-	-
ICICI Prudential Ultra Short Term Fund - Direct - Growth	14,008,349	30.06	-	-
Axis Ultra Short Term Fund - Direct - Growth	22,135,647	25.11	-	-
		416.94		362.37
Aggregate book value of quoted investments		416.94		362.37
Aggregate market value of quoted investments		416.94		362.37
Aggregate book value of unquoted investments		-		-

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-11 Trade Receivables@		
Considered good - Secured	-	-
Considered good - Unsecured	88.22	106.57
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	3.92	3.12
Less :- Provision/Allowances for doubtful debts	(3.92)	(3.12)
	88.22	106.57
@ Contract Assets as Per IND AS 115		
Note-12 Cash and Cash Equivalents		
On Current Account	1.14	0.18
Cheques, Draft on hand/transit	0.25	1.58
Cash on hand	0.35	0.19
	1.74	1.95
Note-13 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	27.70	14.71
On Unpaid Dividend Accounts	2.00	1.37
	29.70	16.08
* Includes ₹ 4.39 crore (previous year ₹ 2.05 crore) under lien		
Note-14 Loans		
Unsecured, Considered Good:		
Loans to Related Party	43.33	3.33
	43.33	3.33
Note-15 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good - Unsecured	8.75	7.18
Credit Impaired	4.22	4.22
Less: Provision for doubtful	(4.22)	(4.22)
	8.75	7.18
Interest Receivable from Banks and others	3.18	2.13
Advances to Employees (Loans)	0.72	0.49
Marked to Market Gain	2.12	-
	14.77	9.80
Note-16 Other Current Assets		
Prepaid expenses	9.88	11.31
Balance with Govt. Authorities	62.41	69.70
Other Advances*	44.39	45.10
Deferred Expenditure	0.47	0.74
	117.15	126.85

*Includes advances to related party amounting of ₹ 8.60 crore (previous year Nil) Unsecured, Considered Good, otherwise stated.

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-17 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 :	31st March 2020	31st March 2019
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:	As at March 31, 2020	As at March 31, 2019
Shareholder name		
Bengal & Assam Company Limited	52,388,321	28,056,895
Florence Investech Limited	-	13,645,040
BMF Investment Limited	-	11,011,386
Franklin Templeton mutual fund	10,870,030	11,570,030

c. **Terms/ right attached to equity shareholders :**

i) The Company has only one class of equity shares having a par value of ₹ 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.

d. **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.

e. 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.

Note-18 Non Current Borrowings

₹ In Crore (10 Million)

	As at 31st March 2020 Non Current	As at 31st March 2020 Current*	As at 31st March 2019 Non Current	As at 31st March 2019 Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	149.34	91.60	240.46	111.60
Term Loans				
From Banks	877.13	178.93	981.05	171.02
From Government	33.36	-	21.62	-
	1,059.83	270.53	1,243.13	282.62
UNSECURED LOANS				
From Bank	-	-	-	-
Fixed Deposits	18.34	13.21	17.27	11.27
	18.34	13.21	17.27	11.27
Less:- Shown under Note No- 25		283.74		293.89
	1,078.17	-	1,260.40	-

* Due & payable within one year

1 Secured redeemable non-convertible debentures (NCDs) are privately placed and consists of :
   i) 9% NCDs of ₹ 16.60 crore are redeemable end of 8th year from the date of allotment, i.e. 20th July 2012.
   ii) 9.05% NCDs Series B of ₹ 75 crore are redeemable at the end of 4th year from the date of allotment i.e. 6th January 2017.
   iii) 9.15% NCDs Series C of ₹ 150 crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017.

2 All the NCDs are 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.

3 NCDs specified in 1 (i) is also additonally secured by way of mortgage on company's specified immovable property in the State of Gujarat in addition to security specified at Sl.No. 2 above.

4 Term Loans from Banks aggregating to ₹ 72.82 crore are 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.
   a) Term Loan of ₹ 19.69 crore is repayable in 9 equal quarterly installments.
   b) Term Loan of ₹ 53.13 crore is repayable in 17 equal quarterly installments .

5 Term Loan from a Bank of ₹ 16.25 crore & ₹ 35.00 crore are secured by way of an exclusive first charge on immovable & movable Fixed Assets of the Company's Cement Grinding Units in the State of Haryana. These Term Loans are repayable in 9 & 16 equal quarterly installments respectively.

6 Term Loan from a Bank of ₹ 16.25 crore is secured by way of an exclusive first charge on movable Fixed Assets of the Company's AAC Block Unit in the State of Haryana. This term loan is repayable in 13 equal quarterly installments.

7 Term Loan from a Bank of ₹ 21.25 Crore is secured by way of an exclusive first charge on immovable & movable Fixed Assets of the Company's 6 MW Solar Power Plant in the State of Rajasthan. This Term Loan is repayable in 17 equal quarterly installments.

8 Term Loan from a Bank of ₹ 135.04 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 24 unequal quarterly installments.

9 Term Loans from Banks aggregating to ₹ 575.00 crore are secured by way of first pari passu charge on all the immovable and movable Fixed Assets of the Company's Cement Plant in the State of Chattisgarh except change in the favour of banks on specified assets. These Term Loans from Banks are repayable in 23 equal quarterly installments.

10 Term Loan from a Bank of ₹ 90.96 crore is secured by way of an exclusive charge on movable Fixed Assets of the Company's 20 MW Thermal Power Plant at Durg, Chattishgarh. This Term Loan is repayable in 50 quarterly installments commencing from 30th June 2020.

11 Term Loan from a bank of ₹ 90.00 crore is secured/to be 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 56 equal quarterly installments commencing from 30th June 2020.

12 Interest Free Loan (IFL) from 'The Director of Industries & Commerce', Haryana of ₹ 50.96 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 date of respective disbursement dates during Financial Year 2018-19 & Financial Year 2019-20. The said IFL is recognised on amortised cost basis.

13 Fixed 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.

14 The above outstanding NCDs/Term loans are net of the processing charges as per IND AS 109

15 The Company has opted moratorium of Installment of various term loans aggregating to ₹ 44.50 crore due on 31st March, 2020 pursuant to RBI's COVID-19 Regulatory Package

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-19 Other Non Current Financial Liabilities		
Trade and other Deposits	142.00	131.69
Other Liabilities	43.12	26.67
Financial Obligation of Guarantee	20.33	17.27
Lease Liabilities	9.33	-
	214.78	175.63
Note-20 Non Current Provisions		
Provision for Employees' Benefits	11.41	10.85
	11.41	10.85
Note-21 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	428.06	390.11
Others	0.89	1.19
Less: Deferred Tax Assets		
Expenses / Provisions allowable	74.11	69.02
Unabsorbed Depreciation & Brought Forward Business Losses	83.79	157.29
Others	6.41	6.14
MAT Credit Entitlement	244.18	180.88
Deferred Tax (Net)	20.46	(22.03)
Note-22 Other Non-Current Liabilities		
Deferred Revenue*	12.32	13.25
Liability for Employees Subsidised Car Scheme	5.59	5.10
Govt. and other dues	163.43	157.29
	181.34	175.64
* Including on account Government Grant of ₹ 12.32 crore (Previous year ₹ 11.05 crore)		
Note-23 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	99.10	55.68
Unsecured Loans		
Fixed Deposits	5.71	2.90
	104.81	58.58

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)

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-24 Trade Payables		
Micro and Small Enterprises	7.51	6.01
Others	460.98	505.41
	468.49	511.42
Note-25 Other Current Financial Liabilities		
Current maturities of long-term debts (refer note-18)	283.74	293.89
Interest accrued but not due on borrowings	9.14	10.73
Unclaimed dividends #	2.00	1.37
Unclaimed matured public deposits and interest #	1.12	0.60
Capital creditors	24.37	31.63
Other liabilities	211.45	178.17
Lease liabilities	2.89	-
	534.71	516.39

Investor Education and Protection Fund will be credited as and when due.

	As at 31st March 2020	As at 31st March 2019
Note-26 Other Current Liabilities		
Advance from Customers @	79.70	61.97
Govt. and other dues	133.48	140.61
Deferred Revenue*	4.34	3.53
	217.52	206.11

@ Contract Liabilities as Per IND AS 115

* Including on account Government Grant of ₹ 4.34 crore
(Previous Year ₹ 3.07 crore)

	As at 31st March 2020	As at 31st March 2019
Note-27 Current Provisions		
Provision for Employees' Benefit	5.49	5.97
	5.49	5.97
Note-28 Current Tax Liabilities/(Assets) (Net)		
Provision for Taxation (Net of Taxes Paid)	(1.79)	11.77
	(1.79)	11.77

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-29 Revenue From Operations@		
Sale of products		
Cement *	3,542.62	3,355.08
Others	497.25	523.02
Other Operating Revenues	3.63	4.24
@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115	**4,043.50**	**3,882.34**
* Refer note 60		
Note-30 Other Income		
Interest Income	7.04	3.43
Profit on sale of*		
Non Current Investments	-	-
Current Investments	26.53	32.07
Profit/(loss) on Sale of Property Plant & Equipments (Net)	3.16	0.56
Other Non - Operating Income	13.35	21.10
	50.08	**57.16**
* Inclusive of fair value gain of ₹16.56 crore (Previous year gain of ₹ 13.14 crore)		
Note-31 Cost of Material Consumed		
Raw Material Consumed	611.35	563.95
	611.35	**563.95**
Note-32 Purchse of Stock - in - Trade		
Purchase of Traded goods	312.01	169.79
	312.01	**169.79**
Note-33 Change In Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening stocks		
Stock-in-progress	32.43	113.80
Finished goods	25.80	28.37
Stock-in-trade	0.56	0.55
	58.79	142.72
Closing stocks		
Stock-in-progress	87.78	32.43
Finished goods	41.22	25.80
Stock-in-trade	2.60	0.56
	131.60	58.79
Less : Inventory manufactured during pre-operative period	(0.78)	-
	(72.03)	83.93

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-34 Employee Benefit Expense		
Salaries and wages	264.16	225.31
Contribution to provident and other funds	19.01	15.78
Staff welfare expenses	28.79	27.92
	311.96	269.01
Note-35 Finance Cost		
Interest expenses* #	161.40	186.70
Other borrowing cost	3.02	1.64
	164.42	188.34
* Refer note 60		
#net of finance cost capitalised refer note 50		
Note-36 Depreciation and Amortization Expense		
Depreciation on Property, Plant and Equipment	184.83	178.85
Amortisation on Intangible Assets	1.28	0.54
Amortisation on ROU Assets	2.24	-
	188.35	179.39
Note-37 Other Expenses		
Consumption of stores and spares*	122.55	105.84
Consumption of packing materials	132.35	151.03
Power & fuel	843.85	919.81
Rent (net of realisation ₹ 0.84 crore, previous year ₹ 0.80 crore)	16.71	17.15
Repairs to buildings	6.22	6.89
Repairs to machinery	45.24	42.95
Insurance	3.57	3.12
Rates and taxes	8.89	2.66
Transport, clearing and forwarding charges	817.57	953.33
Commission on sales	49.86	51.55
Directors' fee & commission	0.85	0.67
Provision for doubtful debts	0.79	1.07
Advertisement, travelling, consultancy & misc. expenses etc.#	159.38	124.59
	2,207.83	2,380.66
* Refer note 60 # Refer note 61		
Note-38 Earning Per Equity Share		
Profit after tax (₹)	235.23	79.55
Weighted average number of equity shares outstanding (No.)	117,670,066	117,670,066
Basic earnings per equity share (₹): (face value of ₹ 5 each)	19.99	6.76
Diluted earnings per equity share (₹): (face value of ₹ 5 each)	19.99	6.76

JK Lakshmi Cement Limited
Notes Accompanying the Financial Statement

Note-39 Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the board of Directors. 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.

39.1 **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.

<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 Company's profit/(loss)before tax due to changes in foreign exchange rate :

₹ in Crore (10 Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Appreciation in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on profit / (loss) before tax	(0.32)	(0.57)
Depreciation in USD	- ₹ 0.25	- ₹ 0.25
Effect on profit / (loss) before tax	0.32	0.57

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 31st March, 2020	As at 31st March, 2019
1	**Loans in Rupees**		
	- Fixed Rate	278.20	383.50
	- Floating Rate	1155.16	1207.75
	- Interest Free	33.36	21.62
	Total	1466.72	1612.87
2	**Loans in US $**		
	- Fixed Rate	-	-
	- Floating Rate	-	-
	Total	-	-
3	Grand Total (1+2)	1466.72	1612.87

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 31st March 2020	As at 31st March 2019
Increase in Interest in Basis Points	+ 25	+ 25
Effect on Profit/(loss)Before Tax	(3.39)	(3.02)
Decrease in Interest in Basis Points	- 25	- 25
Effect on Profit/(loss)Before Tax	3.39	3.02

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.

39.2 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.

The Aging of Trade Receivables are as below:-

₹ in Crore (10 Million)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
As at 31st March'2020					
Secured	-	-	-	-	-
Unsecured	36.84	44.86	3.08	7.36	92.14
Gross Total	**36.84**	**44.86**	**3.08**	**7.36**	**92.14**
Provision for Doubtful	-	-	-	(3.92)	(3.92)
Net Total	**36.84**	**44.86**	**3.08**	**3.44**	**88.22**
As at 31st March'2019					
Secured	-	-	-	-	-
Unsecured	75.68	28.08	1.22	4.71	109.69
Total	**75.68**	**28.08**	**1.22**	**4.71**	**109.69**
Provision for Doubtful	-	-	-	(3.12)	(3.12)
Net Total	**75.68**	**28.08**	**1.22**	**1.59**	**106.57**

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.

39.3 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	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	As on 31st March, 2020					
	- Borrowings	1466.72	388.55	854.38	223.79	1466.72
	- Trade Payables	468.49	468.49	-	-	468.49
	- Other Liabilities	433.22	248.08	8.16	176.98	433.22
	- Lease Liabilities	12.22	2.89	9.33	-	12.22
	Total	**2380.65**	**1108.01**	**871.87**	**400.77**	**2380.65**
	As on 31st March, 2019					
	- Borrowings	1612.87	352.47	955.50	304.90	1612.87
	- Trade Payables	511.42	511.42	-	-	511.42
	- Other Liabilities	380.86	224.54	8.16	148.16	380.86
	Total	**2505.15**	**1088.43**	**963.66**	**453.06**	**2505.15**

Note-40 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 31st March 2020	As at 31st March 2019
Borrowings	1466.72	1612.87
Less: Cash and Cash equivalents (Including Current Investments & other bank balances)	448.38	380.40
Net Debt	**1018.34**	**1232.47**
Equity Share Capital	58.85	58.85
Other Equity	1653.83	1463.82
Total Capital	**1712.68**	**1522.67**
Capital and Net Debt	**2731.02**	**2755.14**
Gearing ratio	37.29%	44.73%

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.

Note-41 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	As at 31st March 2020		As at 31st March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss				
(a) Investments				
- Equity Shares	2.10	2.10	-	-
- Mutual Funds	289.31	289.31	272.19	272.19
- NCD's & others	127.63	127.63	90.18	90.18
- Preference Shares*	99.59	99.59	94.75	94.75
(b) Financial Guarantee	20.33	20.33	17.27	17.27
Total (i)	**538.96**	**538.96**	**474.39**	**474.39**
(ii) At Amortized Cost				
a) Bank FDs	28.41	28.41	15.60	15.60
b) Cash & Bank Balances	3.74	3.74	3.32	3.32
c) Trade Receivables	88.22	88.22	106.57	106.57
d) Loans	103.49	103.49	61.43	61.43
e) Others	14.77	14.77	9.80	9.80
Total (ii)	**238.63**	**238.63**	**196.72**	**196.72**
Total (A)	**777.59**	**777.59**	**671.11**	**671.11**
B. Financial Liabilities				
(i) At FVTPL				
- Financial Guarantee	20.33	20.33	17.27	17.27
(ii) At Amortized Cost				
- Borrowings	1466.72	1466.13	1612.87	1612.87
- Trade Payables	468.49	468.49	511.42	511.42
- Other Financial Liabilities	433.22	433.22	380.86	380.86
Total (ii)	**2388.76**	**2388.76**	**2505.15**	**2505.15**
	2388.76	**2388.76**	**2522.42**	**2522.42**

* 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 counter party 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
<u>As at 31st March'2020</u>			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	99.59	-
- Mutual Funds	289.31	-	-
- NCD and Others	-	127.63	-
- Financial Guarantee	-	-	20.33
Financial Assets at Amortized Cost			
- Bank FDs	-	28.41	-
- Cash & Bank Balances	-	3.74	-
- Trade Receivable	-	-	88.22
- Loans	-	-	103.49
- Others	-	-	14.77
Total Financial Assets	**289.31**	**259.37**	**228.91**
<u>As at 31st March'2019</u>			
Financial Assets at FVTPL			
- Unquoted Preference Shares	-	94.75	-
- Mutual Funds	272.19	-	-
- NCD and Others	-	90.18	-
- Financial Guarantee	-	-	17.27
Financial Assets at Amortized Cost			
- Bank FDs	-	15.60	-
- Cash & Bank Balances	-	3.32	-
- Trade Receivable	-	-	106.57
- Loans	-	-	61.43
- Others	-	-	9.80
Total Financial Assets	**272.19**	**203.85**	**195.07**

(B) Financial Liabilities

Particulars	Level 1	Level 2	Level 3
As at 31st March'2020			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	20.33
Financial Liabilities at Amortized Cost			
- Borrowings	-	1466.72	-
- Trade Payables	-	-	468.49
- Other Financial Liabilities			433.22
Total Financial Liabilities	**-**	**1466.72**	**922.04**
As at 31st March'2019			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	17.27
Financial Liabilities at Amortized Cost			
- Borrowings	-	1612.87	-
- Trade Payables	-	-	511.42
- Other Financial Liabilities	-	-	380.86
Total Financial Liabilities	**-**	**1612.87**	**909.55**

Note-42 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 directorof the Company (Chief Operating Decision Maker).

Note-43 Derivative Financial Instruments:

The Company uses foreign currency forward contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

₹ in Crore (10 Million)

Particulars	As at 31st March 2020	As at 31st March 2019
Assets		
Forward Contracts	-	-
Liabilities		
Forward Contracts	33.68	201.19

Forward Contract:

The Company has foreign currency purchase forward contract to offset the risk of currency fluctuations. These contracts are for settlement of operational payables:

Note-44 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 2020	As at 31st March 19
Opening	16.78	3.12
Deferred during the year	6.38	15.34
Released to profit and loss	(6.50)	(1.68)
Closing	16.66	16.78
Current	4.34	3.53
Non-Current	12.32	13.25

Note-45 Income Tax Expense:

i. Amount recognized in Statement of Profit and Loss :-

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
A. Current Tax		
Current Tax	63.13	27.21
Adjustments in respect of current income tax of previous year	(1.91)	-
Total A	61.22	27.21
B. Deferred Tax		
Relating to origination and reversal of temporary difference	105.32	24.87
MAT Credit Entitlements	(62.31)	(27.21)
Total Deferred Tax Assets (net)	43.01	(2.34)
Total Tax Expense (A + B)	104.23	24.87

ii. Deferred Tax recognized in Other Comprehensive Income (OCI):

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Deferred Tax (Gain)/Loss on Defined Benefit	0.47	0.29

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Accounting Profit/(Loss) before income tax	339.46	104.43
At applicable Statutory Income Tax Rate	34.944%	34.944%
Computed Income Tax Expense/(Income)	118.62	36.49
Increase/(Reduction) in taxes on account of:		
Income not taxable	(9.15)	(10.16)
R & D u/s- 35(2AB) of Income Tax	(0.70)	(0.70)
Deferred Tax related to Property, Plant & Equipment & Others	(5.56)	(2.52)
Previous year tax adjustments	(1.91)	-
Tax on which deduction is not admissible	2.93	1.41
Tax Rate Change	-	0.35
Income Tax Expense/(Income) Reported to Profit & Loss	104.23	24.87

iv. Reconciliation of Deferred Tax (liabilities)/Assets (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2020	As at 31st March 2019
Opening Balance	22.03	19.98
Deferred Tax recognized in Statement of Profit and Loss	(43.01)	2.34
Other Comprehensive Income	(0.47)	(0.29)
Previous Year Adjustment	0.99	-
Closing Balance	(20.46)	22.03

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Deferred Tax Assets Related to		
Brought Forward Losses Setoff	(71.00)	(23.08)
Disallowances / Allowances Under Income Tax	5.10	(0.31)
Others	(0.84)	(0.35)
MAT Credit Entitlement	63.13	27.21
Total Deferred Tax Assets	(3.61)	3.47

v. Deferred Tax: (Continue)

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Deferred Tax Liabilities Related to :-		
Property, Plant and Equipment	(43.90)	(1.76)
Others	4.03	0.34
Total Deferred Tax Liabilities	(39.87)	(1.42)
Net Total Movement in Statement of Profit & Loss	(43.48)	2.05
Movement in Profit & Loss	(43.01)	2.34
Movement in OCI	(0.47)	(0.29)

Note-46 Dividends

The following dividends were declared and paid by the Company during the year

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
For the year ended 31st March'2019 – 15% i.e. ₹ 0.75 per equity share, (31st March'2018 – 15% i.e. ₹ 0.75 per equity share)	8.83	8.83
Dividend distribution tax thereon	1.81	1.80
Interim Dividend*		
For the year ended 31st March'2020 – 50% i.e. ₹ 2.50 per equity share,	29.42	
Dividend distribution tax thereon	6.04	
Total	46.10	10.63

*During the year ended March 31, 2020, the Board of Directors have declared an interim dividend of ₹ 2.50 per share (50%) at their Board Meeting held on March 13th 2020 (previous year nil).

Note-47 Detail of Expenditure on Research and Development (R & D) activities during the year

₹ in Crore (10 Million)

S.No.	Particulars	2019-20	2018-19
A	Revenue Expenditures		
	Employee Cost	5.76	5.51
	Cost of Material and Testing Charges	0.41	0.22
	Other R & D Expenses	0.36	0.50
B	**Total Revenue Expenditure**	**6.53**	**6.23**
C	**Capital Expenditures**	**0.55**	**0.01**
D	**Total Expenditures (B+C)**	**7.08**	**6.24**

Note-48 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2019-20	2018-19
A	**Statutory Auditor**		
	Audit Fee	0.18	0.16
	For Taxation Matters	0.03	0.03
	For other Services	0.11	0.12
	Reimbursement of Expenses	0.03	0.01
B	**Total (A)**	**0.35**	**0.32**
C	**Cost Auditors**		
	Audit Fee	0.01	0.01

Note-49 Retirement Benefit Obligations

A Expenses Recognised for Defined Contribution Plan

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Company's contribution to provident fund	13.86	11.89
Company's contribution to ESI	0.38	0.40
Company's contribution to superannuation fund	1.23	1.40
Total	15.47	13.69

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, 2020 and March 31, 2019, 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'18	59.47	12.20
Current service cost	3.16	1.52
Interest cost	4.16	0.85
Benefits paid	(4.91)	(2.80)
Remeasurement - actuarial loss / (gain)	(0.06)	0.34
Present value of obligation as on 31st March'19	61.82	12.11
Current service cost	3.47	1.57
Interest cost	4.33	0.85
Benefits paid	(4.84)	(2.88)
Remeasurement - actuarial loss / (gain)	0.17	1.45
Present value of obligation as on 31st March'20	64.95	13.10

ii Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Fair value of plan assets at beginning of year	60.89	55.27
Acquisitions / Transfer in /Transfer out	-	-
Expected return on plan assets	4.26	3.86
Employer contributions	4.84	5.91
Benefit paid	(4.84)	(4.91)
Actuarial gain / (loss)	1.52	0.76
Fair value of plan assets at end of year	66.67	60.89
Present value of obligation	64.95	61.82
Net funded status of plan	1.72	(0.93)
Actual return on plan assets	5.78	4.64

iii Expenses recognised in Statement of profit and loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service cost	3.16	1.52
Interest cost	4.16	0.85
Expected return plan assets	(3.87)	-
Remeasurement - actuarial loss / (gain)	-	0.34
For the year ended 31st March'19	3.45	2.71
Actual return on plan assets	4.64	-
Current service cost	3.47	1.57
Interest cost	4.33	0.85
Expected return plan assets	(4.26)	-
Remeasurement - actuarial loss / (gain)	-	1.45
For the year ended 31st March'20	3.54	3.87
Actual return on plan assets	5.78	-

iv Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(0.83)
For the year ended 31st March'19	
Remeasurement - Actuarial loss/(gain)	(1.35)
For the year ended 31st March'20	

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 20	As at 31st March 19
Attrition rate		
Discount rate	6.50%	7.00%
Expected rate of increse in salary	5.00%	5.00%
Expected rate of return on plan assets	7.00%	7.00%
Mortality rate	100% of IALM (2012-14)	100% of IALM (2006-08)
Expected average remaining working lives of employees (years)	15.44	15.23

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'19		
Discount rate	0.50%	(1.13)
	-0.50%	1.22
Salary growth rate	0.50%	1.24
	-0.50%	(1.16)
For the year ended 31st March'20		
Discount rate	0.50%	(1.30)
	-0.50%	1.41
Salary growth rate	0.50%	1.42
	-0.50%	(1.33)
Leave Encashment :-		
For the year ended 31st March'19		
Discount rate	0.50%	(0.44)
	-0.50%	0.48
Salary growth rate	0.50%	0.49
	-0.50%	(0.45)
For the year ended 31st March'20		
Discount rate	0.50%	(0.52)
	-0.50%	0.57
Salary growth rate	0.50%	0.57
	-0.50%	(0.53)

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'2019	
Plan Liabilities - Loss/(Gain)	(0.06)
Plan Assets - Gain/(Loss)	0.77
For the year ended 31st March'2020	
Plan Liabilities - Loss/(Gain)	0.17
Plan Assets - Gain/(Loss)	1.52

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2020 - March'2021	32.82	4.21
April'2021 - March'2022	4.76	0.75
April'2022 - March'2023	3.34	0.53
April'2023 - March'2024	2.30	0.36
April'2024 - March'2025	2.87	0.54
April'2025 - March'2026	1.72	0.03
April'2026 onwards	17.15	6.41

viii Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Gratuity	2.19	2.63
Leave Encashment	3.87	2.72
Superannuation	1.23	1.40

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'2019		
Current	0.93	4.04
Non Current	-	8.07
For the year ended 31st March'2020		
Current	(1.72)	4.22
Non Current	-	8.89

x Employee benefit expense

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Salary and wages	264.16	225.32
Costs-defined benefit plan	3.54	2.08
Costs-defined contribution plan	15.47	13.69
Welfare expense	28.79	27.92
Total	**311.96**	**269.01**

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)

	2019-20	2018-19
Raw material consumption	1.79	-
Stores & spares consumption	2.99	-
Power & fuel	0.98	-
Salaries and wages	2.47	3.66
Contribution to provident and other funds	0.08	0.10
Staff welfare expenses	0.19	0.29
Insurance	0.14	0.11
Rates and taxes	-	0.14
Transport ,clearing and forwarding charges	2.51	-
Rent	0.51	-
Travelling, consultancy & miscellaneous expenses	5.65	0.85
Finance costs	9.37	9.93
	26.68	15.08
Less: Sale	2.82	-
Increase in stock	0.79	-
	23.07	15.08
Add: Expenditure upto previous year	72.04	56.96
Less: Charged to exceptional Item	30.23	-
Less: Transferred to property, plant & equipment (includes interest ₹ 22.01 crore previous year nil).	50.49	-
	14.39	72.04

Note-51 Expenses charged to raw material (limestone) account includes:

₹ in Crore (10 Million)

	2019-20	2018-19
Salaries & wages	5.11	4.83
Contribution to provident and other funds	0.37	0.33
Employees' welfare expenses	0.87	0.84
Consumption of stores and spares	31.49	28.78
Power & fuel	7.33	7.59
Repairs to machinery	4.93	3.88
Material handing	85.32	89.03
Insurance	0.10	0.13
Rates and taxes	24.58	23.88
Royalty	77.19	78.54
Miscellaneous expenses	0.65	0.91
Total	237.94	238.74

Note-52 Related Party Disclosure

List of Related Parties :

a) Direct and Indirect Subsidiary

Hansdeep Industries & Trading Co. Ltd. (HITCL)

Udaipur Cement Works Ltd.(UCWL)

Ram Kanta Properties Private Ltd.(RKPPL)

b) Associates

Dwarkesh Energy Ltd.(DEL)

c) Key Management Personnels (KMPs)

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director
Shri B.V. Bhargava	Independent & Non Executive Director
Ms. Bhaswati Mukherjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Pradeep Dinodia **(Ceased to be director w.e.f. 31st August'2019)**	Independent & Non Executive Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	Sr. VP & Company Secretary

d) Enterprise which holds more than 20% of Equity share

Bengal & Assam Company Ltd. (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 :

i) ₹ in Crore (10 Million)

Nature of Transactions	Refer name from above										
	UCWL	HITCL	RKPPL	DEL	BACL	Trusts	UCWL	HITCL	DEL	BACL	Trusts
	2019-20						2018-19				
- Sharing of expenses received	3.84	0.68	0.21	-	0.07	-	8.24	0.67	-	0.07	-
- Payment of expenses	-	-	-	-	2.17	-	-	-	-	1.21	-
- Sale of clinker/cement/others	230.18	23.25	-	-	-	-	135.92	67.87	-	-	-
- Purchase of cement/others	177.26	65.63	-	-	-	-	8.83	64.10	-	-	-
- Other income	2.19	-	-	-	2.30	-	0.68	-	-	-	-
- ICD given	-	-	-	-	40.00	-	-	-	-	-	-
- Advances received back	-	-	-	-	3.33	-	-	-	-	3.33	-
- Contribution	-	-		-	-	8.59	-	-	-	-	9.86
- Dividend Paid					17.02					2.10	-
- Corporate guarantee given on behalf of	100.00	-					220.00	-			
Outstanding as at year end:											
- Receivable/(Payable) :	6.61	0.37	-	-	-	-	-	(2.59)	-	0.53	
Loan receivable /(payable)	10.00				56.67	-	10.00			20.00	
EPF	-	-	-	-		(0.80)	-	-	-		(0.67)
SF						(1.18)					(0.89)
GF						1.72					(0.93)
- Corporate Guarantee Outstanding	316.27	256.28	-				270.00	455.00			

ii) **Remuneration Paid to KMPs**

Particulars	2019-20	2018-19
Short term employee benefits	39.81	20.34
Post employment benefits*	-	-
Other payments	0.85	0.67
Receivable / (Payable)	(18.14)	(1.66)

* 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-53 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 82.53 crore (previous year ₹ 65.45 crore) Other commitment Nil (Previous year Nil)

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 2020	31st March 2019
a) Service tax	10.22	2.85
b) Sale tax and interest	149.56	129.08
c) Income tax	6.09	6.09
c) Excise duty @	1.83	-
e) Other matters	12.48	15.23
Total	180.18	153.25

@ excluding show cause notices of nil (previous year ₹ 148.65 crore).

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 an amount of ₹ 2.00 crore had been provided in the books during financial year 2017-18 and balance ₹ 4.55 crore in current financial year.

Note-58 Maximum balance due for commercial paper issued during the year was Nil and the year end balance is Nil (previous year maximum balance ₹ 375.00 crore and at the year end is Nil).

Note-59 Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated April 28, 2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. April 01, 2006. During the FY 2014-15 the Company had received demand notices for repayment of the principal amount in respect of sales tax exemption, sales tax deferment and interest thereon. The principal amount of sales tax exemption and sales tax deferment has since been paid in earlier years. The Rajasthan tax board Ajmer in its order dated March 14, 2018 has set aside the entire demand of interest upto the period of demand notice.

The department has appealed before Hon'ble High Court of Jodhpur against the order of Rajasthan tax board, Ajmer for interest portion and Company has appealed against the Principal amount before Hon'ble High of Jodhpur.

Note-60 a) Sales include own consumption at cost ₹ 0.39 crore (previous years ₹ 2.21 crore).

b) Consumption of stores and spares is net of scrap sale ₹ 6.38 crore (previous year ₹ 6.01 crore).

c) Interest expenses include ₹ 4.55 crore (previous year ₹ 8.62 crore) being interest on entry tax.

Note-61 a) Other-non-operating income includes receipts from aircraft flying Nil (previous year ₹ 1.44 crore) net of expenses of ₹ 2.87 crore (previous year ₹ 7.50 crore).

b) Miscellaneous expenses include, contribution of ₹ 1.50 crore (previous year ₹ 0.50 crore) made to a political party/electoral board as prescribed u/s 182 of the Companies Act, 2013.

c) Disclosure in respect of Corporate Social Responsibility Expenditure:

CSR expenses amounting to ₹ 1.81 crore (previous year ₹ 1.22 crore), required to spend ₹ 172.05 (previous year ₹ 83.48)

d) foreign exchange fluctuation of loss (net) ₹ 3.07 crore (previous year gain (net) ₹ 1.33 crore).

Note-62 a) Forward contracts of ₹ 33.68 crore – USD 4.68 Million (previous year ₹ 166.57 crore – USD 22.77 Mn.) taken for the purpose of hedging of supplier's credit and ₹ nil (previous year ₹ 34.21 crore -USD 4.70 Million and ₹ 0.41 crore – GBP 0.04 Million)) against letter of credit.

b) Un-hedged ₹ 90.20 crore – USD 11.96 Million (previous year Nil) against supplier's credit and ₹ 6.72 crore – EURO 0.81 Million (Previous year ₹ 34.21 crore- USD 4.70 Million and ₹ 0.41 crore - GBP 0.04 Million) against letter of credit outstanding as at March 31, 2020.

Note-63 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)

		2019-20	2018-19
I.	Principal and Interest amount due and remaining unpaid as at 31st March 2020.	7.51	6.01
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 2020 Nil (previous year - Nil)		

Note-64 Udaipur Cement Works Limited (UCWL), a 72.54% subsidiary of the Company has completed its revival & rehabilitation scheme in March 2017

The Company has given corporate guarantee to the trustees of NCDs of ₹ 525.00 crore (Outstanding as on March 31, 2020 of ₹ 256.28 crore) issued on private placement basis by its wholly owned subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of the said NCDs issued by HITCL have been utilized for part financing UCWL's revival & rehabilitation project. The Company has received a counter indemnity from UCWL in consideration of the Company having given corporate guarantee for the NCDs of ₹ 525.00 crore (Outstanding as on March 31, 2020 is ₹ 256.28 crore), raised by HITCL for onward lending to UCWL.

In addition, the Company has given corporate guarantee to banks for collaterally securing

- The term loans aggregating to ₹ 268.72 crore (o/s. as on 31.3.2020 is ₹ 266.47 crore) (previous year : ₹ 70.00 crore – outstanding ₹ 70.00 crore) granted by the banks to UCWL and
- The working capital facility of ₹ 50.00 crore (previous year : ₹ 50.00 crore) granted by bank to UCWL.
- The Company has received a counter indemnity from UCWL for

(i) ₹ 295 crore in consideration of the Company having given corporate guarantee to bankers of UCWL for term loans of ₹ 268.72 crore (o/s ₹ 266.27 crore) & the balance corporate guarantee is yet to be utilised.

(ii) ₹ 50.00 crore in consideration of the Company having given corporate guarantee to bank of UCWL for working capital borrowing of ₹ 50.00 crore.

Note-65 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 ₹ 16.67 crore (including ₹ 3.33 crore receivable within one year) (previous year ₹ 20.01 crore) (maximum balance due ₹ 20.01 crore, previous year ₹ 23.34 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 ₹ 10 crore (previous year ₹ 10 crore). Maximum balance outstanding during the year is ₹ 10 crore. ICD given to Bengal & Assam Company Limited is ₹ 40 crore (previous year Nil) Maximum balance outstanding during the year is ₹ 40 crore (previous year nil)

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 52

Note-66 During the year the Company has received subsidy of ₹ 0.22 crore (previous year ₹ 0.22 crore) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

Note-67 The operations & the financial results of the Company during the year ended March 31, 2020 were marginally impacted due to the shutdown of the Company's plants under the lockdown announced by the State/Central government after the outbreak of COVID-19 pandemic in March 2020.The Company has since resumed its operations at various plants in a phased manner since April, 2020 conforming to the guidelines of the government. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection of the employees would continue to be followed.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statement.

Note-68 During the year, the Company acquired 35% holding (at a cost of ₹ 2.10 crore) in M/s. Sungaze Power Private Limited (SPPL) which is setting up a 6.50 MW solar power plant under captive power plant 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-69 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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
} Directors

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2020

₹ In Crore (10 Million)

	Year ended March 31, 2020		Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Exceptional Items	369.69		104.43	
Adjustments for:				
Depreciation and Amortization Expense (net)	188.35		179.39	
Interest & Dividend Income	(7.04)		(3.43)	
Profit on sale of Assets (Net)	(3.16)		(0.56)	
Profit on sale of Current Investments (net)	(42.89)		(18.93)	
(Gain) / Loss on Fair Valuation of Current Investment	16.37		(13.14)	
Finance Costs	164.42		188.34	
Provision for Doubtful Debts	0.79		1.07	
Foreign Exchange Difference (net)	(3.35)		0.60	
Exceptional Items	(30.23)		-	
Operating Profit before Working Capital changes	652.95		437.77	
Adjustments for:				
Trade and Other Receivables	21.93		(7.07)	
Inventories	(101.14)		5.33	
Trade and Other Payables	43.28		271.53	
Cash generated from Operations	617.02		707.56	
Income Tax Payments (Net)	(75.77)		(18.11)	
Net Cash from Operating Activities		541.25		689.45
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Intangible Assets	(92.36)		(190.62)	
Sale of Property, Plant and Equipment and Intangible Assets	5.84		1.80	
(Purchase) / Sale of Investments (net)	(38.05)		106.53	
ICD Given	(40.00)		-	
Interest Received	5.99		3.81	
Net Cash from / (used in) Investing Activities		(158.58)		(78.48)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long-term Borrowings	45.51		186.16	
Repayment of Long-term Borrowings	(238.60)		(225.22)	
Repayment of Lease Obligation - Principal	(1.55)		-	
Repayment of Lease Obligation - Interest	(1.34)		-	
Short-term borrowings (net)	46.23		(354.38)	
Interest paid	(174.04)		(199.97)	
Dividend paid (including Dividend Distribution Tax)	(45.47)		(11.12)	
Net Cash from / (used in) Financing Activities		(369.26)		(604.53)

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2020

₹ In Crore (10 Million)

		Year ended March 31, 2020		Year ended March 31, 2019
D. Increase / (Decrease) in Cash and Cash Equivalents		13.41		6.44
E. Cash and Cash Equivalents as at the beginning of the year		18.03		11.59
F. Cash and Cash Equivalents as at the close of the year (Note 12 & 13)		31.44		18.03

Notes:

1. Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
Opening	1554.29	58.58	1607.47	412.96
Cash Flow Changes				
Inflow / (Repayments)	(193.09)	46.23	(39.06)	(354.38)
Non - Cash Flow Changes				
Others	0.71	-	(14.12)	-
Closing	**1361.91**	**104.81**	**1554.29**	**58.58**

2. 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.
3. 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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

$\left.\begin{array}{l}\text{B.V. BHARGAVA}\\\text{BHASWATI MUKHERJEE}\\\text{Dr. KASHI NATH MEMANI}\\\text{N.G. KHAITAN}\\\text{RAVI JHUNJHUNWALA}\\\text{Dr. R.P. SINGHANIA}\\\text{Dr. S. CHOUKSEY}\\\text{S.K WALI}\end{array}\right\}$ Directors

INDEPENDENT AUDITOR'S 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, 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, 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 as at March 31, 2020, its consolidated profit, consolidated total comprehensive income, 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.

Emphasis of Matter

We draw attention to Note 67 to the consolidated financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and financial results as assessed by the management. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

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, 2020. 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")	**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 presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year 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: For recognition of revenue: • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" • On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. • 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. For Recognition of discount, incentive and rebates • 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, 2020 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 2020. • 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 Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, 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 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.

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, 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 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 standalone/ 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 Rs. 1326 crore as at March 31, 2020; as well as the total revenue of Rs.

816 crore for the year ended March 31, 2020, total profit after tax of Rs. 18 crore, total comprehensive income of Rs. 17 crore and net cash flow amounting to Rs. 0 crore for the year ended March 31, 2020, 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, 2020 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 income of Rs. 0 crore for the year ended March 31, 2020 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, 2020 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 auditors.

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

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 (including other comprehensive income), 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;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 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, 2020 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 A" 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, 2020 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;

i. The consolidated financial statement discloses the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group and an associate -Refer Note 52, 53, 54, 55 and 57 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.

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 87294

Place: New Delhi
Date: May 20, 2020
UDIN: 20087294AAAACF7927

Annexure A to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 20, 2020 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, 2020, 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 all 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 companies 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 modified 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, 2020, 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 subsidiaries 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 qualified in respect of above matters.

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 87294

Place: New Delhi
Date: May 20, 2020
UDIN: 20087294AAAACF7927

JK Lakshmi Cement Limited
Consolidated Balance Sheet as at 31st March 2020

₹ In Crore (10 Million)

		Note No.	As at 31st March 2020	As at 31st March 2019
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	3,497.04	3,372.80
	(b) Capital work-in-progress	2A	166.22	416.59
	(c) Investment Property	3	0.59	0.64
	(d) Right-of-Use Assets	3A	11.52	-
	(e) Goodwill	4	72.32	72.32
	(f) Other Intangible Assets	4A	3.85	5.15
	(g) Investment in an Associate	5	12.03	10.81
	(h) Financial Assets			
	(i) Investments	5	2.10	-
	(ii) Loans	6	59.18	54.62
	(iii) Others	7	0.78	1.16
	(i) Deferred Tax Assets (Net)	8	38.95	93.08
	(j) Other Non-Current Assets	9	42.51	28.48
			3,907.09	4,055.65
(2)	**Current Assets**			
	(a) Inventories	10	480.56	352.23
	(b) Financial Assets			
	(i) Investments	11	443.55	366.54
	(ii) Trade Receivables	12	95.92	109.80
	(iii) Cash and Cash Equivalents	13	3.05	2.85
	(iv) Bank Balance other than (iii) above	14	29.70	16.58
	(v) Loans	15	43.33	3.33
	(vi) Others	16	15.24	10.22
	(c) Current Tax Assets (Net)	17	3.15	1.03
	(d) Other Current Assets	18	141.21	147.40
			1,255.71	1,009.98
	TOTAL ASSETS		5,162.80	5,065.63
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	19	58.85	58.85
	(b) Other Equity		1,628.09	1,425.73
			1,686.94	1,484.58
	Non Controlling Interest		(2.87)	(7.60)
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	1,364.13	1,666.50
	(ii) Other Financial Liabilities	21	217.25	180.63
	(b) Provisions	22	13.60	12.47
	(c) Other Non-Current Liabilities	23	181.69	175.89
			1,776.67	2,035.49
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	24	104.91	61.86
	(ii) Trade Payables	25		
	Micro and Small Enterprises		8.07	6.01
	Others		502.10	538.79
	(iii) Other Financial Liabilities	26	836.36	691.94
	(b) Other Current Liabilities	27	243.76	236.31
	(c) Provisions	28	6.86	6.48
	(d) Current Tax Liabilities (Net)	29	-	11.77
			1,702.06	1,553.16
	TOTAL EQUITY AND LIABILITIES		5,162.80	5,065.63

Significant Accounting Policies — 1
The accompanying notes form an integral part of these financial statement. — 2-69

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President & Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
} Directors

JK Lakshmi Cement Limited
Consolidated Statement of Profit and Loss
For the year ended 31st March 2020

₹ In Crore (10 Million)

		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	Revenue from Operations	30	4,364.07	4,316.31
II.	Other Income	31	45.99	55.35
III.	**Total Income (I+II)**		4,410.06	4,371.66
IV.	**Expenses:**			
	Cost of Materials Consumed	32	619.03	644.22
	Purchases of Stock-in-Trade	33	247.82	130.12
	Change in inventories of finished goods, work-in-progress and traded goods	34	(86.85)	95.76
	Employee Benefits Expense	35	343.03	299.29
	Finance Costs	36	224.97	252.77
	Depreciation and Amortization Expense (Net)	37	219.82	211.02
	Other Expenses	38	2,442.99	2,693.31
	Total Expenses (IV)		4,010.81	4,326.49
V.	**Profit before Exceptional Items and Tax (III-IV)**		399.25	45.17
VI.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.03)	(0.04)
VII.	Exceptional Items- Gain /(Loss)		(30.23)	3.70
VIII.	**Profit before Tax (V+VI-VII)**		368.99	48.83
IX.	**Tax Expense**			
	(1) Current Tax		63.13	27.28
	(2) Deferred Tax		54.80	(19.28)
	(3) Tax Adjustments for Earlier Years		(1.88)	0.21
	Total Tax Expense (IX)		116.05	8.21
X.	**Profit for the Year**		252.94	40.62
XI.	**Profit for the Year attributable to**			
	Owners of the Parent		248.04	51.25
	Non Controlling Interest		4.90	(10.63)
			252.94	40.62
XII.	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss in subsequent periods			
	(1) Re-measurement losses on defined benefit plans		0.51	0.64
	(2) Income tax effect on above		(0.26)	(0.22)
	Total Other Comprehensive Income (XII)		0.25	0.42
XIII	**Total Comprehensive Income For The Year (X + XII)**		253.19	41.04
XIV	**Total Comprehensive Income For The Year attributable to**			
	Owners of the Parent		248.46	51.71
	Non Controlling Interest		4.73	(10.67)
			253.19	41.04
XV	**Earnings per share:**			
	Basic Earnings per equity share (₹):		21.08	4.36
	Diluted Earnings per equity share (₹):		21.08	4.36

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-69

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
Directors

Consolidated Statement of Changes in Equity

For the year ended 31st March 2020

A. Equity Share Capital ₹ In Crore (10 Million)

Particulars	As at 1st April 2018	Change during the year	As at 31st March 2019	Change during the year	As at 31st March 2020
Equity Shares	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 31st March'2018	25.64	88.65	60.10	950.74	263.62	(4.08)	1,384.67
Profit / (Loss) for the year	-	-	-	-	51.25		51.25
Dividend payment including Dividend Distribution Tax (2017-18)	-	-	-	-	(10.64)		(10.64)
Transfer from Debenture Redemption Reserve	-	-	(6.80)	-	6.80		-
Transfer to Debenture Redemption Reserve	-	-	15.31	-	(15.31)		-
Other Comprehensive Income	-	-	-	-		0.45	0.45
Balance as at 31st March'2019	25.64	88.65	68.61	950.74	295.72	(3.63)	1,425.73
Profit / (Loss) for the year	-	-	-	-	248.04		248.04
Dividend payment including Dividend Distribution Tax	-	-	-	-	(46.10)		(46.10)
Transfer from Debenture Redemption Reserve	-	-	-	-	-		-
Transfer to Debenture Redemption Reserve	-	-	(8.21)	-	8.21		-
Other Comprehensive Income	-	-	-	-		0.42	0.42
Balance as at 31st March'2020	25.64	88.65	60.40	950.74	505.87	(3.21)	1,628.09

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-69

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President & Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI

} Directors

Company Overview, Basis of Preparation & Significant Accounting Policies

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 20, 2020.

(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, 2020. 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.

1.2. a) The Consolidated Financial Statements comprises of audited Financial statements of JK Lakshmi Cement Limited (Parent Company) and the followings as on 31/03/2020 and 31/03/2019.

Name	Proportion of ownership interest	Financial statements as on	For the period
Subsidiaries and Indirect Subsidiary			
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	31/03/2020	12 months
Udaipur Cement Works Ltd. (UCWL)	72.54% (w.e.f. 10/05/2019)	31/03/2020	12 months
Ram Kanta Properties Pvt. Ltd. (RKPPL)	100%	31/03/2020	12 months
Associates:			
Dwarkesh Energy Ltd. (DEL)	35.00%	31/03/2020	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.

(i) 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 Aircraft & 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 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 experts.

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 estimat.

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 : 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counter party is in default under the terms of the agreement.

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 Group 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 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.

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.

Commitments include the amount of Purchase Order (net of Advances) issued to parties for Completion of Assets.

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

ii) Other Litigation Claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

iii) 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.

(13) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

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 Group and the revenue and costs, if applicable, can be measured reliably

ii) 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.

iii) Dividend Income

The Group recognises as income, when the Group's right to receive dividend is established, which is generally when it is approved by the shareholders, except in case of interim dividend which is authorised when it is approved by the Board of Directors.

iv) Lease Incentives

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.

v) 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.

vi) 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.

vii) 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.

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 Groupincurs 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) All other borrowing costs are recognized as expense in the period in which they are incurred.

(16) Leases

16.1 Policy applicable with effect from April 1, 2019

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.

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

i) **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.

16.2 Policy relating to leases till March 31, 2019

i) **As a Lessee**

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

Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability .Finance charges are recognized in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Groupwill obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leasehold lands are amortized over the period of lease.

ii) As a Lessor

Lease income from operating leases where the Groupis 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 occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Groupis 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) **Recent accounting pronouncements**

(i) **New and amended standards**

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard is described below.

(a) **Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Groupis the lessor.

The Group adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

As a result of adoption of Ind AS 116, Depreciation expenditure and finance cost is higher by ₹ 2.23 crore & ₹ 1.34 crore and Rent expenditure is decreased ₹ 2.89 crore.

(b) **Amendment to existing issued Ind AS**

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments

ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement

iii) Amendment to Ind AS 12, Income Taxes

iv) Amendment to Ind AS 23, Borrowing costs

The effect on adoption of above mentioned amendments were insignificant on the financial statements of the Group

(c) **Accounting Standards, Interpretations and amendments to existing standards that are Effective from 1st April, 2020.**

During the year Ministry of Corporate Affairs (MCA) hasn't issued any Standard which has been applicable from April 01, 2020.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
Gross Block									
As at 31st March'2018	345.80	55.65	222.05	3,414.12	4.63	6.43	35.16	14.70	4,098.54
Additions/Adjustments	0.72	1.02	1.97	17.23	0.30	0.78	8.24	-	30.26
Disposals/Adjustments	-	-	-	0.68	0.03	-	2.08	-	2.79
As at 31st March'2019	346.52	56.67	224.02	3,430.67	4.90	7.21	41.32	14.70	4,126.01
Additions/Adjustments	18.62	0.41	17.81	298.22	0.23	1.72	5.66	0.67	343.34
Disposals/Adjustments	0.16	-	0.02	1.99	-	0.04	14.10	-	16.31
As at 31st March'2020	364.98	57.08	241.81	3,726.90	5.13	8.89	32.88	15.37	4,453.04
Accumulated Depreciation									
As at 31st March'2018	-	1.36	38.33	476.73	2.58	3.41	19.90	1.99	544.30
Charged For the Year	-	0.50	13.79	188.44	0.52	1.02	5.17	0.95	210.39
On Disposal	-	-	-	0.10	0.01	-	1.37	-	1.48
As at 31st March'2019	-	1.86	52.12	665.07	3.09	4.43	23.70	2.94	753.21
Charged For the Year	-	0.50	14.22	193.70	0.44	1.05	5.32	0.99	216.22
On Disposal	-	-	-	1.89	-	0.03	11.51	-	13.43
As at 31st March'2020	-	2.36	66.34	856.88	3.53	5.45	17.51	3.93	956.00
Net Carrying Amount									
As at 31st March'2019	346.52	54.81	171.90	2,765.60	1.81	2.78	17.62	11.76	3,372.80
As at 31st March'2020	364.98	54.72	175.47	2,870.02	1.60	3.44	15.37	11.44	3,497.04

1) Leasehold Land Includes ₹ 2.82 crore (previous year ₹1.82 crore) pending transfer of title in the name of the Company.

2) Based on report of the valuers on business valuation of Cement business, fixed assets value was re-determined at net replacement cost basis on 1st April 2005. Certain Plant and Machinery and Railway siding of aforesaid plant were revalued and up dated as at 1st April 2011. The Gross Block as at 31st March 2020 includes aggregate revaluation / business valuation of ₹ 396.71 crore (Previous year ₹ 396.71 crore).

3) For Hypothecation refer note 24.

Note-2A Capital-work-in-progress (CWIP)

Movement in capital-work-in-progress	As at March 31, 2020	As at March 31, 2019
Opening	**416.59**	**226.32**
Addition during the year	**86.40**	196.47
Capitalised during the year	**(306.54)**	(6.20)
Impairment transferred to statement of profit & loss as exceptional item (refer note 1)	**(30.23)**	-
Closing	**166.22**	**416.59**

1) Exceptional item of ₹ 30.23 crore during the year 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.

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 31st March'2018	0.10	0.04	0.71	0.85
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2019	0.10	0.04	0.71	0.85
Additions/Adjustments		-	-	-
Disposals/Adjustments	₹ 884.00	-	-	-
As at 31st March'2020	0.10	0.04	0.71	0.85
Accumulated Depreciation				
As at 31st March'2018	-	₹ 19,452	0.15	0.15
Charged For the Year	-	₹ 6,484	0.06	0.06
On Disposal	-	-	-	-
As at 31st March'2019	-	₹ 25,936	0.21	0.21
Charged For the Year	-	₹ 3,242	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2020	-	₹ 29,178	0.26	0.26
Net Carrying Amount				
As at 31st March'2019	**0.10**	**0.03**	**0.51**	**0.64**
As at 31st March'2020	**0.10**	**0.03**	**0.46**	**0.59**

Note: There is no material expenses incurred for the maintenance of investment properties derived out of the same.
Figure in ₹ symbol represents absolute figure.

Note-3A Right of Use Assets

₹ In Crore (10 Million)

Particulars	ROU Assest
Gross Block	
As at 1st April'2018	-
Additions/Adjustments	-
Disposals/Adjustments	-
As at 1st April'2019	13.76
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2020	13.76
Accumulated Depreciation	
As at 1st April'2018	-
Chrged For the Year	-
Disposal	-
As at 1st April'2019	-
Chrged For the Year	2.24
Disposal	-
As at 31st March'2020	2.24
Net Carrying Amount	
As at 31st March'2019	-
As at 31st March'2020	11.52

Transition to Ind AS 116

The Company has adopted to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and taken the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected expedients on transition.

The following are the amounts recognised in profit and loss as per IND AS 116

Year ended March 31, 2020	(₹ In Crore)
Depreciation expense of right of use assets	2.24
Interest expense on lease liabilities	1.34
Expense relating to leases of short-term / low value assets (included in other expenses)	18.36
Total amount recognised in profit or loss	**21.94**

Amounts recognised in statement of cash flows:

Year ended March 31, 2020	(₹ In Crore)
Total cash outflow for leases	21.25
Financing activities	
Repayment of principal	1.55
Repayment of interest	1.34
Operating activities	
Short term / low value assets lease payment	18.36

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)

Goodwill on Consolidation	As at 31st March 2020	As at 31st March 2019
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
Gross Block	
As at 31st March'2018	3.76
Additions/Adjustments	3.89
Disposals/Adjustments	-
As at 31st March'2019	7.65
Additions/Adjustments	0.01
Disposals/Adjustments	-
As at 31st March'2020	7.66
Accumulated Amortisation	
As at 31st March'2018	1.92
Charged For the Year	0.58
Disposal	-
As at 31st March'2019	2.50
Charged For the Year	1.31
Disposal	-
As at 31st March'2020	3.81
Net Carrying Amount	
As at 31st March'2019	5.15
As at 31st March'2020	3.85

Note-5 Investment

₹ In Crore (10 Million)

	As at 31st March 2020		As at 31st March 2019	
Investment in an Associate*	Number	Amount	Number	Amount
Dwarkesh Energy Ltd.				
Equity Shares of face value ₹ 10 unquoted	3,50,000	0.12	3,50,000	0.15
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value ₹ 100/- unquoted	11,00,000	11.91	11,00,000	10.66
		12.03		10.81
Investment in Other Financial Assets				
Others - Fair Value through Profit and Loss				
Sungaze Power Pvt Ltd. (₹ 14.66/- each)	1,432,308	2.10	-	-
		14.13		10.81
Aggregate carrying amount of quoted investments	-	-	-	-
Aggregate market value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	-	14.13	-	10.81

* Share of Post acquisition Loss / Gain has been adjusted in carrying amount.

Note-6 Loans

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good:		
Security Deposits	52.04	44.15
Loan to Related Parties	7.14	10.47
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	59.18	54.62

Note-7 Other Non Current Financial Assets

Unsecured, considered good:		
Bank Deposits with original maturity for more than 12 months*	0.78	1.16
*Under lien	0.78	1.16

Note-8 Deferred tax (Asset)/Liabilities (Net)

Deferred Tax Liability		
Related to Property, Plant and Equipments	509.69	495.37
Others	0.89	1.87
Less: Deferred Tax Assets		
Expenses / Provisions allowable	74.11	69.02
Unabsorbed Depreciation & Brought Forward Business Losses	224.82	334.21
Others	6.42	6.14
MAT Credit Entitlement	244.18	180.95
Deferred Tax (Asset)/Liabilities (Net)	(38.95)	(93.08)

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-9 Other Non-Current Assets		
Unsecured, considered good:		
Capital Advances	40.70	26.20
Deferred Expenditure	1.81	2.28
	42.51	28.48
Note-10 Inventories		
Raw Materials	22.08	14.09
Work -in -progress	106.54	40.74
Finished Goods	44.96	28.02
Stock-in -Trade	5.79	0.90
Stores and Spares (Including in transit- ₹ 107.25 crore previous year ₹ 104.39 crore)	290.69	259.74
Packing Materials	10.50	8.74
	480.56	352.23

For Hypothecation refer Note 24

Note-11 Current Investment

₹ In Crore (10 Million)

	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Investment in Non Convetible Debentures at Fair Value through Profit & Loss				
IIFL -DWFEC850-300719	-	-	3,000.00	34.91
IIFL -EWFEC850 - 120819	-	-	5,000.00	55.27
IIFL -GWFEC900-161020	2,472.00	26.33	-	-
IIFL - IFRS02- MLD-2021	4,896.00	50.66	-	-
IIFL - LWFEC850-MLD-2021	4,218.00	50.64	-	-
Investment in Mutual Funds at Fair Value through Profit & Loss				
HDFC FMP- 1161 D Feb 2016 (1) - Growth -Series-35 - Regular Plan	-	-	25,000,000.00	33.06
HDFC FMP - 1190 D Mar 2016 (1) - Growth - Series -36 - Regular Plan	-	-	15,000,000.00	19.70
HDFC FMP -1167 D Jan 2016 (1) - Growth - Series -35 - Direct Plan	-	-	10,000,000.00	12.83
Reliance Fixed Horizon Fund - XXXI - Growth - Series 2 - Regular Plan	-	-	25,000,000.00	31.59
DSP BlackRock FMP - Series 196 - 37M - Growth - Regular Plan	-	-	10,000,000.00	11.41
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	25,000,000.00	33.16	25,000,000.00	30.41
HDFC FMP - 1302 D Sept 2016 (1) - Growth - Regular Plan	25,000,000.00	33.10	25,000,000.00	30.34
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	25,000,000.00	33.16	25,000,000.00	30.41
Reliance Fixed Horizon FD XXXII Series 4FMP - 19 Oct 2016 - Growth - Regular Plan	25,000,000.00	31.84	25,000,000.00	29.90
L&T FMP - Series XIV - Scheme A - Growth - Regular Plan	25,000,000.00	30.08	25,000,000.00	29.36
Franklin India Low Duration Fund - Direct - Growth	-	-	5,950,620.65	13.19

Note-11 Current Investment (continued)

₹ In Crore (10 Million)

	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Reliance Liquid Fund - Direct Plan Growth Plan - Growth Option	-	-	414.28	0.19
Reliance Medium Term Fund - Growth - Direct Plan	-	-	62,480.84	0.25
Reliance Liquid Fund - Cash Plan - Growth - Direct Plan	-	-	3,548.62	1.08
UTI Dynamic Bond Fund - Growth - Direct Plan	400.20	0.13	62,634.66	0.13
Reliance Liquid Fund - Cash Plan - Growth - Direct Plan	-	-	5,481.65	2.50
Aditya BSL Saving Fund - Direct - Growth	1,376,315.00	55.17	-	-
Aditya BSL Low Duration Fund - Regular - Growth	128,628.00	6.22	-	-
SBI Magnum Low Duration Fund - Regular - Growth	23,891.00	6.22	-	-
ICICI Prudential Savings Fund - Regular - Growth	134,017.00	5.19	-	-
ICICI Prudential Ultra Short Term Fund - Direct - Growth	14,008,349.00	30.06	-	-
Axis Ultra Short Term Fund - Direct - Growth	22,135,647.00	25.11	-	-
Aditya Birla Sund Life Liquid Fund - Direct - Growth	9,677.55	0.31	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth	354,201.68	0.98	-	-
HSBC Cash Fund - Direct - Growth	521.37	0.10	-	-
Aditya Birla Sun Life Saving Fund - Direct Plan - Growth	125,229.00	5.02	-	-
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	9,347,294.00	20.07	-	-
			-	-
		443.55		366.54
Aggregate book value of quoted investments		443.55		366.54
Aggregate market value of quoted investments		443.55		366.54
Aggregate book value of unquoted investments				

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-12 Trade Receivables@		
Considered good - Secured	-	-
Considered good - Unsecured	95.92	109.80
Which have Significant Increase in Credit Rsik	-	-
Credit Impaired	3.92	3.12
Less :- Provision/Allowances for doubtful debts	(3.92)	(3.12)
	95.92	109.80

'@ Contract Assets as Per IND AS 115

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-13 Cash and Cash Equivalents		
On Current Account	2.16	1.01
Fixed Deposits with maturity of Less than three months	0.27	0.05
Cheques , DD on hand/transit	0.25	1.59
Cash on hand	0.37	0.20
	3.05	2.85
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	27.70	15.22
On Unpaid Dividend / Interest Accounts	2.00	1.36
	29.70	16.58
* Includes ₹ 4.39 crore (previous year ₹ 2.05 crore) under lien		
Note-15 Loans		
Unsecured, Considered Good:		
Loans to Related Party	43.33	3.33
	43.33	3.33
Note-16 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good	9.22	7.61
Considered doubtful	4.22	4.22
Less: Provision for doubtful claims	(4.22)	(4.22)
	9.22	7.61
Interest Receivable from Banks and others	3.18	2.12
Advances to Employees (Loans)	0.72	0.49
Marked to Market Gain	2.12	-
	15.24	10.22
Note-17 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	3.15	1.03
	3.15	1.03
Note-18 Other Current Assets		
Prepaid expenses	11.25	11.97
Balance with Govt. Authorities	64.05	71.59
Other Advances *	65.44	63.10
Deferred Expenditure	0.47	0.74
	141.21	147.40

* includes advances to related party amounting of ₹ 8.60 crore (previous year nill)

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
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 :	As at 31st March 2020	As at 31st March 2019
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 Names:-	Number	Number
Bengal & Assam Company Ltd.	52,388,321	28,056,895
Florence Investech Ltd.	-	13,645,040
BMF Investment Ltd	-	11,011,386
Franklin Templeton Mutual Fund	10,870,030	11,570,030

c. **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.

d. **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.

e. 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.

Note-20 Non Current Borrowings

₹ In Crore (10 Million)

	As at 31st March 2020		As at 31st March 2019	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures :-				
Redeemable Non- Convertible Debentures	185.35	307.88	578.58	221.60
Term Loans :-				
From Financial Institutions	-	-	-	-
From Banks	1127.08	195.45	1049.03	173.05
From Government	33.36	-	21.62	-
	1345.79	503.33	1,649.23	394.65
UNSECURED LOANS				
From Bank	-	-	-	-
ICD	-	1.50	-	0.50
Fixed Deposits	18.34	13.21	17.27	11.27
	18.34	14.71	17.27	11.77
Less : Shown under Note No. - 26	-	518.04	-	406.42
	1364.13	-	1666.50	-

* Due & payable within one year

Parent Company

1 Secured redeemable non-convertible debentures (NCDs) are privately placed and consists of :
   i) 9% NCDs of ₹ 16.60 crore are redeemable at the end of 8th year from the date of allotment, i.e. 20th July 2012.
   ii) 9.05% NCDs Series B of ₹ 75 crore are redeemable at the end of 4th year from the date of allotment i.e. 6th January 2017.
   iii) 9.15% NCDs Series C of ₹ 150 crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017.

2 All the NCDs are 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.

3 NCDs specified in 1 (i) is also additonally secured by way of mortgage on company's specified immovable property in the State of Gujarat in addition to security specified at Sl.No. 2 above.

4 Term Loans from Banks aggregating to ₹ 72.82 crore are 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.
   a) Term Loan of ₹19.69 crore is repayable in 9 equal quarterly installments.
   b) Term Loan of ₹ 53.13 crore is repayable in 17 equal quarterly installments.

5 Term Loan from a Bank of ₹ 16.25 crore & ₹ 35.00 crore are secured by way of an exclusive first charge on immovable & movable Fixed Assets of the Company's Cement Grinding Units in the State of Haryana. These Term Loans are repayable in 9 & 16 equal quarterly installments respectively.

6 Term Loan from a Bank of ₹ 16.25 crore is secured by way of an exclusive first charge on movable Fixed Assets of the Company's AAC Block Unit in the State of Haryana. This term loan is repayable in 13 equal quarterly installments.

7 Term Loan from a Bank of ₹ 21.25 Crore is secured by way of an exclusive first charge on immovable & movable Fixed Assets of the Company's 6 MW Solar Power Plant in the State of Rajasthan. This Term Loan is repayable in 17 equal quarterly installments.

8 Term Loan from a Bank of ₹ 135.04 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 24 unequal quarterly installments.

9 Term Loans from Banks aggregating to ₹ 575.00 crore are secured by way of first pari passu charge on all the immovable and movable Fixed Assets of the Company's Cement Plant in the State of Chattisgarh except change in the favour of banks on specified assets. These Term Loans from Banks are repayable in 23 equal quarterly installments.

10 Term Loan from a Bank of ₹ 90.96 crore is secured by way of an exclusive charge on movable Fixed Assets of the Company's 20 MW thermal Power Plant at Durg, Chattishgarh. This Term Loan is repayable in 50 quarterly installments commencing from 30th June 2020.

11 Term Loan from a bank of ₹ 90.00 crore is secured/to be 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 56 equal quarterly installments commencing from 30th June 2020.

12 Interest Free Loan (IFL) from 'The Director of Industries & Commerce', Haryana of ₹ 50.96 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 date of respective disbursement dates during Financial Year 2018-19 & Financial Year 2019-20. The said IFL is recognised on amortised cost basis.

13 Fixed 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.

14 The above outstanding NCDs/Term loans are net of the processing charges as per IND AS 109

15 *The Company has opted moratorium of Installment of various term loans aggregating to ₹ 44.50 crore due on 31st March, 2020 pursuant to RBI's COVID-19 Regulatory Package*

Subsidiary (Udaipur Cement Works Ltd.)

1 Term Loans aggregating to ₹ 266.47 Crore from Banks are secured by (i) First ranking pari passu charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan & (ii) Second pari passu charge on Current Assets of the Company

2 The said Term Loans are also secured by a Corporate Guarantee of the Holding Company
   i) Term Loan of ₹ 47.75 Crore shall be repayable in 34 unequal quarterly instalments
   ii) Term Loan of ₹ 45.00 Crore shall be repayable in 36 unequal quarterly instalments commencing from 9th November 2020

iii) Term Loan of ₹100.00 Crore shall be repayable in 32 unequal quarterly instalments commencing from 31st December 2020

iv) Term Loan of ₹ 73.72 Crore shall be repayable in 32 unequal quarterly instalments commencing from 31st December 2021

Subsidiary (Hansdeep Industries and Trading Company Ltd.)

1 Secured Redeemable Non-Convertible Debentures (NCDs) issued on Private Placement consist of :-

i) 11.50% NCDs Series A of ₹135 Crore are redeemable at the end of 5th year from the date of allotment i.e. 13th August 2015.

ii) 11.50% NCDs Series B of ₹ 41.28 Crore are redeemable at the end of 5th year from the date of allotment i.e. 28th September 2015.

iii) 11.50% NCDs Series C of ₹ 60 Crore are redeemable in two annual installments at 4th year (₹ 25 Crore) and 5th year (₹ 35 Crore) from the date of allotment i.e. 12th April 2016

iv) 10.50% NCDs Series D of ₹ 20 Crore are redeemable in two annual installments on on 15.10.2020 (₹ 15 Crore) and on 15.10.2021 (₹ 5 Crore).

2 All the NCDs are secured by way of first ranking pari passu charge in favour of Debenture Trustee on (i) all the movable fixed assets, (ii) Current Assets, (iii) the Designated Bank Account and (iv) Short Term Investments, of the Company, both Present and future.

3 These NCDs are further secured by a first ranking pari passu charge on the Movable & Immovable Fixed Assets of the Cement Plant of Udaipur Cement Works Ltd. (a Co-Subsidiary Company) in the State of Rajasthan, in favour of Debenture Trustee.

4 These NCDs are also secured by a Corporate Guarantee of the Holding Company.

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-21 Other Non Current Financial Liabilities		
Trade and other Deposits	164.80	153.96
Other Liabilities	43.12	26.67
Financial Obligation of Guarantee	-	-
Lease Liabilities	9.33	-
	217.25	180.63
Note-22 Non Current Provisions		
Provision for Employees' Benefits	13.60	12.47
	13.60	12.47
Note-23 Other Non-Current Liabilities		
Deferred Revenue *	12.32	13.25
Liability for Employees Subsidised Car Scheme	5.94	5.35
Govt. & Other Dues	163.43	157.29
	181.69	175.89
* Including on account Government Grant of ₹12.32 crore Prev. Year ₹ 11.05 Crore)		
Note-24 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	99.20	58.96
Unsecured Loans		
Fixed Deposits	5.71	2.90
	104.91	61.86

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.

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-25 Trade Payables		
Micro and Small Enterprises	8.07	6.01
Others	502.10	538.79
	510.17	544.80
Note-26 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-20)	518.04	406.42
Interest Accrued but not due on borrowings	30.11	46.04
Unclaimed dividends #	2.00	1.37
Unclaimed matured Public Deposits and interest #	1.12	0.60
Capital Creditors	26.71	33.26
Other liabilities	255.49	204.25
Lease Liabilities	2.89	-
	836.36	691.94
# Investor Education and Protection Fund will be credited as and when due.		
Note-27 Other Current Liabilities		
Advance from Customers @	89.47	76.26
Govt. and other dues	149.95	156.52
Deferred Revenue *	4.34	3.53
	243.76	236.31
* Including on account Government Grant of ₹ 4.34 crore (Prev Year ₹ 3.07 Crore)		
@ Contract Liabilities as Per IND AS 115		
Note-28 Current Provisions		
Provision for Employees' Benefit	6.86	6.48
	6.86	6.48
Note-29 Current Tax Liabilities (Net)		
Provision for Taxation(Net of Taxes paid)	-	11.77
	-	11.77
Note-30 Revenue From Operation@		
Sale of products		
Cement *	3,817.73	3,758.13
Others	530.28	543.79
Other Operating Revenues	16.06	14.39
	4,364.07	4,316.31

* Refer Note No. 58

@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-31 Other Income		
Interest Income	6.59	3.84
Profit on sale * of		
Non Current Investments	-	-
Current Investments	26.80	33.08
Profit/(loss) on Sale of Assets (Net)	3.16	0.56
Other Non - Operating Income	9.44	17.87
	45.99	55.35

* Inclusive of fair value gain of ₹ 16.72 crore (Previous year gain of ₹ 13.67 crore)

	As at 31st March 2020	As at 31st March 2019
Note-32 Cost of Material Consumed		
Raw Material Consumed	619.03	644.22
	619.03	644.22
Note-33 Purchase of Stock - in -Trade		
Purchase of Traded goods	247.82	130.12
	247.82	130.12
Note-34 Change In Inventories of Finished Goods, Work-In-Progress and Stock- In -Trade		
Opening Stocks		
Stock-in-progress	40.74	134.67
Finished Goods	28.02	30.20
Stock-in-Trade	0.90	0.55
	69.66	165.42
Closing Stocks		
Stock-in-progress	106.54	40.74
Finished Goods	44.96	28.02
Stock-in-Trade	5.79	0.90
	157.29	69.66
Less : Inventory manufactured during pre-operative period	(0.78)	-
	(86.85)	95.76
Note-35 Employee Benefits Expense		
Salaries and Wages	289.81	250.60
Contribution to Provident and Other Funds	20.98	17.48
Staff Welfare Expenses	32.24	31.21
	343.03	299.29
Note-36 Finance Costs		
Interest expenses * #	221.43	250.72
Other borrowing cost	3.54	2.05
	224.97	252.77

* Refer Note No. 58
# net of finance cost capitalised refer note 49

₹ In Crore (10 Million)

	As at 31st March 2020	As at 31st March 2019
Note-37 Depreciation and Amortization Expense (Net)		
Depreciation on Tangible Assets	216.27	210.44
Amortisation on Intangible Assets	1.31	0.58
Amortisation on ROU Assets	2.24	-
	219.82	211.02
Note-38 Other Expenses		
Consumption of Stores and Spares *	135.69	119.25
Consumption of Packing Material	145.78	168.77
Power & Fuel	984.23	1,074.73
Rent (Net of realisation ₹ 0.94 crore, previous year ₹ 0.88 crore)	18.36	18.62
Repairs to Buildings	7.49	7.94
Repairs to Machinery	50.81	48.45
Insurance	3.91	3.40
Rates and Taxes	12.64	2.77
Transport, Clearing and Forwarding Charges	854.56	1,047.39
Commission on Sales	52.26	59.05
Directors' Fee & Commission	0.96	0.78
Provision for Doubtful Debts	0.79	1.07
Advertisement, Travelling, Consultancy & Misc. expenses etc. #	175.51	141.09
	2,442.99	2,693.31

* Refer Note No. 58
# Refer Note No. 59

	As at 31st March 2020	As at 31st March 2019
Note-38a Earning Per Equity Share		
Profit for the year attributable to Equity Shareholders of Parent	248.04	51.25
Weighted average number of equity shares outstanding	117,670,066	117,670,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	21.08	4.36
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	21.08	4.36

Note-39 Financial Risk Management Objectives and Policies.

The Group's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Group's Financial Risk Management Policy is set by the Board. 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.

39.1 **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, 2020	As at 31st March, 2019
Appreciation in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on profit / (loss) before tax	(0.35)	(0.61)
Depreciation in USD	- ₹ 0.25	- ₹ 0.25
Effect on profit / (loss) before tax	0.35	0.61

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, 2020	As at 31st March, 2019
1	**Loans in Rupees**		
	- Fixed Rate	535.98	843.92
	- Floating Rate	1,417.74	1,269.23
	- Interest Free	33.36	21.62
	Total	1,987.08	2,134.78
2	**Loans in US $**		
	- Fixed Rate	-	-
	- Floating Rate	-	-
	Total	-	-
3	**Grand Total (1+2)**	1,987.08	2,134.78

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 2020	As at 31st March 2019
Increase in Interest Basis Points	+ 25	+ 25
Effect on profit / (loss) before tax	(3.56)	(3.17)
Decrease in Interest Basis Points	- 25	- 25
Effect on profit / (loss) before tax	3.56	3.17

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.

39.2 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.

The Aging of Trade Receivables are as below:-

₹ in Crore (10 Million)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
As at 31st March'2020					
Secured	-	-	-	-	-
Unsecured	41.24	48.07	3.17	7.36	99.84
Gross Total	**41.24**	**48.07**	**3.17**	**7.36**	**99.84**
Provision for Doubtful	-	-	-	(3.92)	(3.92)
Net Total	**41.24**	**48.07**	**3.17**	**3.44**	**95.92**
As at 31st March'2019					
Secured	-	-	-	-	-
Unsecured	77.93	29.04	1.24	4.71	112.92
Gross Total	**77.93**	**29.04**	**1.24**	**4.71**	**112.92**
Provision for Doubtful	-	-	-	(3.12)	(3.12)
Net Total	**77.93**	**29.04**	**1.24**	**1.59**	**109.80**

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.

39.3 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 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	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	As on 31st March, 2020					
	- Borrowings	1,987.08	622.95	1,002.67	361.46	1,987.08
	- Trade Payables	510.17	510.17	-	-	510.17
	- Other Liabilities	523.37	315.44	30.95	176.98	523.37
	- Lease Liabilities	12.22	2.89	9.33	-	12.22
	Total	3,032.84	1,451.45	1,042.95	538.44	3,032.84
2	As on 31st March, 2019					
	- Borrowings	2,134.78	468.28	1,299.11	367.39	2,134.78
	- Trade Payables	544.80	544.80	-	-	544.80
	- Other Liabilities	466.15	287.56	30.43	148.16	466.15
	Total	3,145.73	1,300.64	1,329.54	515.55	3,145.73

Note-40 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 2020	As at 31st March 2019
Borrowings	1,987.08	2,134.78
Less: Cash and Cash equivalents (Including Current Investments & Other Bank balances)	476.30	385.97
Net debt	1,510.78	1,748.81
Equity Share Capital	58.85	58.85
Other Equity	1,628.09	1,425.73
Total Capital	1,686.94	1,484.58
Capital and net debt	3,197.72	3,233.39
Gearing ratio	47.25%	54.09%

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.

Note-41 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	31st March 2020		31st March 2019	
	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	-	-
- Mutual Funds	315.92	315.92	276.36	276.36
- NCD's & others	127.63	127.63	90.18	90.18
- Preference Shares*	11.91	11.91	10.66	10.66
(ii) At Amortized Cost :-				
a) Bank FDs.	28.75	28.75	16.43	16.43
b) Cash & Bank Balances	4.78	4.78	4.16	4.16
c) Trade Receivables	95.92	95.92	109.80	109.80
d) Loans	102.51	102.51	57.95	57.95
e) Others	15.24	15.24	10.22	10.22
Total (A)	704.76	704.76	572.76	572.76
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	1,987.08	1,987.08	2,134.78	2,134.78
- Trade Payables	510.17	510.17	544.80	544.80
- Other Financial Liabilities	523.37	523.37	466.15	466.15
Total (B)	3,020.62	3,020.62	3,145.73	3,145.73

*Including Equity Component.

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 counter party 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 3 as described below:

(A) Financial Assets

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2020			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	11.91	-
- Mutual Funds	315.92	-	-
- NCD and others	-	127.63	-
Financial Assets at Amortized Cost			
- Bank FDs	-	28.75	-
- Cash & Bank Balances	-	4.78	-
- Trade Receivable	-	-	95.20
- Loans	-	-	102.50
- Others	-	-	15.24
Total Financial Assets	**315.92**	**173.07**	**215.04**

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2019			
Financial Assets at FVTPL			
- Unquoted Preference Shares	-	10.66	-
- Mutual Funds	276.36	-	-
- NCD and others	-	90.18	-
Financial Assets at Amortized Cost			
- Bank FDs	-	16.43	-
- Cash & Bank Balances	-	4.16	-
- Trade Receivable	-	-	109.80
- Loans	-	-	54.62
- Others	-	-	10.22
Total Financial Assets	**276.36**	**121.43**	**174.64**

(B) Financial Liabilities

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2020			
Financial Liabilities at Amortized Cost			
- Borrowings	-	1,987.08	-
- Trade Payables	-	-	510.17
- Other Financial Liabilities	-	-	523.37
Total Financial Liabilities	**-**	**1,987.08**	**1033.54**
As at 31st March'2019			
Financial Liabilities at Amortized Cost			
- Borrowings	-	2,134.78	-
- Trade Payables	-	-	544.80
- Other Financial Liabilities	-	-	466.15
Total Financial Liabilities	**-**	**2,134.78**	**1,010.95**

Note-42 a) 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).

Note-42 b) Derivative Financial Instruments:

The Group uses foreign currency forward contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

₹ in Crore (10 Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Assets:		
Forward Contracts	-	-
Liabilities:		
Forward Contracts	33.68	213.32

Forward Contract:

The Group has foreign currency purchase forward contract to offset the risk of Currency fluctuations. These contracts are for settlement of operational payables.

Note-43 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening	16.78	3.12
Deferred during the year	6.38	15.34
Released to profit and loss	(6.50)	(1.68)
Closing	16.66	16.78
Current	4.34	3.53
Non-Current	12.32	13.25

Note-44 Income Tax Expense:

i. **Amount recognized in Statement of Profit and Loss :-**

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
A. Current Tax		
Current Tax	63.13	27.28
Adjustments in respect of current income tax of previous year	(1.88)	0.21
Total A	**61.25**	**27.49**
B. Deferred Tax		
Relating to origination and reversal of temporary difference	117.11	7.93
MAT Credit Entitlements	(62.31)	(27.21)
Total Deferred Tax Assets (net)	**54.80**	**(19.28)**
Total Tax Expense (A + B)	**116.05**	**8.21**

ii. **Deferred Tax recognized in Other Comprehensive Income (OCI)) and Equity:**

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Deferred Tax (Gain)/Loss on defined benefit	0.26	0.22

iii. **Reconciliation of Effective Tax Rate.**

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Accounting Profit/(Loss) before income tax	368.98	48.83
At applicable Statutory Income tax rate	22.88%-34.94%	26%-34.94%
Computed Income Tax Expense/(Income)	126.11	17.06
Increase/(Reduction) in taxes on account of		
Income not taxable	(16.61)	(3.06)
Investment allowance u/s-32AC of Income Tax	-	-
R & D u/s- 35(2AB) of Income Tax	(0.70)	(0.70)
Deferred Tax related to Property, Plant & Equipment & Others	6.23	(6.23)
Previous Year Tax Adjustments	(1.91)	-
Tax on which deduction is not admissible	2.93	1.03
Tax Rate Change	-	0.11
Income Tax Expense/(Income) Reported to Profit & Loss	116.05	8.21

iv. **Reconciliation of Deferred Tax Liabilities (Net)**

₹ in Crore (10 Million)

Particulars	As at 31st March 2020	As at 31st March 2019
Opening Balance	93.08	73.97
Deferred Tax recognised in Statement of Profit and Loss	(54.80)	19.35
Other Comprehensive Income	(0.26)	(0.22)
Adjusted against Tax Provision	0.93	(0.02)
Closing Balance	38.95	93.08

v. **Deferred Tax:**

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Deferred Tax Assets Related to:-		
Brought Forward Losses Setoff	(106.05)	10.76
Disallowances/Allowances Under Income Tax	4.94	(0.31)
Others	(0.84)	(0.35)
MAT Credit Entitlement	63.13	27.28
Total Deferred Tax Assets	(38.82)	37.38
Deferred Tax Liabilities Related to		
Property, Plant and Equipment	(20.27)	(19.50)
Others	4.03	1.24
Total Deferred Tax Liabilities	(16.24)	(18.26)
Net Total Movement in Statement of Profit & Loss	(55.06)	19.12
Movement in Profit & Loss	(54.80)	19.34
Movement in OCI	(0.26)	(0.22)

Note-45 Dividends

The following dividends were declared and paid by the parent company during the year:-

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
For the year ended 31st March'2019 – 15% i.e. ₹ 0.75 per equity share, (31st March'2018 – 15% i.e. ₹ 0.75 per equity share)	8.83	8.83
Dividend distribution tax thereon	1.81	1.80
Interim Dividend*		
For the year ended 31st March'2020 – 50% i.e. ₹ 2.50 per equity share	29.42	
Dividend distribution tax thereon	6.04	
Total	46.10	10.63

*During the year ended March 31, 2020, the Board of Directors have declared an interim dividend of ₹ 2.50 per share (50%) at their board meeting held on March 13th 2020 (previous year nil).

Note-46 Detail of Expenditure on Research and Development (R & D) activities during the year

₹ in Crore (10 Million)

S. No	Particulars	2019-20	2018-19
A	**Revenue Expenditures**		
	Employee Cost	5.76	5.51
	Cost of Material and Testing Charges	0.41	0.22
	Other R & D Expenses	0.36	0.50
B	**Total Revenue Expenditure**	6.53	6.23
C	**Capital Expenditure**	0.55	0.01
D	**Total Expenditure (B+C)**	7.08	6.24

Note-47 Amount paid to Auditors

₹ in Crore (10 Million)

S. No	Particulars	2019-20	2018-19
A	**Statutory Auditor**		
	Audit Fee	0.21	0.18
	For Taxation Matters	0.04	0.04
	For other Services	0.12	0.12
	Reimbursement of Expenses	0.03	0.01
B	**Total (A)**	0.40	0.35
C	**Cost Auditors**		
	Audit Fee	0.02	0.02

Note-48 Retirement Benefit Obligations

A. Expenses Recognised for Defined Contribution Plan.

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Company's Contribution to Provident Fund	15.27	13.11
Company's Contribution to ESI	0.40	0.43
Company's Contribution to Superannuation Fund	1.32	1.44
Total	16.99	14.98

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, 2020 and March 31, 2019, 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'18	62.83	13.29
Current Service Cost	3.52	1.92
Interest Cost	4.41	0.93
Past Service Cost including curtailment Gain/Losses	-	0.13
Benefits Paid	(5.64)	(3.28)
Remeasurement - actuarial loss / (gain)	0.12	0.61
Present Value of obligation as on 31st March'19	65.24	13.60
Present Value of obligation as on 1st April'19	65.24	13.60
Current Service Cost	3.87	2.03
Interest Cost	4.57	0.95
Benefits Paid	(5.33)	(3.23)
Remeasurement - actuarial loss / (gain)	1.08	1.88
Present Value of obligation as on 31st March'20	69.43	15.23

2 Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Fair Value of plan assets at beginning of year	63.68	57.46
Acquisitions / Transfer in /Transfer Out	-	-
Expected Return on plan assets	4.46	4.03
Employer contributions	5.33	7.08
Benefit paid	(5.33)	(5.64)
Actuarial gain / (loss)	1.58	0.75
Fair Value of plan assets at end of year	69.72	63.68
Present Value of Obligation	69.43	65.24
Net funded status of plan	3.15	(0.30)
Actual Return on plan assets	6.04	4.80

3 Expenses recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	3.52	1.92
Interest cost	4.41	0.93
Expected return plan assets	(4.04)	-
Remeasurement - actuarial loss / (gain)	-	0.74
For the year ended 31st March'19	3.89	3.59
Actual return on plan assets	4.80	-
Current Service Cost	3.87	2.03
Interest cost	4.57	0.95
Expected return plan assets	(4.46)	-
Remeasurement - actuarial loss / (gain)		1.88
For the year ended 31st March'20	3.98	4.86
Actual return on plan assets	6.04	-

4 Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(0.64)
For the year ended 31st March'19	
Remeasurement - Actuarial loss/(gain)	(0.51)
For the year ended 31st March'20	

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'20	As at 31st March'19
Attrition Rate		
Discount Rate	6.50%	7.00%
Expected Rate of increase in salary	5.00%	5.00%
Expected Rate of Return on Plan Assets	7.00%	7.00%
Mortality Rate	100% of IALM (2012-14)	100% of IALM (2006-08)
Expected Average remaining working lives of employees (years)	15.54	15.30

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

Gratuity :-

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(decrease) in obligation
For the year ended 31st March'19		
Discount Rate	0.50%	(1.24)
	-0.50%	1.33
Salary Growth Rate	0.50%	1.36
	-0.50%	(1.27)
For the year ended 31st March'20		
Discount Rate	0.50%	(1.43)
	-0.50%	1.55
Salary Growth Rate	0.50%	1.55
	-0.50%	(1.45)
Leave Encashment :-		
For the year ended 31st March'19		
Discount Rate	0.50%	(0.52)
	-0.50%	0.56
Salary Growth Rate	0.50%	0.57
	-0.50%	(0.53)
For the year ended 31st March'20		
Discount Rate	0.50%	(0.63)
	-0.50%	0.69
Salary Growth Rate	0.50%	0.66
	-0.50%	(0.61)

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'2019	
Plan Liabilities - Loss/(Gain)	(0.27)
Plan Assets - Gain/(Loss)	0.76
For the year ended 31st March'2020	
Plan Liabilities - Loss/(Gain)	(0.61)
Plan Assets - Gain/(Loss)	1.59

Estimate of Expected Benefit Payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2020 - March'2021	33.85	4.21
April'2021 - March'2022	5.37	0.75
April'2022 - March'2023	3.86	0.53
April'2023 - March'2024	2.47	0.36
April'2024 - March'2025	3.33	0.54
April'2025 - March'2026	1.90	0.03
April'2026 onwards	18.66	6.41

8 Statement of Employee Benefit Provision

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Gratuity	6.67	6.05
Leave Encashment	6.00	4.21
Superannuation	1.23	1.40

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'2019		
Current	1.28	4.20
Non Current	3.07	9.40
For the year ended 31st March'2020		
Current	(0.69)	4.56
Non Current	3.45	10.68

10 Employee Benefit Expense

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Salary and Wages	**289.57**	250.38
Costs-defined benefit plan	**3.98**	2.50
Costs-defined contribution plan	**16.99**	14.98
Welfare expense	**32.24**	31.21
Total	**342.78**	**299.07**

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-49 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)

Particulars	2019-20	2018-19
Raw Material Consumption	1.79	-
Stores & Spares Consumption	2.99	-
Power & Fuel	0.98	-
Salaries and Wages	2.51	3.66
Contribution to Provident and Other Funds	0.08	0.10
Staff Welfare expenses	0.19	0.29
Insurance	0.17	0.11
Rates and Taxes	-	0.14
Transport ,Clearing and Forwarding Charges	2.51	-
Rent	0.51	0.51
Travelling, Consultancy & Miscellaneous Expenses	5.65	0.85
Finance costs	9.37	9.93
	26.75	15.08
Less: Sale	2.82	-
Increase in Stock	0.79	-
	23.14	15.08
Add: Expenditure upto previous year	72.04	56.96
Less: Charged to Exceptional Item	30.23	-
Less: Transferred to Property, Plant & Equipment (Includes interest₹ 22.01 crore previous year nil)	50.49	-
	14.46	72.04

Note-50 Expenses charged to Raw Material (Limestone) account includes:

₹ in Crore (10 Million)

Particulars	2019-20	2018-19
Salaries & Wages	6.47	6.73
Contribution to Provident and Other Funds	0.50	0.50
Employees' Welfare Expenses	1.10	1.06
Consumption of Stores and Spares	38.06	36.83
Power & Fuel	8.85	9.21
Repairs to Machinery	4.93	3.88
Material Handing	98.44	101.77
Insurance	0.10	0.13
Rates and Taxes	24.58	23.88
Royalty	93.44	95.09
Miscellaneous Expenses	3.26	2.42
Total	279.73	281.50

Note-51 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹102.22crore (previous year ₹ 67.10 crore). Other commitment Nil (previous year Nil)

Note-52 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)

Particulars	31st March, 2020	31st March, 2019
a) Service tax	10.22	3.51
b) Sale tax and interest	157.69	137.21
c) Income tax	6.09	6.09
c) Excise duty @	1.83	1.28
e) Other matters	16.79	16.45
Total	192.62	164.54

@excludes show cause notices of Nil (previous year ₹ 148.65 crore)

Note-53 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-54 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-55 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 ₹ 2.00 crore has been provided in the books during financial year 2017-18 and remaining ₹ 4.55 crores in current financial year.

Note-56 Maximum balance due for Commercial Paper issued during the year was nil and the year end balance is nil (previous year Maximum balance ₹375.00 crore and at the year end nil).

Note-57 Rajasthan Government had granted the benefit of 75% exemption to the Parent Company for a period of 9 years vide its notification dated 28.4.2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. During the FY 2014-15 the Parent Company had received Demand Notices for repayment of the principal amount in respect of Sales Tax Exemption, Sales Tax Deferment and Interest thereon. The Principal amount of Sales Tax Exemption and Sales Tax Deferment has since been paid in earlier years. The Rajasthan Tax Board Ajmer in its Order dated 14th March, 2018 has set aside the entire demand of interest upto the period of Demand Notice.

The department has appealed before Hon'ble High Court of Jodhpur against the Order of Rajasthan Tax Board, Ajmer for interest portion and the Parent Company has appealed against the Principal amount before Hon'ble High of Jodhpur.

Note-58

a) Sales include own consumption at cost ₹ 0.41 crore (previous years ₹ 2.36 crore).

b) Consumption of Stores and Spares is net of scrap sale ₹ 6.38 crore (previous year ₹ 6.01 crore.)

c) Interest expenses include ₹ 4.55 crore (previous year ₹ 8.62 crore) being interest on entry tax.

Note-59 a) Other-Non-Operating Income includes receipts from aircraft flying Nil, (previous year ₹ 1.44 crore) net of expenses of ₹2.87crore (previous year ₹ 7.50 crore)

b) Miscellaneous expenses include, Contribution of ₹ 1.50 crore (previous year ₹ 0.50 Crore) made to a Political Party as prescribed u/s 182 of the Companies Act, 2013, CSR expenses amounting to ₹ 1.81 crore (previous year ₹ 1.22 crore) and Foreign exchange fluctuation of loss (net) ₹ 3.07 crore (previous year gain (net) ₹ 1.33 crore).

Note-60 a) Forward contracts of ₹ 33.68 crore - USD 4.68million (previous year ₹ 179.02crore - USD 24.57million) taken for the purpose of hedging of supplier's credit and nil (previous year ₹ 34.62 crore - USD 4.70 million and GBP 0.04 million) against letter of credit.

b) Un-hedged ₹ 90.20 crore - USD 11.96million (previous year nil) against Supplier's Credit and ₹ 6.72 crore - EURO 0.81million (previous year 166.57 crore - USD 22.77 million and ₹ 34.62 crore- USD 4.70 million and GBP 0.04 million) against letter of credit outstanding as at 31st March, 2020.

Note-61 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)	
		2019-20	2018-19
i)	Principal and Interest amount due and remaining unpaid as at 31st March 2020.	8.07	6.01
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 2020 Nil (previous year - Nil).	-	-

Note-62 Udaipur Cement Works Limited (UCWL), a 72.54% Subsidiary of the Parent Company has completed its Revival & Rehabilitation Scheme in March 2017

The Parent Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 525.00 Crore (Outstanding as on 31st March 2020 is ₹ 256.28 Crore), issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of said NCDs issued have been utilized by HITCL for part financing UCWL's Revival & Rehabilitation Project. The Parent Company has received a Counter Indemnity from UCWL in consideration of the Parent Company having given Corporate

Guarantee for the NCDs of ₹ 525.00 crore (Outstanding as on 31st March 2020 is ₹ 256.28 Crore), raised by HITCL for onward lending to UCWL.

In addition, the Parent Company has given Corporate Guarantee to Banks for collaterally securing

- The Term Loans aggregating to ₹ 268.72 Crore (O/s. as on 31.3.2020 is ₹ 266.27 Crore) (Previous Year: ₹ 70.00 Crore – Outstanding ₹ 70.00 Crore) granted by the Banks to UCWL and
- The Working Capital Facility of ₹ 50.00 crore (Previous year ₹ 50.00 crore) granted by Bank to UCWL.
- The Parent Company has received a Counter Indemnity from UCWL for
  - (i) ₹ 295 Crore in consideration of the Parent Company having given Corporate Guarantee to Bankers of UCWL for Term Loans of ₹ 268.72 Crore (O/s ₹ 266.27 Crore) & the balance Corporate Guarantee is yet to be utilized.
  - (ii) ₹ 50.00 crore in consideration of the Parent Company having given Corporate Guarantee to Bank of UCWL for Working Capital Borrowing of ₹ 50.00 crore.

Note-63 During the year the Parent Company has received subsidy of ₹ 0.22 crore (Previous year ₹ 0.22 crore) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

Note-64 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 ₹ 16.67 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 20.01 crore) (Maximum balance due ₹ 20.01 crore, previous year ₹ 23.34 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 Group'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 with Stock Exchanges.

Loan given to BACL is ₹ 40 crore (previous year nil). Maximum balance outstanding during the year is ₹ 40 crore.

c) Disclosure of transaction in pursuant to Regulation 34(3) read with Schedule V, part A, clause 2(2A) 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 Parent Company.

Name of Company	Nature of Transaction and amount
Bengal & Assam Co. Ltd	Refer Note 65

d) 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) During the year, the Company has received subsidy of ₹1.10 crore (Previous year – ₹ 1.26 crore) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.

c) Exceptional Items comprises of Profit on Sale of Old & Obsolete Fixed Assets amounting to Nil (Previous year - ₹ 3.70 crore) which were scrapped due to complete suspension of operation since 2002.

d) Pursuant to the Taxation Law (Amendment) Ordinance 2019, No. 15 of 2019 dated 20th September 2019 u/s 115BAA(1) of Income Tax Act 1961, the Company has opted for the reduced Corporate Tax Rate of 22% (effective 25.17% including surcharge and CESS). As a result of this reduction in effective tax rate from 34.94% to 25.17%, the Deferred Tax Asset (DTA) has been reassessed at ₹ 59.40 Crores as of 31^{st} March, 2020 as against ₹ 70.98 Crores as of 31^{st} March, 2019 and the reduction in the DTA of ₹ 11.58 Crores has been charged to Statement of Profit & Loss.

e) Other Operating Revenue includes Sales Tax / Value added Tax / SGST subsidy of ₹ 12.42 crore (Previous year – ₹ 10.49 crore) and others of ₹ 0.02 Crores (Previous year - ₹ Nil)

f) 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.

g) Details of Materials Non-Controlling Interest.

Summarized financial information of UCWL, which has material non-controlling interest: ₹ In Crore (10 Million)

Particulars	As at 31^{st} March 2020	As at 31^{st} March 2019
Assets		
Non-Current Assets	677.73	708.97
Current Assets	133.78	65.33
Liabilities		
Non-current Liabilities (includes Equity components of Financial Instruments and others)	447.38	562.71
Current Liabilities	374.58	239.26
Equity	(10.45)	(27.67)
Percentage of Ownership held by Non-controlling Interest	27.46%	27.46%
Accumulated non controlling Interest	(2.87)	(7.60)
Revenue	686.88	580.45
Net Profit/(Loss) after tax	15.52	(38.39)
Other Comprehensive Income (net of tax)	(0.63)	(0.12)
Total Comprehensive Income	14.89	(38.51)
Total Comprehensive Income allocated to Non controlling interests	4.73	(10.67)
Net Cash Inflow/(Outflow) from Operating Activities	36.53	18.23
Net Cash Inflow/(Outflow) from Investing Activities	(9.36)	(2.00)
Net Cash Inflow/(Outflow) from Financing Activities	(27.10)	(16.37)
Net Cash Inflow / (Outflow)	0.07	(0.14)

e) With respect to subsidiary HITCL, in view of inadequacy of profits no Debenture Redemption Reserve (DRR) has been created.

f) With respect to RKPPL,Since the company is developing a building, hence, for the year 2019-20 there is no statement of profit and loss . All cost has been charged to Capital Work in Progress.

g) The summarized aggregate financial information of associates as follows:-

₹ In Crore (10 Million)

Particulars	As at 31st March 2020	As at 31st March 2019
Carrying Amount of Interest in Associates	12.03	10.81
- Share in Profit	(0.03)	(0.04)
- Share in Total Comprehensive Income	(0.03)	(0.04)
Dividend Received	-	-

h) Additional information pursuant to Schedule III of Companies Act, 2013on Consolidated Statement.

For the FY 2019-20

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.	101.53%	1712.68	95.03%	236.11
Subsidiary Company:-				
Udaipur Cement Works Ltd.	4.60%	77.58	6.93%	17.22
Hansdeep Industries & Trading Company Ltd.	7.10%	119.79	(0.04%)	(0.10)
Ram Kanta Properties P. Ltd.	6.83%	115.19		-
Non Controlling Interest	0.17%	2.87	1.90%	4.73
Associates :-				
Dwarkesh Energy Ltd.				(0.03)
Total Elimination	(20.22%)	(341.17)		
Total	**100%**	**1686.94**	**100%**	**248.47**

For the FY 2018-19

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.	102.57%	1522.67	154.94%	80.09
Subsidiary Company:-				
Udaipur Cement Works Ltd.	4.02%	59.64	(74.50%)	(38.51)
Hansdeep Industries & Trading Company Ltd.	8.64%	128.34	1.01%	(0.52)
Ram Kanta Properties P. Ltd.	7.76%	115.19	-	-
Non Controlling Interest	**0.51%**	**7.60**	**20.64%**	**(10.67)**
Associates:-				
Dwarkesh Energy Ltd.	(0.01%)	(0.12)	-	(0.04)
Total Elimination	(23.49%)	(348.75)		
Total	**100%**	**1484.57**	**100%**	**51.69**

Note-65 Related Party Disclosure

List of Related Parties

I **Associates**

Dwarkesh Energy Ltd.(DEL)

II **Key Management Personnels (KMPs)**

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	Sr. VP & Company Secretary
Shri B.V. Bhargava	Independent & Non Executive Director
Ms. Bhaswati Mukharjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Pradeep Dinodia **(Ceased to be director w.e.f. 31st August'2019)**	Independent & Non Executive Director

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
	2019-20			2018-19		
- Sharing of Expenses received	-	0.07	-	-	0.07	-
- Payment of Expenses	-	2.17	-	-	1.21	-
- Other Income	-	2.30	-	-	-	-
- ICD given	-	40.00	-	-	-	-
- Dividend Paid	-	17.02			2.10	
- Advances Received back	-	3.33	-	-	3.33	-
- Contribution	-	-	9.08	-	-	11.03
Outstanding as at year end:						
- Receivable / (Payable):	-	56.67	(1.69)	-	20.53	(2.50)

₹ in Crore (10 Million)

ii)	Remuneration Paid to KMPs	2019-20	2018-19
	Short Term Employee benefits	39.81	20.34
	Post Employment benefits*	-	-
	Other Payments	0.85	0.67
	Receivable/(Payable) :	(18.14)	(1.66)

* 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-66 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-67 The Operations & the Financial Results of the Group during the Quarter / Year ended 31st March 2020 were marginally impacted due to the shutdown of the Group's Plants under the lockdown announced by the State/Central Government after the outbreak of COVID-19 Pandemic in March 2020.The Group has since resumed its operations at various Plants in a phased manner since April, 2020 conforming to the Guidelines of the Government. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection of the employees would continue to be followed.

The Group has considered the possible effects that may result from the Pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the Economic conditions because of this Pandemic, the Group, as at the date of approval of these Financial results has used internal and external sources on the expected future performance of the Group. The Group has performed analysis on the assumptions used and based on current indicators of Future Economic conditions, the Group expects the carrying amount of these Assets will be recovered and sufficient liquidity is available to fund the Business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Group's Assets in future may differ from that estimated as at the date of approval of these Financial results.

Note-68 During the Year, the Parent Company acquired 35% holding (at a cost of ₹ 2.10 Crore) in M/s. Sungaze Power Pvt Ltd (SPPL) which is setting up a 6.50 MW Solar Power Plant under Captive Power Plant Model at our Durg Cement Plant in the State of Chhattisgarh. The Parent 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-69

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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. KASHI NATH MEMANI
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
Directors

JK Lakshmi Cement Limited
Consolidated Cash Flow Statement
For the year ended 31st March, 2020

₹ In Crore (10 Million)

		Year ended March 31, 2020		Year ended March 31, 2019	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax and				
	Exceptional Items	399.25		45.17	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	219.82		211.02	
	Interest & Dividend Income	(6.59)		(3.84)	
	Profit on sale of Assets (Net)	(3.16)		(0.56)	
	Profit on sale of Current Investments (net)	(43.17)		(19.94)	
	(Gain) / Loss on Fair Valuation of Current Investment	16.37		(13.14)	
	Finance Costs	224.97		252.77	
	Provision for Doubtful Debts	0.79		1.07	
	Foreign Exchange Difference (net)	(3.35)		0.60	
	Exceptional Items	(30.23)		3.70	
	Operating Profit before Working Capital changes	774.70		476.85	
	Adjustments for:				
	Trade and Other Receivables	11.61		(23.13)	
	Inventories	(128.33)		3.38	
	Trade and Other Payables	67.60		321.57	
	Cash generated from Operations	725.58		778.67	
	Income Tax Payments (Net)	(76.07)		(18.46)	
	Net Cash from Operating Activities		649.51		760.21
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, plant and Equipment and Intangible Assets	(104.66)		(210.87)	
	Sale of Property, Plant and Equipment and Intangible Assets	6.04		1.87	
	(Purchase) / Sale of Investments (net)	(53.53)		128.53	
	ICD Given	(40.00)		-	
	Interest Received	5.54		3.33	
	Net Cash from / (used in) Investing Activities		(186.61)		(77.14)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long-term Borrowings	45.51		186.16	
	Repayment of Long-term Borrowings	(240.85)		(225.82)	
	Repayment of Lease Obligation - Principal	(1.55)		-	
	Repayment of Lease Obligation - Interest	(1.34)		-	
	Short-term borrowings (net)	43.05		(357.93)	
	Interest paid	(248.93)		(267.38)	
	Dividend paid (including Dividend DistributionTax)	(45.47)		(11.12)	
	Net Cash from / (used in) Financing Activities		(449.58)		(676.09)

₹ In Crore (10 Million)

		Year ended March 31, 2020	Year ended March 31, 2019
D.	Increase / (Decrease) in Cash and Cash Equivalents	13.32	6.98
E.	Cash and Cash Equivalents as at the beginning of the year	19.43	12.45
F.	Cash and Cash Equivalents as at the close of the year (Note 13 & 14)	32.75	19.43

Notes:

		Long Term	Short Term	Long Term	Short Term
'1.	Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
	Opening	2072.92	61.86	2126.7	419.79
	Cash Flow Changes				
	Inflow / (Repayments)	(195.34)	43.05	(39.66)	(357.93)
	Non - Cash Flow Changes				
	Others	4.58	-	(14.12)	-
	Closing	**1882.16**	**104.91**	**2072.92**	**61.86**

2. 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.
3. 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: 20th May, 2020

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
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Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
Directors

Financial Information of Direct & Indirect Subsidiaries and Associate Companies

(Persuant to first proviso to section 129(3) read with rule 5 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 Subsidary	Indirect Subsidary	Direct Subsidary
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	373.96	11,425.40	5,898.85
8	Total Assets	39,918.93	11,530.22	91,747.03
9	Total Liabilities	27,939.97	11.41	73,392.00
10	Investments	121.27	30.93	2509.13
11	Turnover	12,875.12	-	68,688.13
12	Profit / (Loss) before taxation	(6.76)	-	2,647.05
13	Provision for taxation, DTL/(DTA)	3.71	-	1,158.00
14	Profit / (Loss) after taxation	(10.47)	-	1,489.05
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	31.03.2020
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	1.87
	Considered in Consolidation	0.65
	Not Considered in Consolidation	1.21

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 & Managing Director

VINITA SINGHANIA
Vice Chairman & Managing Director

B.V. BHARGAVA
Dr. KASHI NATH MEMANI
BHASWATI MUKHERJEE
N.G.KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

B K DAGA
Sr. Vice President & Company Secretary

Place: New Delhi
Date: 20th May, 2020

JK LAKSHMI CEMENT LIMITED
(CIN: L74999RJ1938PLC019511)
Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi -110 002
Email: jklc.investors@jkmail.com
Website: www.jklakshmicement.com, Phone: 91-11-30179862-864-869-894

NOTICE

NOTICE is hereby given that the **80th Annual General Meeting** of the Members of **JK LAKSHMI CEMENT LIMITED** will be held on Friday, the **28th August 2020 at 2.30** P. M. Indian Standard Time through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

(1) To receive, consider and adopt the audited Financial Statements of the Company (including audited consolidated financial statements) for the financial year ended 31st March 2020 and the Reports of the Board of Directors and Auditors thereon.

(2) To appoint a Director in place of Dr. Raghupati Singhania (DIN:00036129) who retires by rotation and being eligible, has offered himself for re-appointment.

(3) To consider and if thought fit to pass, the following as an **Ordinary Resolution**:

RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N), the Statutory Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five consecutive years to hold office from the conclusion of the 80th Annual General Meeting (AGM) till the conclusion of the 85th AGM to be held in the year 2025, at a remuneration of ₹ 18 Lakh (Rupees Eighteen Lakh only) per annum up to the conclusion of the next AGM excluding GST, as applicable, and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and the Board of Directors of the Company be and is hereby authorised to fix the remuneration for the remaining tenure of the Auditors.

(4) To consider and if thought fit to pass, the following as an **Ordinary Resolution**:

RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. R.J. Goel & Co., the Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year 2020-21 commencing 1st April 2020, of ₹ 1.25 Lakh (Rupees One Lakh and Twenty Five thousand only) per annum, excluding GST, as applicable, and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto.

(5) To consider and if thought fit to pass, the following as a **Special Resolution**:

RESOLVED that in supersession of the earlier resolution passed by the Company at the Annual General Meeting held on 4th September 2014, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as the 'Board') for borrowing moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), in excess of the aggregate of paid up share capital of the Company, securities premium and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary and/or expedient for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate ₹ 3,500 Crores (Rupees Three Thousand and Five Hundred Crores only).

(6) To consider and if thought fit to pass, the following as a **Special Resolution**:

RESOLVED that in supersession of the earlier resolution passed by the Company at the Annual General Meeting held on 4th September 2014, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as the 'Board') to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount(s) not exceeding ₹ 3,500 Crores, in the aggregate, on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other financial instruments or assistance.

RESOLVED FURTHER that the Board be and is hereby authorised to finalise the terms and conditions with the Financial Institutions, Banks and other lending Institutions/ Lenders or Debenture Trustees and the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things as they deem necessary and/or expedient in connection therewith and incidental thereto.

Regd. Office:
Jaykaypuram-307 019
Distt. Sirohi (Rajasthan)

Date: 20th July, 2020

By Order of the Board

B.K. Daga
Sr. Vice President & Company Secretary

NOTES

(1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs vide its Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020 respectively ("MCA Circulars") and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), have permitted convening the Annual General Meeting ("AGM"/"Meeting") through VC or OAVM, without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

(2) The Statement pursuant to Section 102 of the Act and Regulation 36(5) of the SEBI Listing Regulations setting out the material facts concerning Item Nos. 3 to 6 of the Notice, is annexed hereto.

(3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

(4) Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising such representatives to attend and vote at the AGM.

(5) The Members can join the AGM held through VC/OAVM fifteen (15) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

(6) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.

(7) All the documents referred to in this Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the AGM. Members seeking to inspect such documents can send an e-mail to jklc.investors@jkmail.com

(8) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 19, 2020 through email at jklc.investors@jkmail.com. The same will be replied by the Company suitably.

(9) The Register of Members and the Share Transfer Books of the Company shall remain closed from 22nd August 2020 to 28th August 2020 (both days inclusive).

(10) **Dispatch of Annual Report through electronic mode**: In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.jklakshmicement.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. Notice is also available on the website of Depository i.e. Central Depository Services (India) Limited (CDSL) at www.evotingindia.com.

For receiving all communication (including Annual Report) from the Company electronically:

(a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at jklc.investors@jkmail.com or admin@mcsregistrars.com;

(b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

In furtherance of Go-Green initiative of the Government and in the interest of the Members, the Company had published Notices in Financial Express on 8th May 2020 and 1st July 2020 (All Editions), requesting the Members to register their Email addresses and Bank Account particulars to enable the Members to receive the Notice of General Meetings, Annual Report and other communications instantly in electronic form and also get the Dividends declared by the Company from time to time directly into their respective Bank Accounts.

(11) **Remote e-voting procedure**:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide Members, facility to exercise their right to vote at the 80th AGM by electronic means and the business may be transacted through remote e-voting(e-voting) services provided by CDSL. Remote e-voting is optional. The facility of E-voting shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

The instructions for Members for remote e-voting are as under:

(i) The e-voting period begins on Tuesday, 25th August 2020 (10:00 A.M.) and ends on Thursday, 27th August 2020 (5:00 P.M.) During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on Friday, 21st August 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote on the date of AGM.

(iii) The Members should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders/Members" module.

(v) Now enter your User ID

(a) For CDSL: 16 digits beneficiary ID;

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - New system Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/MCS Share Transfer Agent Ltd., Registrar and Share Transfer Agent (RTA) or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login.If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Member sholding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(12) **Procedure for Members whose email addresses are not registered with the Company or Depositories, as the case may be, for obtaining login credentials for e-voting on the resolutions proposed in this Notice:**

(A) Shares held in Physical Mode- Please provide necessary details like Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy), AADHAR (self attested scanned copy) by email to Company at jklc.investors@jkmail.com / RTA at admin@mcsregistrars.com.

(B) Shares held in Demat Mode - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of Member, client master or copy of Consolidated Account statement, PAN (self attested scanned copy), AADHAR (self attested scanned copy) to Company / RTA email id as mentioned above.

(13) **Information and Instructions for Members attending the AGM through VC/OVAM are as under:**

(A) Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/ Members login where the EVSN of Company will be displayed.

(B) Members are encouraged to join the Meeting through Laptops / IPads for better experience.

(C) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(D) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(E) Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request on or before August 19, 2020 mentioning their name, demat account number/folio number, email id and mobile number at jklc.investors@jkmail.com. The Members who do not wish to speak during the AGM but have queries may send their queries on or before August 19, 2020 mentioning their name, demat account number/folio number, email id and mobile number at jklc.investors@jkmail.com. These queries will be replied by the Company suitably.

(F) Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

(G) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

(14) Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

(15) **Instructions for Members for e-voting during the AGM are as under:-**

(A) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

(B) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(C) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

(D) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(16) **Other Common Instructions:**

(i) **Note for Non – Individual Members and Custodians**

- Non-Individual Members(i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address at jklc.investors@jkmail.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(ii) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

(iii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.

(iv) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.

(v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

(vi) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. 12094) of M/s Ronak Jhuthawat & Co., Company Secretary in practice, as Scrutinizer to scrutinize the process of remote e-voting and voting on the date of AGM in a fair and transparent manner.

(vii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting and submit, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

(viii) The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.jklakshmicement.com and on the website of CDSL www.evotingindia.com and shall simultaneously be forwarded to the Stock Exchanges. The result of the voting will also be displayed at the Notice Board at the Registered and the Administrative Office of the Company.

(ix) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date and who has not cast vote by remote e-voting, and being present at the AGM only shall be entitled to vote at the AGM.

17. **Appointment of Director**

The relevant details as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of the Director seeking re-appointment under Item No. 2 of the Notice is given hereunder:

Name	Dr. Raghupati Singhania
DIN	00036129
Age	73
Qualification	B.Sc, Honorary Doctorate in Science
Expertise in specific functional area	Eminent Industrialist and Entrepreneur with long diversified Industry experience
Date of Appointment on the Board	4th June 1991
Directorships held in other public companies (as per Section 165 of the Act, excluding private and other companies)	JK Tyre & Industries Ltd.*, JK Agri Genetics Ltd.*, Bengal & Assam Company Ltd.*, Radico Khaitan Ltd.*, J.K. Fenner (India) Ltd., JKT&I Employees Welfare Association Ltd. and Cavendish Industries Ltd. (*Listed Entities)
Memberships/ Chairmanships of committees of other public companies [includes only Audit Committee and Stakeholders' Relationship Committee in terms of Regulation 26 of the SEBI Listing Regulations]	Membership: Radico Khaitan Ltd. – Audit Committee Chairmanship: Bengal & Assam Company Ltd. – Stakeholders Relationship Committee
Number of Equity Shares held in the Company	2,66,632
No. of Board Meetings attended during the Financial Year 2019-20	4
Terms & conditions of re-appointment	As per Item No.2 of this Notice
Details of remuneration drawn for Financial Year 2019-20	Please refer Form No. MGT-9 forming part of Directors' Report
Remuneration proposed to be paid	Sitting fee for attending Board & Committee Meetings and Commission on Net Profits, if any.
Relationships with other Directors /KMP	Dr. Raghupati Singhania is brother of Shri Bharat Hari Singhania.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The present term of office of Company's Statutory Auditors, M/s S.S. Kothari Mehta & Co., Chartered Accountants, who were appointed as Statutory Auditors of the Company for a term of three consecutive years, to hold office from the conclusion of the 77th Annual General Meeting (AGM) held in the year 2017 till the conclusion of the 80th AGM to be held in the year 2020, expires at the conclusion of this AGM.

Disclosure pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("SEBI Listing Regulations"):-

(a) Proposed fees payable to the Statutory Auditors along with terms of appointment:

It is proposed to re-appoint M/s. S.S. Kothari Mehta & Co., Chartered Accountants, as Statutory Auditors of the Company for a second term of five consecutive years from conclusion of this AGM till the conclusion of the 85th AGM to be held in the year 2025 at a remuneration of ₹18 Lac per annum, excluding GST, as applicable, and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit for the period from the conclusion of this AGM upto the conclusion of the AGM to be held in the year 2021. The Board of Directors of the Company are proposed to be authorized to fix the remuneration for the remaining tenure of the Auditors. The proposed fees is based on Auditors' knowledge, expertise, industry experience and time & efforts required to be put in by them in performing their duties. The proposed fees are also in line with the industry benchmarks.

(b) Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditors:

M/s S.S. Kothari Mehta & Co. is an esteemed Chartered Accountants firm established in 1953 and has over six decades of experience. The firm has an international presence and is a Member of HLB International, UK with Members in 130 countries. The firm has a strong domestic network of Branches and Associates in Kolkata, Mumbai, Hyderabad, Chandigarh amongst other states. The firm is also associated with the Regulatory Agencies like Comptroller and Auditor General of India, Reserve Bank of India and Insurance Regulatory and Development Authority. The Board, based on the recommendation of Audit Committee of Directors and Auditors' performance during the current period and also their profile and experience, recommended re-appointment of Auditors as mentioned in the Resolution.

M/s. S.S. Kothari Mehta & Co., Chartered Accountants, have given their consent and confirmed their eligibility for the above re-appointment, pursuant to Sections 139 and 141 of the Companies Act, 2013 ("Act") read with Rules made thereunder and the SEBI Listing Regulations. The Board considers that their continued association will be in the interest of the Company and recommends the Resolution set out at Item No. 3 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Item No. 4

The Board at its meeting held on 20th May 2020, appointed M/s R.J. Goel & Co., Cost Accountants as the Cost Auditors, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year 2020-21 commencing 1st April 2020 at a remuneration as mentioned in the Resolution.

In accordance with the provisions of Section 148 of the Act read with the Rules made there under, remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. The Board recommends the Resolution as set out at Item No. 4 of the Notice for approval of the Members by means of Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 5

The Company at its AGM held on 4th September 2014, had authorised the Board of Directors of the Company to continue to borrow for the purposes of the Company, moneys in excess of paid-up capital of the Company and its free reserves upto an amount not exceeding ₹ 3,000 Crore, at any point of time pursuant to Section 180(1)(c) of the Act.

The Company's activities have increased significantly. To meet the increasing requirements of funds for various expansion and other projects envisaged by the Company from time to time, it is considered necessary to increase the said borrowing limits to ₹ 3,500 Crore in the aggregate, at any point of time.

Pursuant to Section 180(1)(c) of the Act, the Board can exercise borrowing powers, in excess of the aggregate of paid-up capital of the Company, securities premium and free reserves of the Company, with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 6

The Company at its AGM held on 4th September 2014, had authorised the Board of Directors of the Company to continue to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding ₹ 3,000 Crore, in the aggregate on account of principal, together with interest thereon pursuant to Section 180(1)(a) of the Act.

The activities of the Company have increased significantly. To meet the increasing requirements of funds for various expansion and other projects envisaged by the Company from time to time, the Company may have to resort to further borrowings from financial and other lending institutions upto a limit of ₹ 3,500 Crore in the aggregate, at any point of time. As security for such borrowings, the immovable and movable properties of the Company pertaining to any one or more of its units will have to be mortgaged/charged in favour of Financial and other lending institutions/Lenders.

Pursuant to Section 180(1)(a) of the Act, the Board can exercise power to create mortgage and/or charge on the immovable and movable properties of the Company, with the approval of Members of the Company by way of Special Resolution. In view of the revision in the borrowing limit as set out in Item No. 5, the Board recommends a revision in the limit upto which Charge can be created on assets/ properties in line with the revised borrowing limit. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Regd. Office:
Jaykaypuram-307 019
Distt. Sirohi (Rajasthan)

Date: 20th July, 2020

By Order of the Board

B.K. Daga
Sr. Vice President & Company Secretary

FOR ATTENTION OF THE MEMBERS

(1) Members having multiple folios are requested to write to the Company / RTA for consolidation of the Folios to save the administrative or servicing cost.

(2) Please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.

(3) Dividend Warrants:

(i) **As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("SEBI Listing Regulations") it is mandatory for the Company to print the Bank Account details of the investors on dividend payment instrument. Accordingly, the Members are requested to register/ update their correct bank account details with the Company/RTA/Depository Participant, as the case may be alongwith MICR/NECS details.**

(ii) Pursuant to the amendments introduced by the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (the "IT Act"). No tax will be deducted on payment of dividend to the resident individual Members if the total dividend paid does not exceed ₹ 5,000/-.In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email at jklc.investors@jkmail.com or RTA at admin@mcsregistrars.com.

(4) Investor Grievances can be lodged electronically with the RTA. Please log on to www.mcsregistrars.com and click on Investors Services to register your queries/ grievances which will be promptly responded by the RTA. Please write to the Company Secretary at Secretarial Department at Gulab Bhawan, 3rd Floor (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: jklc.investors@jkmail.com in case RTA's response is not received within a week's time.

(5) **Investor Education and Protection Fund :**

(a) **Unclaimed Dividend – Transfer to Investor Education and Protection Fund**

Pursuant to Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), amended from time to time, the unclaimed dividend shall be transferred to the Investor Education and Protection Fund (IEPF) on expiry of 7 years from the date of transfer of such dividend to the Unpaid Dividend Account of the Company.

Accordingly, the unclaimed dividend will be transferred to the IEPF as under:

Dividend	Due date for transfer to the IEPF
Financial Year ended 31.03.2013 - 50% Dividend	6th September 2020
Financial Year ended 31.03.2014 - 40% Dividend	8th October 2021
Financial Year ended 31.03.2015 - 40% Dividend	31st October 2022
Financial Year ended 31.03.2016 - 5% Dividend	11th October 2023
Financial Year ended 31.03.2017 - 15% Dividend	11th October 2024
Financial Year ended 31.03.2018 - 15% Dividend	12th October 2025
Financial Year ended 31.03.2019 - 15% Dividend	4th October 2026
Interim Dividend during Financial Year ended 31.03.2020 - 50% Dividend	19th April 2027

Members who have not claimed their dividend for the said Financial Years and subsequent years may write to the Company Secretary for payment at the Secretarial Department of the Company mentioned above.

(b) Pursuant to Section 124(6) of the Act read with the IEPF Rules, as amended, the Company has, during Financial Year 2019-20, transferred all the shares in respect of which dividend had remained unpaid/unclaimed for seven consecutive years or more to IEPF Authority within the prescribed time. The details of shares transferred to the IEPF Authority are available on the website of the Company.

With respect to dividend and shares due for transfer in the Financial Year 2020-21, the Company has sent notice to all the Members whose dividends are lying unclaimed for seven consecutive years or more to claim the same at the earliest.

(c) Members may note that shares as well as unclaimed dividend transferred to the IEPF Authority can be claimed back. Concerned Members are advised to visit the web link: http://iepf.gov.in/ or contact the Company for claiming the shares and / or refund of dividend from the IEPF Authority.

(6) Nomination: Pursuant to Section 72 of the Act, Members holding shares in the Company may nominate an individual to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Holders. Members holding shares in physical form, may send their nomination in the Form SH-13 (available on the website of the Company), duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialized form are requested to contact their Depository Participant for recording their nomination.

(7) Dematerialisation of Shares and Liquidity: As per Regulation 40 of the SEBI Listing Regulations, as amended, shares of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

Members can contact the Company's Registrar and Transfer Agent, MCS Share Transfer Agent Ltd., F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA) for assistance in this regard. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN is INE786A01032.

(8) Members are requested to quote their Folio No./ DP ID -Client ID and details of shares held in physical/demat mode, E-mail ID and Telephone/Fax Nos. for prompt reply to their communications.

CIN: L74999RJ1938PLC019511
Regd. Office: Jaykaypuram-307 019, Dist. Sirohi, Rajasthan
Email: jklc.investors@jkmail.com | Website: www.jklakshmicement.com | Phone: 91-11-30179862-864-869-894

E-COMMUNICATION REGISTRATION FORM

Dear Members,

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules issued thereunder, the Company is permitted to serve various notices/documents under the said Act, through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository.

To support this 'Green Initiative' the Members holding shares in physical form are requested to fill-in the appended form and send back to the Company. Members holding shares in dematerialized form are requested to approach the concerned Depository Participant to record/update in their e-mail address.

B.K. Daga
Sr. Vice President & Company Secretary

E-COMMUNICATION REGISTRATION FORM

(For Members holding Equity Shares in physical mode)

Folio No.: ....

Name of the 1st Registered Holder : ....

Name of the Joint Holder(s) : ....

Registered Address : ....

E-mail Id (to be registered) : ....

I/We Member(s) of JK Lakshmi Cement Ltd. agree to receive communication from the Company in electronic mode.

Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date: Signature:

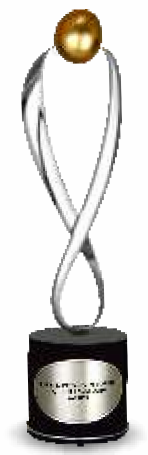
Note: Member(s) are requested to complete this Form and send to the Company Secretary at the above address or send the scanned copy of this Form duly completed at the email id –jklc.investors@jkmail.com.

NOTES

FIGHTING THE PANDEMIC COVID-19

LAKHMIPAT SINGHANIA - IIM LUCKNOW NATIONAL LEADERSHIP AWARDS, 2018

Shri. Ram Nath Kovind
HON'BLE PRESIDENT OF INDIA FELICITATES AWARDEES



From Left to Right (Standing): Dr. Raghupati Singhania, Dr. Srikumar Banerjee, Shri. Anshu Gupta, Dr. Bhushan Punani, Smt. Archana Shukla, **Shri. Ram Nath Kovind (Hon'ble President of India),** Shri. Bharat Hari Singhania, Shri. N. K. Singh, Shri. Puneet Dalmia, Dr. Amit Sharma.

SALUTING EXCELLENCE IN LEADERSHIP

Leaders pave the path for better future. To recognize and honour these exceptional individuals, Lakshmipat Singhania-IIM, Lucknow National Leadership Awards - 2018 were held on 9th Dec, 2019 at Vigyan Bhawan, New Delhi. These awards were given to outstanding leaders and young leaders in Science & Technology, Community Service & Social Upliftment, Business, as they have become a way to inspire and motivate future leaders.

AWARDEES

SCIENCE & TECHNOLOGY

LEADER: Dr. Srikumar Banerjee, Professor, Department of Atomic Energy, Bhabha Atomic Research Centre, Mumbai.

YOUNG LEADER: Dr. Amit Sharma, Parasitologist and the Head, Structural and Computational Biology Group, International Centre for Genetic Engineering and Biotechnology, Delhi.

COMMUNITY SERVICE & SOCIAL UPLIFTMENT

LEADER: Dr. Bhushan Punani, Executive Secretary, Blind People's Association, Ahmedabad.

YOUNG LEADER: Shri. Anshu Gupta, Founder, NGO Goonj, Delhi.

BUSINESS

LEADER: Ms. Kiran Mazumdar-Shaw, Chairperson and Managing Director, Biocon Limited, Bangalore. Chairperson, IIM, Bangalore.

YOUNG LEADER: Shri. Puneet Dalmia, Managing Director, Dalmia Bharat Group.

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