JK LAKSHMI CEMENT Ltd.

RESILIENT

RESPONSIVE

RELIABLE

ANNUAL REPORT 2020-21

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 2020 - 21

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Resilient. Responsive. Reliable.

FY 2020-21 was a year of distraught, marred by the global pandemic of COVID-19. The pandemic upended the private and public sectors and businesses around the world. Many of the businesses got trapped in the web of this period of unprecedented and large-scale disruption, hugely compromising their bottom-line or pushed into losses or forced to shut shops.

Mounting challenges during the year expanded the concept of preparedness. Reliable organisations who anticipated the future, were responsive to the future and tackled the future with a lot of resilience, were the ones who stood the test of these horrid times. Ultimately, it was all about resilience of a responsive organisation.

In FY 2020-21, JK Lakshmi Cement could sense and respond to these challenges and made the organisation more flexible, adaptable and forward-thinking. During these turbulent times, we stood strong on the foundations of being resilient, being responsive and creating a reliable eco-system. As a result, we were better positioned to adapt, rebound and endure.

We carefully analysed and planned for all eventualities and were well prepared, both for short and long term scenarios and thereby effectively pivoted to adapt to the events of FY 2020-21. The company recognised the importance of having versatile team and to that end, flexibility and adaptability was, by far, the workforce trait. We promoted collaboration within the organisation, which led to speed in decision-making, speed in mitigating the risks and coming up with innovative solutions across the value-chain. We developed a sense of rock-solid reliability between the company and key stakeholders, focussed on improving communication and transparency with them, as well as lead with empathy. As they say, “Prevention is better than cure”, we at JK Lakshmi Cement prepared well for meeting the challenges arising out of the disorder and responded to them with a lot of resilience.


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Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.

- Jack Welch

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

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, DISTRICT CUTTACK 754297

AUDITORS
S. S. KOTHARI MEHTA & COMPANY
CHARTERED ACCOUNTANTS

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

WEBSITE
www.jklakshmicement.com
CIN:L74999RJ1938PLC019511

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

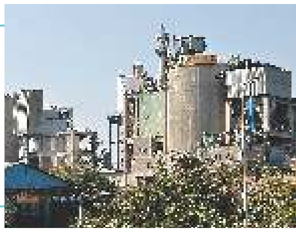
2009
Kalol Grinding Unit Commissioned - 0.5 Mn MT,
Total Capacity - 4.7 Mn MT

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

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

2015

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



2016

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

2017

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

2017

Capacity Addition at Durg - 0.9 Mn MT,
Total Capacity - 10.90 Mn MT

2017

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

2019

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

2021

Capacity at UCWL Plant increased from 1.6 Mn MT to 2.2 Mn MT (June'21).
Total Capacity – Appox. 14 Mn MT (June'21)

CMD'S Message

> “Out of suffering have emerged the strongest souls; the most massive characters are seared with scars.”
>
> Kahlil Gibran

Dear Stakeholders,

Humanity across the globe is facing a situation which has no precedent in living history for any of us. We all respond to situation based on our experiences of past but in a situation where there is no precedent available in the living history; drawing inspirations from ancient wisdom can possibly lead us to that ray of hope or light at the end of the tunnel. As we pass through these most turbulent, uncertain, volatile phase in our living history; 'Resilience', 'Responsiveness' and 'Reliability' are three key words that come closest to what our scriptures point to for determining the future of humanity.

Resilience

सत्वं सखे सञ्जयद्वत रजुः कमुद्धि भारत।

ज्ञानमावृत्य त प्रमादे सञ्जयत्य त॥

Srimad Bhagavad Gita Verse 14.9

A person who is of stable wisdom and is detached; is also a person full of hope, is self aware, is adaptable; and hence is 'Resilient'.

While the traits are relevant from the individual's point of view; the process has more significance if the societies, countries, and humanity at large have to bounce back in face of extreme adversity, trauma, tragedy or significant stress.

The last quarter of FY 20 gave some hints; some indications of how the future is likely to unfold in the coming quarters but with our living history or memories offering very little perspectives into the unfolding future; many countries were caught completely unaware and India was no such exception. As the first quarter of FY21 ended, the impact of the pandemic was felt across all Indian economic sectors and the GDP dipped 23.9% y/y, recording the first GDP contraction in more than 40 years. Barring a few exceptions, the contraction impacted almost every sector in the economy including construction. Even though the economic growth forecasts changed almost on daily basis; most of the sectors of the economy barring a few which were dependent on movement of people or social interactions, strongly bounced back in the subsequent quarters. The cement sector against the fears of demand contracting by as much as 15 to 20 % over FY 20 could recover gradually from third quarter to end with a degrowth of only about 7% when the year ended. Towards the last quarter of the financial year the cement demand was almost close to the historical high seen in the FY 19.

It gives me a great sense of encouragement and satisfaction both that all our stakeholders including employees, suppliers, dealers, customers etc. have shown strong resolve as well as resilience in this hour of difficulty. Plant operations despite being shut for more than a month during the lockdowns, markets being fully or partially closed during first half of the year; and labor returning back to their native places during the pandemic; our overall production and sales have shown positive growth during the year. Against all odds during the year our volumes grew by 8% and PAT increased by over 55%. These results amply illustrate our inherent resilience and capability to bounce back.

Responsiveness

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन।
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥४७॥

Srimad Bhagavad Gita Verse 2.47

The holy scripture defines 'Responsiveness' as being 'Responsible'; the one who puts duty ahead of rights over the fruit of action. The global pandemic has just taught this lesson to all of us and it is indeed heartening to note that corporate India has put larger human values ahead of everything else and have acted resolutely.

If it was following of safety protocols in the operations, distribution, and supply chains; distributing food, providing shelter to migrating work force, making advance payment to MSME sectors etc. during the first wave; the response in the second wave is centered around contributing in providing of medical care including beds, oxygen supplies, medicines, ventilators etc. The industry is also taking lead in ensuring that the eligible employees and other stakeholders are supported financially and facilitated for a quicker vaccination.

Coming to your company in particular; it gives me immense sense of satisfaction that in a very quick time we at all levels adopted to the new realities and changed the way of our functioning at all levels. These included adoption of safety protocols, adoption of technology to be in touch with all our stakeholders, creating and providing of digital infrastructure to our people so that they can operate from the safety of their homes without any compromising on operating efficiencies. Even if the situation called for minute to minute micro management at plants, logistics, supply chain etc. then our people were ready and equipped with the will and tools to handle situation so much so that every single truck that was stuck on the road due to sudden announcement of lockdown was traced, tracked, and monitored to the nearest place of safety or till the ultimate destination. The government and administration across the country has also acted with alacrity in handling of the crisis. If these included the Prime Minister addressing to the Nation on multiple occasions, and the Finance Minister announcing multiple fiscal measures and relief packages at the highest level of policy making; it also included managing of micro containment zone at ground level so as to minimize the impact and sufferings caused due to prolonged lockdowns during the first wave.

The relentless all around efforts in performing the duties have also yielded sweet results. During the initial months of pandemic increased allocation on rural oriented schemes such as MNREGA, PMAY (Rural) and PMGSY helped to sustain rural demand and then towards the second half revival in infrastructure and real estate pulled the demand for cement in desired direction.

Reliability

यतो यतो निश्चरति मनश्चञ्चलमस्थिरम्।
ततस्ततो नियम्यैतदात्मन्येव वशं नयेत् ॥२६॥

Srimad Bhagavad Gita Verse 6.26

Reliability is commitment of unwavering mind to a cause. Stronger the commitment; higher is the reliability because the committed mind can not be distracted. The current second wave of the pandemic is nearly 3 – 4 times bigger and stronger than the first wave seen last year. Yet though there is more suffering but there is less panic and less disruptions. The society and nations are beginning to learn to live with the pandemic amidst the fears or warnings of third wave which could be even more severe and bigger.

Everyone needs to be more firm and more committed in their resolve to fight the pandemic and not let it take away the action (sense of duty) & swiftness of actions (Resilience and Responsiveness) from us. All countries including India need to relentlessly move ahead with the goal of maximization of vaccine coverage in shortest possible time. It is reassuring to know that the number of vaccines which have been successfully developed and tested are increasing; and also are being found to be effective against new mutants of the virus. It is also heart warming to see our country being at the forefront of vaccination drive; where not only we are vaccinating our own people but are also providing vaccines to other countries under global initiatives such as GAVI and COVAX. The spirit of sharing shall stand in good stead in time to come and the country shall reap rich dividends.

Continuing with this optimist finale to the year gone by, your company shall selectively invest in augmenting the existing capacities in Northern and Western parts of the markets in next few years to enhance market share. During FY21, progress of expansion of Waste Heat Recovery Project in Jaykaypuram, with an annual capacity of 10 MW got impacted due to pandemic, is now progressing in full swing and the Project is expected to be commissioned by 3rd quarter of FY22. You would be happy to note that your company has recently been awarded two limestone mining blocks – one in Central

Rajasthan and another in Coastal Gujarat. These blocks have been awarded in a competitive e-bidding process and each of these can support atleast 5 Million MTPA cement capacity for 40 – 50 years. In coming years your company will invest to make progress in operationalisation of these new mining blocks, which shall not only add to competitiveness in existing markets but also help in opening new markets also.

Lastly but not the least; I am extremely thankful for the unwavering commitment that all our stakeholders including the employees and their families have shown during this pandemic. My heart is with all those who have suffered losses during this period including the loss of lives of their near and dear ones. However these calamities have only strengthened our resolve to persue the path of 'Resilient', 'Responsive' and 'Reliable' actions with greater determination for ushering in a brighter future for all of us. We on part of JK Organization are doing our own bit to alleviate the pain and sufferings of the families of those who have suffered the loss of life during the pandemic. Our support to the grieving families shall not only be moral but financial too.

In the end I am concluding my thoughts expressed in this communication with a deep sense of hope for better and brighter present and future. The year gone by presented two pictures which are in sharp contrast. If the cement demand was just above 4 million MT in April 2020 (lowest of cement demand in any month in more than a decade); it was slightly below 33 million MT in March 2021 (second highest of cement demand in any month in the history). While the first reflects a complete economic downhill; the later is a blossoming hope full of promises. With unflinching support of all my stakeholders I firmly stand for hope and brighter future which is also reflected in your company announcing 75% dividend for the year gone by.

BHARAT HARI SINGHANIA
Chairman & Managing Director

> The pessimist sees difficulty in every opportunity The optimist sees opportunity in ever difficulty.
>
> *Winston Churchill*

VCMD'S Message

Dear Shareholders and Associates,

As you all are aware, the year gone by was extremely challenging; caused by the global outbreak of COVID–19 pandemic. We may perhaps not forget the unprecedented lockdowns, disrupted economies, businesses, and society, in a manner that were never seen before. In India, the Pandemic had started in March'20 and is still continuing after witnessing unexpected peaks resulting in huge disruption of economic activities, impacting both the lives and the livelihood of countless people. Indeed unfortunate!

The last couple of months, particularly April and May 2021, have been extremely stressful and demanding for all of us. The second COVID wave has hit us close to home and already there is a forecast of an impending third wave which is a huge threat. The uncertainty coupled with fear and anxiety caused by the Pandemic, is continuing to loom large in the minds of the people. We however, firmly believe that our core values of commitment to excellence and customer satisfaction, and our attitude of caring for our people, will enable us to not only sail through this trying time but will enable us to emerge still stronger and successful. Our sound corporate governance practices and robust business fundamentals will continue to help us maximising long term value for all the stakeholders.

This Pandemic has induced several behavioural changes in the lives and working styles of people generally. Amidst such uncertainties, we have to not only balance our emotions, anxieties and fears but also practice Resilience, Responsiveness; and become Reliable. We have kept our focus and succeeded in converting some of these thoughts into tangible actions by being Safe, Smart, Sensitive & Compassionate which I shall elaborate in my address.

Being Safe

When the Pandemic broke out, sometime in the middle of March last year; immediate challenge before us was to ensure safety of our employees, business associates and other stakeholders on one hand and to protect our Plants, operations and assets, on the other. In our sincere endeavour to ensure safety for all, we were 'Resilient', 'Responsive' and 'Reliable' in all our activities, at all levels. We religiously adhered to the Government Norms and guidelines to close the plants and offices at right time; allowing flexi-timings for attending offices, enabling employees to work from home; sanitisation and distribution of masks, sanitizers etc. Social distancing and other safety protocols were put in place at all locations, and these included thermal scanning, contactless transactions, complete sanitization of workplaces as a matter of routine, sanitization of vehicles and so on. With the whole-hearted support of all our stakeholders, our capabilities and commitment and above measures, we were able to minimize the impact of the first wave of the pandemic.

It is heartening to note that the timely and regular interventions by our Government to flatten the COVID curve through enforcement of stringent health and safety measures, followed by huge vaccination drives and sizable financial and other support extended to the business and the Industry through stimulus packages, have provided requisite life blood to the economic activities and businesses and we are able to sense some signs of recovery of the Indian Economy. India's hiring rate has recovered moderately from 10% to 35% in May 2021 but the aftermath of second wave has left jobs increasingly vulnerable to economic uncertainty. It is hoped that the Industry will gradually enter its pre-COVID growth momentum.

Being Smart

It is indeed a matter of great satisfaction that during these difficult times, your Company chose optimism to the threat posed by the pandemic and responded to counter the same with strong determination. Requisite preventive measures were taken to minimise its impact through change in work style by galvanising all resources, laying systems to adopt best practices to work-from-home and by encouraging employees to keep the connect alive with the customers, dealers, suppliers, transporters and associates virtually. Your Company was one of the first to hold a virtual Dealers Conference in the central zone; where more than 600 valued Dealers participated. Work-from-home practice was followed flawlessly without any work hindrance; thereby breaking the established manufacturing sector practices.

We were quick to accept and adapt to changing realities by prioritising our actions to micro manage the situation across Company, in all its operation. War rooms were established at State levels to monitor every tonne of finished goods and raw materials. Responsive and reliable supply-chain practices were put in place to ensure that our esteemed Customers do not suffer for want of products, even when the markets were fully/partially closed.

I am happy to apprise you of some notable achievements made during the year which gives us a hope that things will become better in coming times, sooner than later:

- The grinding units at Surat, Kalol, Jharli and Cuttack have shown remarkable resilience in bouncing back to normal in the shortest possible span of time.
- At Udaipur Cement Works Ltd., our Subsidiary ,Clinker production rose by about 3% despite Kilns being shut for more than 30 days during the lockdown period.
- Despite lower clinker production, your Company maintained its efficiency parameters with respect to fuel and power consumption to an optimum level. The commissioning of the Waste Heat Recovery (WHR) Power Plant of 7.5 MW and 20 MW Thermal Power Plant, has enabled us to contain power cost at Durg Plant.
- During the year, average pet coke prices more than doubled and the prices of other comparable fuels followed similar trend. Increasing fuel costs also impacted cost of captive power, though your Company is consistently focusing on increasing the use of renewable power since last few years. This has led to increased contribution of renewables (including WHR) to about 35%.
- The upswing in diesel price impacted the cost of transportation during the year; however, we have responded strongly to contain the diesel impact to the maximum possible extent. Your Company reduced the number of dumps and improved the direct dispatches significantly.
- Going against the tide, your Company successfully introduced its premium offering 'Super Sixer Weather Guard Cement', leveraging the goodwill generated through its another cement brand 'Sixer'; brand endorsement by cricketing legend Rohit Sharma and also through sponsorship of IPL franchisee Sun Risers Hyderabad (SRH). This also enabled your Company to achieve one of the highest percentage of premium products sales with respect to its trade sales.
- Value-added product business also witnessed healthy traction in the non-lockdown period. Newly launched product, JK Lakshmi Smart Wall-putty has got acceptance in the market and is increasing its footprint to become a significant player in the category.

I take pride in informing you that your Company has maintained status of being one of the least carbon footprint in the Indian cement manufacturing industry. We have strived hard on continuous basis to review and develop sustainable policies and processes to save the environment. Your Company also bagged the Times Ascent "Dream Companies to Work for"in the Cement Sector - 2021. Company's Durg unit bagged 21st National Energy Award for Excellence in Energy Management - 2020. This is extra-ordinary that just within one year of its commissioning, Company's Durg unit became the first cement plant in Chhattisgarh cluster to cap ISO 50001:2011. This Unit was also conferred with the prestigious Greentech Environment Award - 2020, for its outstanding achievement in environmental protection.

Being Sensitive & Compassionate

The prevalent situation sincerely calls for "Being Sensitive and Compassionate" in a big way. The pandemic has hit really hard to almost all sections of the society resulting in loss of lives and livelihood of countless people. Need of the hour therefore is to extend all possible help to reduce their sufferings. I feel that any bit done to reduce their pain and sufferings may appear too small, just a drop in the ocean, however, that should not hold us back from our duty to empathise and take care of their concerns as the saying goes 'every drop counts'.

Your Company took several initiatives for the local communities and migrants' workers in collaboration with local panchayats and district administration across its plant locations as well as in the marketing zones. We have conducted regular awareness sessions on prevention of COVID-19 besides distribution of sanitisers, masks and medicines. Frontline Corona warriors were facilitated by providing temperature guns, hand-gloves and other requisite material. Sanitisation of crowded places in villages like panchayat bhavans, banks, post offices, e-mitra centres and ration shops etc. at regular intervals, has tremendously helped in containing spread of virus in the communities around Company's plant locations. In addition, your Company also pro-actively responded to this national emergency and donated about ₹1 crore to PM CARES Fund.

During the second wave, your Company has taken notable initiatives including setting up oxygen plants in the hospitals near to its manufacturing units, arranging for hospital beds, ventilators, etc. Camps were organised to vaccinate the employees and their families to protect against Covid – 19, as per the policies and guidelines of the government. These are in addition to the regular CSR activities of the Company which may be seen in the CSR Report contained in the Annual Report 2020-21.

The Company firmly believes in inclusive growth. Serving the society and improving the quality of life of the neighbouring communities, have always been on our priority Agenda. In line with our Group philosophy on CSR, we relentlessly strive to strengthen community relationship and to bring sustainable change in quality of their life through innovative solutions in education, health, water & sanitation, skills development, livelihood promotion and rural development.

People Development has always been our topmost priority. Employees are the most precious resource of your Company. Respecting the employee's individuality for successful integration with your Company's culture, is the core human resource philosophy and is central to the culture of CARE – Compassion, Attitude, Respect and Encouragement & Passionate Human Touch. As a result of sustained people practices and highly motivated & engaged human capital, your Company has the distinction of being chosen amongst the top 25 coolest workplaces in India by Business Today.

I am pained that some of our employees, their family members, our dealers, and associates have suffered loss of life during the pandemic which cannot be made good. I would like to express sincere gratitude to the contributions made by them towards company's growth and progress. JK Organization group companies have responded to help the aggrieved families in this hour of crisis by providing minimum income support to the deceased employee's family, bearing the cost of education of the children, extending the medical insurance cover to the families till such time the pandemic lasts etc. Your Company is amongst the few companies, which has provided a Covid Care Cover including insurance cover to more than 4,000 dealers in all the states, where we operate.

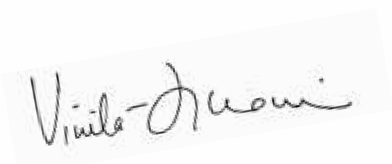
We are optimistic and are already seeing some early signs of recovery of the economy, from the Covid Pandemic. With gradual easing of lockdown restrictions by State Governments, it is hoped that we will soon reach normalcy stage. The Government's continuous emphasis on affordable housing and infrastructure augurs well for the economy in general and the Cement Industry in particular. It is expected that the Indian economy will soon be on right track and regain its pre-COVID momentum. Your Company is well-poised to reap the benefits of sustained long-term demand growth once the normalcy gets restored. We expect significant change in the construction technologies and practices including the inputs and components used in construction process. These changes are expected to bring exponential growth of demand for ready-to-use value added construction products. Your Company has over the years grown its product portfolio and has drawn up ambitious growth plans including expansion of manufacturing base, adding new products and entering into new markets. We will also selectively invest in augmenting our existing capacities in Northern and Western parts of the markets in next few years to enhance Company's footprint and market share. Further, the new mining leases secured by the Company in the recently concluded e-auctions in the states of Rajasthan & Gujarat, shall open new vistas of sustainable long-term growth for the Company. We shall make a steady and time bound progress to operationalize these assets in future.

I would now like to express my sincere gratitude to all our customers, business partners, associates, suppliers and our esteemed shareholders and other stakeholders for their supreme loyalty and confidence in us. I also acknowledge our Employees, who are our most precious resource. As we gearup in preparation for a power-packed future, I am grateful for their partnership and hope that we continue to get support of all our stakeholders in future too which promises to be bright and full of opportunities.

To conclude, we all need to come together and fight this crisis and uncertainty caused by the Covid-19 Pandemic, with compassion, hope and confidence. I believe that vaccination and observing Covid appropriate protocols are the only hopes to battle COVID-19 and lessen its impact. I therefore humbly urge on you all to come and collaborate to combat this pandemic jointly. Please take complete dose of vaccination and guide people, those who have not yet taken the vaccine, on the positive aspects of vaccination and the fact that it is all safe to take a vaccine.

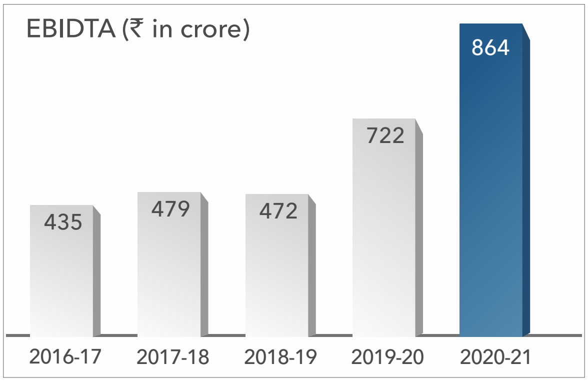
Be Safe, Be Smart, Be Sensitive & Compassionate.

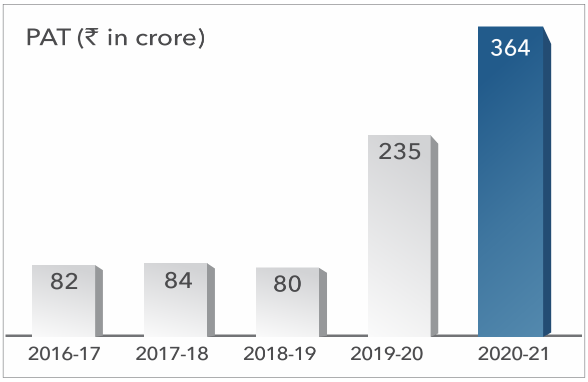
Namaste

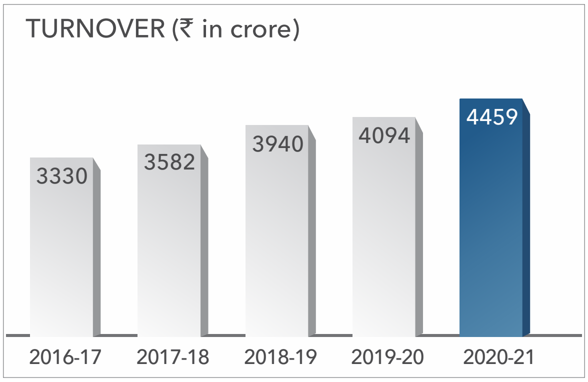


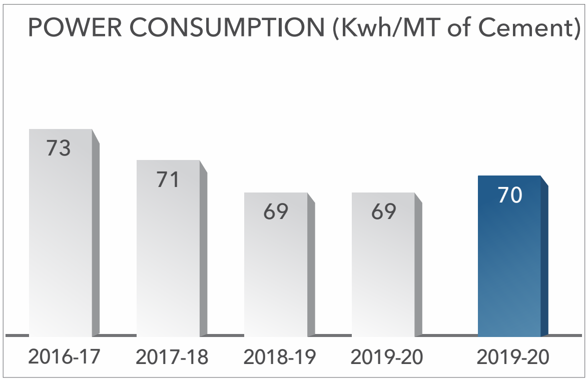
VINITA SINGHANIA
Vice Chairman & Managing Director

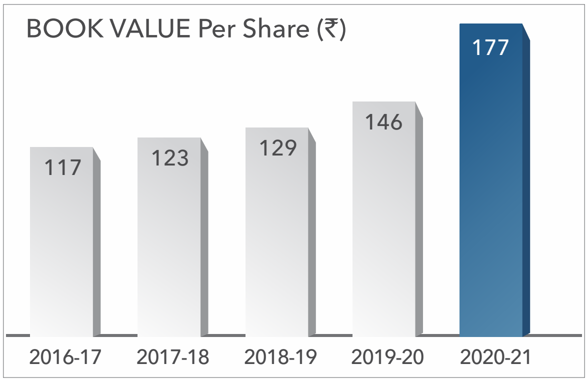
Financial Highlights

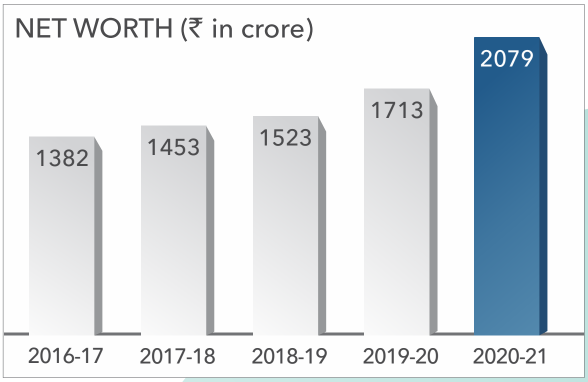












RESILIENT

> "Life does not get easier or more forgiving; we get stronger and more resilient."
>
> *– Dr. Steve Maraboli*

Resilience, in this time of pandemic disruption was the key to any organisation's survival and success. JK Lakshmi Cement Ltd. was one of those organisations that was prepared for the mayhem and hence could tackle the 'new normal' by changing the ways of operations and the business models. Resilience has brought about a sea change at JK Lakshmi Cement in form of flexibility, adaptability, collaboration and deliverance. The most important action that JK Lakshmi Cement took was strengthening trust across the entire value chain involving employees, stakeholders and customers through regular, structured and empathetic two-way communication.

Consistency, continuous improvement, and promptness are the backbone of a resilient JK Lakshmi Cement in FY21. Company's Durg plant achieved 6000+ TPD output on a consistent basis despite a month-long complete lockdown followed by bans and restrictions imposed on account of the pandemic through most part of the year. JK Lakshmi Cement's limestone mines at Sirohi continued to achieve good operational performance. Limestone production at Sirohi during the FY21 surpassed the target and was recorded higher at 110%. Under the PAT (Perform, Achieve and Trade) Scheme of Bureau of Energy Efficiency, our Durg Plant also surpassed the target and become entitled for relevant e-certs for trading.

These are just a few of the many stories which are highlighted in detail in the next few pages to underline the resilient attitude and performance of JK Lakshmi Cement in the FY21.

The true resilience of JK Lakshmi Cement has been enumerated through various articles in the next few pages. Read on to know more...

Prepared to sail against the tide

We at JK Lakshmi Cement, might not have anticipated a pandemic like COVID-19, but we were prepared to sail against the tide and many of our strategic actions helped us plan for and navigate such disruptions.

An essential starting point for developing a mindset and culture of preparedness is to create comprehensive crisis response scenarios to various potential risks, both internal and external. These scenarios prepared us for the biggest risks and provide standard operating procedures to follow if a crisis occurs.

One of such much anticipated response was that of our digital transformation even before the pandemic. Externally, our customers saw no disruption in our services during the pandemic because of our digital investments over the years.

We also increased advanced technologies and IoT to tap various opportunities, increase efficiency and realign our business model. This enabled us to focus on building greater transparency and security across our supply chains.

Simultaneously we have also mitigated our risk and diversified our revenue stream further by launching new products as per the current market needs.

We invested in technologies that enabled remote working, while ensuring that the work was not disrupted even during the time of complete lockdown. We weathered the pandemic well by training our employees to do multi-tasking and thereby implementing a process that enabled us to easily redeploy our employees to different roles depending on the need and their interests. We encouraged cross-functional collaborations for increased efficiency.

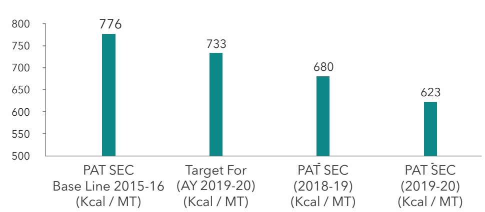
Being future-ready

At JK Lakshmi Cement, we recognise that resilience isn't just about dealing with the issues and challenges of today; it is rather about building a culture fortified to face the changes that are yet to come. Being resilient means having the ability to withstand, adapt, and thrive in the face of unanticipated situations. The global pandemic and the seismic changes it brought along needed us to adapt and make necessary changes to ensure operational efficiency without disrupting our entire supply chain.

Durg Unit: PAT Scheme Achievement

Perform Achieve and Trade (PAT) scheme is a flagship programme of Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency (NMEEE). NMEEE is one of the eight national missions under the National Action Plan on Climate Change (NAPCC) launched by the Government of India. In this, each power consumer is given targets to be achieved in time frame of 3 years, with rewards and penalties. We at, Durg plant have surpassed the targets and are eligible for incentive in form of e-certs which can be traded.

JK Lakshmi Cement, Durg has surpassed all targets



A low-cost innovation to reduce impact of false air

False air is one of the factors for higher energy consumption in cement plants. By reducing false air, production level can be improved and energy consumption can be reduced. In one of our in-house operational audits, the team observed that the classifier was running at a high speed as both the flaps of bucket elevator discharge chutes were not operating smoothly; thereby causing huge false air ingress. We not only smoothened the operation of flaps but tried out a number of chamber samplings too. We also changed the grinding media pattern while ensuring same filling level in the chambers. To overcome the pressurisation of the first chamber resulting in reduction of feed rate, we increased opening area of intermediate diaphragm. This resulted in significant improvement in productivity and savings.

Unlocking growth

- The agile practices of our limestone mines at Sirohi and Durg helped to weather the unforeseen disruption caused by the COVID-19 pandemic. The mine's limestone production at Sirohi surpassed the target with 110% achievement despite non-operation of mines for about a month. At Durg, we were able to produce 2.99 lac tons of limestone in December 2020, the highest in a month till date.
- At the Surat grinding unit, the production rate increased from 138TPH to 144TPH in FY20-21.The unit also reduced power by 1.98 kwh per Ton leading to cost reduction.
- At our Durg plant, we consistently achieved Clinker production of 6000+ TPD throughout the year.

Triple Benefits

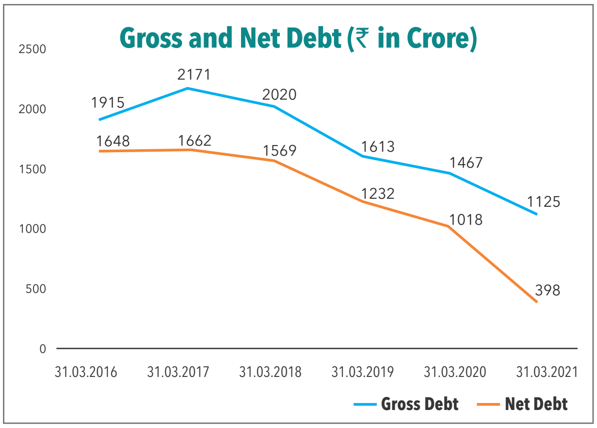
At Surat Plant, we installed pressure transducer in packing plant main airline to reduce plant idle operation due to air shortage. Ultrasonic Sensors were installed for VRPM cylinder actual position display thereby improving operational control. Transmitter was also installed for VRPM cyclone draft feedback along with vibrator to avoid cyclone jamming. LVDT sensors were placed in ball mill main drive clutch, to monitor the gap during clutch release which resulted in less wear and tear and eliminated stoppages due to clutch fault. Reduced dust emission and idle operation of dump hopper bag filter by installing pressure switch in its suction pipe. These initiatives led to benefits like conservation of energy, cost reduction and increase in the productivity.

Young minds at work

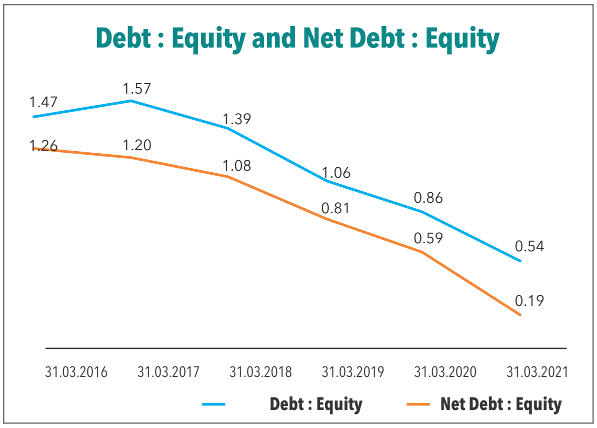
The team of young engineers at Durg plant, worked to improve the productivity of the mill to cater to the raw meal requirements for increased clinker production. The team found that pressure drops across VRM to be on higher side and mill rejects also on higher side due to internal recirculation of fines in the mill. The armour ring angle was reduced leading to improved flow pattern across mill and separator. We also installed support ring at mill dam ring to retain more feed on the table resulting in improved grinding efficiency and productivity of mill. To improve the productivity of cement mill it was planned to transfer vent bag house material directly to final product air slide based of PSD analysis. Also made an arrangement of reverse screw conveyor and bucket elevator for transfer of material from mill vent bag house to final product. This resulted in increase in the productivity of the cement mill.

RE-RATING OF THE COMPANY.

The Company has continuously been focusing on deleveraging the Balance Sheet over the last several years and has been able to substantially bring down its Debt in its Balance Sheet. The Company's Total Debt has been reduced by over Rs.1000 Crore from Rs.2171 Crore as of 31st March 2017 to Rs.1125 Crore as of 31st March 2021. Similarly, the Net Debt of the Company has been reduced by over 75% from Rs.1662 Crore as of 31st March 2017 to less than Rs.400 Crore as of 31st March 2021.

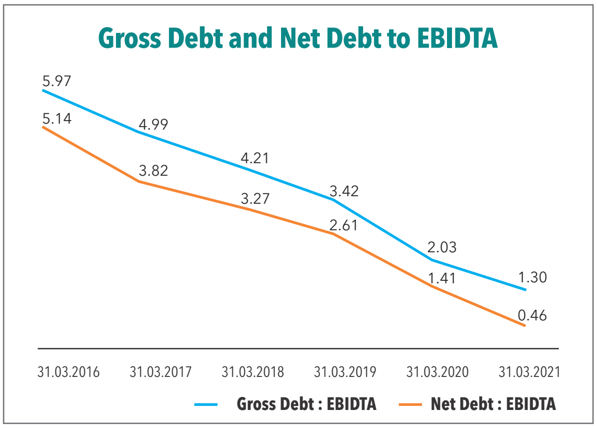


As a result of the reduction in the Debt, the Debt Equity Ratio of the Company has also come down from 1.57 as of 31st March 2017 to 0.54 as of 31st March 2021. Similarly, the Net Debt Equity of the Company has considerably been reduced from 1.20 as of 31st March 2017 to 0.19 as of



Based on the substantial improvement in the Company's Consolidated Financial Leveraging over the past few years leading to the Present Consolidated Net Debt Equity below 1 & comfortable Debt to EBIDTA Ratio as of as of 31st March 2021, CARE Ratings Limited (CARE) has upgraded Company Rating **to AA (Double A) from** AA- (Double A Minus) with a **Stable Outlook.** The Upgradation of the Company by CARE also takes into account Strong Operational Performance driven by the Company's Robust Volume Growth across Regional markets, Improved Cost Efficiencies and Higher Sales Realization achieved during FY20 and FY21. The Revision in Rating also considers the Improvement in the Operational Risk Profile of UCWL resulting in healthy contribution of Cash Accruals at Consolidated level.

The Company's continuous improvement in its Operational & Profitability performance together with the reduction in the Debt has enabled the Company to bring down its Gross Debt to EBIDTA Ratio from 5.97 as of 31st March 2016 to 1.30 as of 31st March 2021. Similarly, the Net Debt to EBIDTA Ratio has also substantially been brought down from 5.14 as of 31st March 2016 to 0.46 as of 31st March 2021.



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

The Improvement in the Operating & Financial Results of the Company together with the Upgradation in the Rating was viewed very positively by the Stock Market and the Market Capitalization of the Company has now crossed US $ 1 Billion. Over the last 15 Months, the Share Price of the Company has jumped from Rs. 196 as of 31st March 2020 of about Rs. 650 by the first week of July 2021 i.e. an increase of over 231%.

The Company has a healthy Treasury Corpus of about Rs. 726 Crore which it continues to judiciously deploy in various Tax-efficient Debt Instruments to garner Returns higher than the Cost of funds. This comfortable Liquidity position would enable the Company to fund Promoters' Contribution of Expansion Project of UCWL without any additional borrowings in the Company.

The Company continues to make Presentation on Detailed Analysis of its Operational & Financial Performance to the Investors, Bankers & Other Stakeholders through interactions by way of Quarterly Concalls & Roadshows both in India & Overseas.

CFO addressing the Stakeholders

RESPONSIVE

"It is not the most strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

– Charles Darwin

Being agile and prepared with a firm action plan for any eventuality is the hallmark of a successful organisation. At JK Lakshmi Cement, the priorities are balanced in a manner that we could effectively handle the onslaught of the pandemic, with the versatility of managing all operations with safety and health of workforce. The entire JK Lakshmi Team rose to the occasion to perform much better in FY21 in spite of unprecedented and uncertain conditions. Flexibility, adaptability, and responsiveness were the foundation of our successful sailing through this critical year. Adapting to the 'new normal' quickly and working digitally added the much-needed continuity of operations and customer, employee, vendor connect at JK Lakshmi Cement. That's why they say a responsive organisation begets culture of resilience.

During FY21, JK Lakshmi Cement demonstrated responsiveness in a multitude of interventions and initiatives. Being responsive to technology as a differentiator, JK Lakshmi Cement has recently invested in to IoT and automation to leverage it for various operations such as fleet management, supply-chain, water conservation etc. It is also using AI engines for optimizing manufacturing operations. The company has also invested in data analytics to develop predictive technique associated with sales forecasting, plant maintenance and operations and many more.

JK Lakshmi Cement was amongst the first to effectively respond to COVID-19 pandemic by implementing six step strategy – physical distancing, hand sanitization, use of mask, checking of overt symptoms, cleaning/sanitization and promote virtual meetings. Extensive SOPs were made in this direction for all our plants, offices, and townships to create a safe, contact-less, and paper-less environment.

From a marketing perspective, the company was way ahead of the curve by commencing virtual technical services to customers viz. knowledge about raw materials, DIY demos, slab supervision, building solutions, safety kit at site and how to lower maintenance cost. More so, JK Lakshmi Cement has been very responsive by building a positive and optimistic frame of mind by celebrating sportsmanship. We were the title sponsor of Sunrisers Hyderabad during IPL season–13 & 14. We also signed Rohit Sharma as the brand ambassador for JKLC Sixer Cement.

The true responsiveness of JK Lakshmi Cement has been enumerated through various articles in the next few pages. Read on to know more...

Agile & adaptable is the new normal

Even before the COVID-19 pandemic, agility was considered as an important aspect to respond to the market opportunities swiftly. With the COVID-19 outbreak, which has led to frequent changes in the market and customer behaviour, organisations are pushed to transform the way they work and respond even more swiftly. The situation demanded us to be responsive by shattering the traditional practices and adopting new practices to respond to the crisis situation. And we did. Given the massive disruptions, we responded with agility, be it in customer engagement, building connections, ensuring inclusive development or being responsive with positive interventions and innovations.

Being ahead of the curve

Our bond with customers is reflected in our purpose of creating superior value for them through premium products that are novel and innovative. With highest quality, trusted brands and product innovations, we created a unique product portfolio that addressed the need of the discerning customers. We at JK Lakshmi Cement are committed to provide energy efficient and environment friendly products to our customers by using sustainable practices. Here we showcase new product launch and the various ways in which we engaged with our customers, dealers and retailers through innovative and integrated campaigns, so that we are always market responsive.

New product launch - Super Sixer Weather Guard Cement

A superior product in premium packaging- Super Sixer Weather Guard, a premium quality Cement was launched for the markets of Rajasthan, Gujarat and Madhya Pradesh. Whether it is extreme cold or scorching summer heat, rainfall or windstorm, its product performance remains undeterred. This 'all seasons' product was launched with the positioning line, "Har Mausam Mein Not Out". It addresses customers' needs like protection against extreme weather conditions, dampness on wall/floor/ceiling, delay in construction due to lack of initial strength, rusting of rebar, and rising cost of maintenance.

Rohit Sharma roped in as brand ambassador for JKLC Sixer Cement

We on-boarded cricketer Rohit Sharma as our brand ambassador for JKLC Sixer Cement. A man for all seasons, Rohit Sharma is an ideal choice to represent our popular brand. His unique and landmark records in cricket reflects well with the JKLC Sixer tagline 'Tod do Saari hadein".

JKLC Sixer Cement in a new avatar

The packaging of JKLC Sixer Cement PPC was relaunched in a new, attractive and vibrant colour that was extremely well received by the consumers and channel Partners.

Aa Strength Dikha: A Campaign that celebrates the strength of Buland Soch:

Our new television commercial, 'Aa Strength Dikha', launched during the FY20-21 is aimed at taking the brand positioning of 'India, Ab Soch Karo Buland' to the next level. With the customer age profile getting younger, from 60 years to now 45 years, it was important to rethink and retarget. 'Aa Strength Dikha' captures the brand's values, leadership stance and social intent. It is aimed to build a stronger resonance with India's younger demographic. The campaign garnered close to 4 million views on YouTube. The message of 'Aa Strength Dikha,' lies in the clash between the ordinary and the Buland Soch. In the post COVID-19 times, it was of utmost importance to spread positivity. This ad film served as an analogy to how, together we can help build a better and stronger India.

Leading the way through a Lead generation campaign for our channel partners

JK Lakshmi was the first company in the industry to drive a sales-oriented digital lead generation campaign during

the pandemic. We used various digital platforms including and followed a hybrid approach to leverage the online media to generate awareness, leads and enquiries from prospective customers from the safe environ of their homes. Our customer care cell then followed up with the leads generated to convert them to sales through channel partners. A dashboard for real time visibility was also created. The campaign garnered over 23 crores impressions, 12 Lakhs clicks, 10000+ certified leads and resulted in additional sales from dealer counters. It also resulted in a large number of enquiries for association with us as new dealers and retailers.

Rising with a Buland Soch – IPL 2020

IPL provided us with the opportunity to bring alive our philosophy of 'India, Ab Soch Karo Buland'. But with the pandemic that led us to a new normal in IPL as matches were played outside India, in UAE to empty stadiums, we needed to adapt quickly to this new normal. We responded by switching the majority of our advertising spends to digital media and launching supporting campaigns via print, radio and outdoor media across all our operational markets.

To leverage our new alliance with SunRisers Hyderabad (SRH) as their Title Sponsor for IPL season 13 (2020) and season 14 (2021), engaging content on social media was created. We played the role of the perfect partner, showcasing engaging cricket themed content, while establishing JK Lakshmi Cement as the leading and most trusted cement brand.

The campaign #RisersWithBulandSoch was launched on the digital media with an aim to engage with fans and drive home the message of our association with SRH. We created a series of immersive social media posts featuring SRH players. Various engaging contests tested the participant's knowledge wherein winners got an opportunity to win a customised SRH jersey with their name on the back. To give fans an engaging experience of the cricket action, we also created three AR filters through which fans could express their support to SRH. A New Giphy Account with funny and interesting content resulted in over 10 Mn views.

Creating an impression on digital media

3.75 Lakh+ followers on Facebook (second in industry)

IPL season Brand awareness campaigns on social media, Cricbuzz and Google Display Networks

3400+ Followers on Instagram, in our very first year; 3rd most followed Indian cement brand

2000+ followers on Instagram page of JKLC Sixer in its first year

16000+ followers on Instagram page of Platinum Heavy Duty cement in its first year

No. 4 in traffic amongst cement websites across India in FY20-21

IPL Digital Connect

45 Crore+ impression across all social media platforms during IPL

10 Lakhs+ people engaged through advertisement and posts

51K monthly searches of brand.

5 Lakhs+ visits on the company website during the campaigns

10 Mn+ views on our newly created Giphy Account https://giphy.com/jklakshmicement

#RisersWithBulandSoch and @guesstheplayer trended on Twitter

2000+ dealers in 13 WhatsApp Groups were engaged through activities carried out in four languages for 70 days. 39 winners in the groups were rewarded daily with special prizes for end of the season winners.

Two Facebook Live sessions with SRH players for contest winners and fans.

Three AR filters were created to enhance brand visibility and engagement on social media.

Sponsorship of FC Goa in Indian Super League (ISL)

JK Lakshmi Cement was the associate sponsor for FC Goa for seventh season of Indian Super League (ISL 2020- 21). As part of the partnership, JK Lakshmi Cement appeared on the right sleeve of the FC Goa shirt for the entirety of the ISL 2020-21 season. Our Buland Soch combined with FC Goa's strong enthusiasm collectively stood for strength, integrity and pride.

Awards Galore:

JK Lakshmi Cement was recognized at multiple forums for its brand value proposition, marketing connect and innovation during the year. JK Lakshmi Cement was selected as "India's greatest brand" by Asia One. The award was given after a meticulous research by the United Research Services, Asian Business and Social Forum. JK Lakshmi Cement was also recognised as the fastest growing cement company at 4th "India Cement Review Awards". Behind our achievements, lies an avid desire to excel and push the boundaries.

Connecting with the customers

At JK Lakshmi Cement, we listen carefully to all our customers. From providing premium quality products in our core markets, supplying cement to individual-house-builder (IHB) in small portable silos to supplying special slag cement to big infrastructure projects, these steps are true representation of our bonding and two-way communication with our customers.

We leverage various communication channels to reach our customers including, call center, email, social media, direct site visits by our technical team, meetings with architects, masons and other influencers. In the last year, we connected to 20000+ customers (direct customers/ dealers/influencers) and got a 4.4 out of 5 rating for our product/services, which is higher than the previous year.

Through these channels we were not only able to get valuable feedback, but also generate extra business.

Connecting with Channel Partners and Influencers

Going Beyond: Motivating our channel partners

Just before the countrywide lockdown, we took our key business partners for a motivational International tour to Morocco in which the business partners got an opportunity to mingle formally and informally with the top and senior management to deliberate on future plans.

A digital engagement programme

JK Lakshmi Cement's engagement programme are specifically designed to engage with our channel partners, influencers, and customers across the country. The programme offers multiple ways to engage through social responsibility, wellness, and family activities. Various WhatsApp Groups helped stay connected with them during the nation-wide lockdown. Interesting task-based activities showcasing hidden talents through art and craft and culinary challenges were organised. Post unlock, merchandising that adapted with the current COVID-19 situation were distributed to dealers and influencers. The safety kit included sanitiser bottle, masks, face shield, gloves and sanitiser stand.

First ever virtual event – Vijayotsav

Our company was amongst the first in the industry to organise virtual Annual Dealer Conferences to reward and recognise the efforts of dealers. These conferences were attended by all our senior management team.)

Virtual meet and greet Events with SRH team

A series of virtual meet and greet events were organised to engage our business associates with the SRH players. These interactive sessions with players joining from Dubai saw enthusiastic articipation from our dealers and their families.

Virtual Technical Service (VTS)

Knowledge about raw materials, DIY demos, slab supervision, building solutions, safety at site and how to lower maintenance cost were some services on which information was provided via VTS to our customers.

JK Lakshmi
Mitra Dealer App

JK LAKSHMI MITRA

To ensure an easy connecting bridge between our dealers and company, JK Lakshmi Mitra Dealer App was launched. Placing orders, making payment, confirming balances and receiving notification about schemes are some of its important features. The App also facilitates tracking of sales trends, performance, dispatch status, credit limits, outstanding and other reports. It is a one-stop platform that ensures transparency and ease of transactions. The application also gives updates about our company and helps dealers place requests and register queries.

Investment in Internet of Things (IoT) and Automation

Our company is now gaining foothold in new-age technologies to enhance operations. We recently invested in IoT and automation, and leveraged it for managing fleet, supply chain and even water conservation. We have always been influenced by data-driven intelligence and technologies and have adapted the change-management and technology-driven working modules. Our focus is on investing more in technologies which adds value to the top and bottom lines.

While we have been using Artificial Intelligence (AI) engines to optimise manufacturing operations at our cement production plants across the country, this year we piloted an automation project around identification and volumetric analysis of materials and stockpiles.

Integrated Cement Unit, Durg

Data analytics to make insightful business decisions

Our company uses data for internal and external operations such as sales, marketing, and other domains. We use descriptive analytics and built capabilities, and dashboards for real-time visibility of performance for sales, logistics, manufacturing and purchase operations. Real-time visibility for NSR (Net Sales Realisation) and contribution are helpful to the top management to make informed decisions.

We invested in data analytics to develop several models for internal use cases. One such model is the predictive technique associated with sales forecasting, plant maintenance, operational requirements and more. Critical assets and functions were materialised through predictive modelling.

Examples of ways in which we implemented Model Predictive Control Technology

Benefits	Proposed Savings (CPP) (Ongoing)	Achieved Saving (Pyro Process)
Heat Energy Saving	2% reduction from present	2.9 K/cal/kg of clinker
Electrical Energy Saving	0.5% reduction from present	0.1 KWH/ton clinker

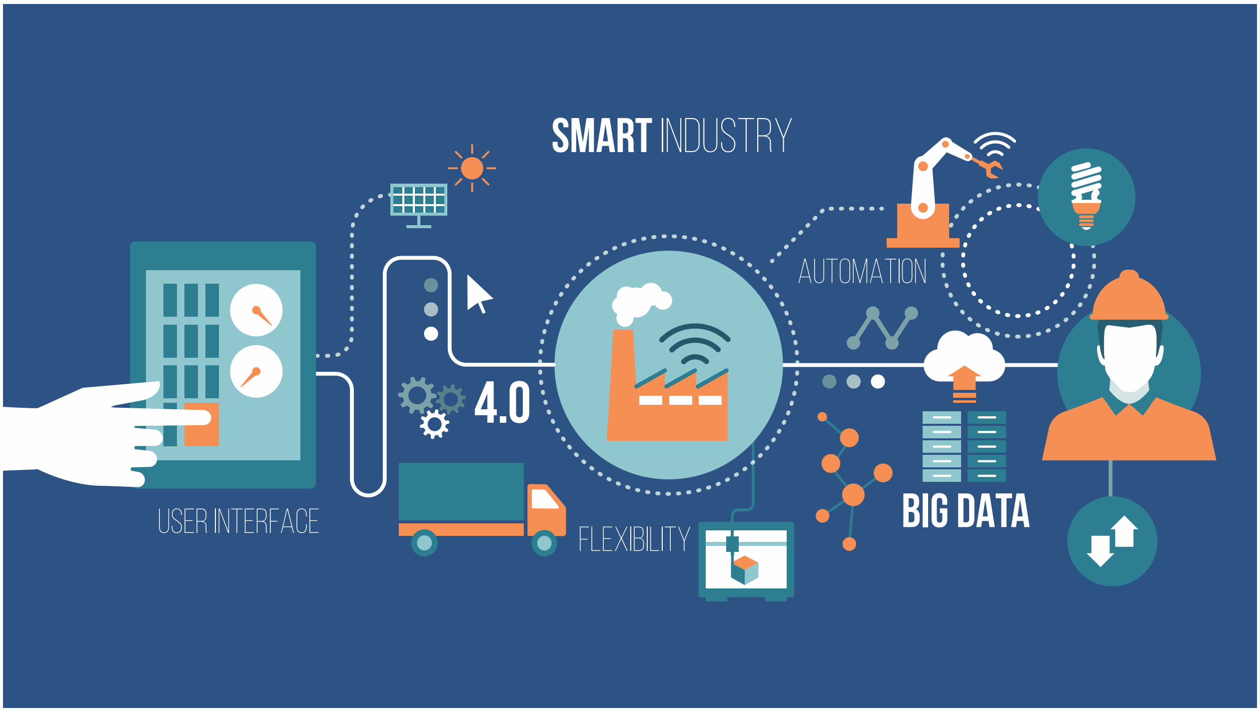
Optimising logistics with digitisation and automation

JK Lakshmi Cement has placed IoT based devices on fleets, which we operate. We automated our logistics operations and supply chain with the help of machine learning-based platform. The platform supports business intelligence and feeds data-driven insights, which help the company to save cost and efficiently manage operations. Starting from GPS devices to the use of advanced IoT and AI for monitoring fleets which get repeated and sometimes gets off the route. The AI & Machine Learning (ML) based platform gives visibility and real-time updates through dashboards created for web and mobile applications.

JK Lakshmi Cement understands the need of optimisation of logistics and transportation and the impact it has socially, environmentally and financially. Digitisation and automation of logistics is a step in this direction. We choose lesser polluting and higher capacity vehicles for longer distances. While we have already implemented the IT system for reducing the idle and turn-around time of vehicles with our 'Truck Calling System', the system has also helped us put in place a 100% contactless and paperless work, which turned out to be a boon in these COVID-19 times. The system reduces unnecessary movement of the vehicles and reducing the carbon emissions caused by it.

Structuring data to enhance the accuracy of models

We are working on structuring organisation data in a manner to get desired information for any training model and system planning. Currently, we have witnessed around 70% accuracy in our models. With this data science platform, we will take the accuracy and efficiency of our data models to next level.



Optimising resources and enhancing capabilities :

Modifications to mill's vent bag house circuit

In order to improve productivity at one of our cement mill at Durg Plant, our engineers came up with an innovative idea. Based on the information provided by the Particle Size Distributor (PSD) Analyser, our engineers thought of transferring the vent bag house material directly to final product air slide to optimise the productivity. They studied the site and did modifications to reverse the screw conveyor and bucket elevator so as to transfer the material from mill' s vent bag house to the final product. This modification led to an increase in demand for fresh feed by 3PTH and Power gain of 0.42 Kwh /T

Solar panel cleaning system

Solar Panels are prone to outside dust, dirt, leaves, bird droppings etc.. All of these can reduce the output of the solar panels and in long run also reduces solar panel efficiency. Currently, our team, at the Jhajjar Grinding Unit were cleaning them using a manual wiper. This system was found to be not very effective. The team wanted to develop an automatic cleaning system that would save time and hassle that goes in to maintaining the solar panels. After a series of trials and errors, the team developed an Automatic Solar Panel Cleaning System that uses a rotating nylon brush to effectively clean the panel. This system can clean one module in exactly 1 minute and 15 seconds with a power consumption of 0.5kW per hour . The automatic cleaning system was built within a budget of INR 20,000. The team is still working on creating a version 2.0 where they plan to increase brush size, have an automatic water spraying system for cleaning and much more.

Awards and Recognition

Our Durg Plant received the Best Energy Efficient Coal Plant (CPP) award for reducing Net Heat Rate by Mission Energy Foundation, Mumbai hosted during National Efficiency Awards – 2021

RELIABLE

> "The most reliable way to predict a future is to create it."
>
> *– Anonymous*

Building a reliable organisation covering the entire value-chain of all stakeholders is a very challenging task for any organisation. Continuous, empathetic communication and transparency are key to developing such a trustworthy organisation. Trust is normally built during normal times but is tested in difficult. JK Lakshmi Cement has stood by its employees, communities, customers, and vendors alike during difficult time of the pandemic and has strengthened relationships further with everyone in the ecosystem. At JK Lakshmi Cement, reliability goes beyond the financial figures and is an act of creating a sustainable ecology. Gaining faith of every stakeholder involved in the business-chain has enabled us to gain positive long-term traction despite the disruptive times

Our people are our biggest strength- a philosophy that JK Lakshmi Cement has always believed in and followed. We have been chosen amongst the Top 25 Coolest Workplaces in India by the leading magazine 'Business Today', special Issue of April 2021. We have also bagged the Times Ascent 'Dream Companies to Work for' – Cement Sector 2021 Award for demonstrating company-wide best values and culture, business, and people practices. Besides providing a great work-life balance, JK Lakshmi Cement has always focused on employees' and workers' safety and health; which in turn has led to a healthy and productive organisation.

The concept of socially responsible business is deeply ingrained into the company's DNA right from inception. The company has pioneered and delivered several CSR projects for the under privileged section of the society.

Durg plant of JK Lakshmi bagged 21st National Energy Award for Excellence in Energy Management - 2020. The plant scored 1st position in a benchmarking exercise conducted by CII in power consumption. Durg plant was also conferred with the prestigious Greentech Environment Award 2020, for outstanding contribution in Environment Protection. Use of Industrial Dolochar as an Alternative Fuel and Raw Material (AFR) is a green initiative of Durg plant towards creating a healthy environment and decreasing carbon footprints. JK Lakshmi Cement -Kalol unit has been recognized for "Ann Lakshmi" CSR Project by Gujarat CSR Authority in "Sustainable and impactful projects" category under Gujarat CSR Awards. Sustainability is the hallmark in all our operations and we are always committed towards safeguarding clean air, water, soil, flora and fauna.

The true reliability of JK Lakshmi has been enumerated through various articles in the next few pages. Read on to know more...

Reliability comes with responsibility

A culture of trust and reliability is extremely crucial to success. How we foster relationship with our employees, customers, vendors ? How we take responsibility to nurture the environment? How we empower the community? The answers to these questions indicate the level of reliability. A reliable organisation is accountable, transparent and honest. At JK Laskhmi Cement, we endeavour to build a reliable organisation where trust and care are its cornerstones. The following stories of people, community and sustainability are a reflection of our efforts in this direction.

Our people. Our real strength.

Our people are our greatest asset. They are our biggest strength. Our core proposition is to maximise their potential by cementing challenging, enriching and fulfilling opportunities. At JK Lakshmi Cement, our work culture is grounded in growth mindset. We believe that sustainable growth rests on an empowering work culture, one that encourages people to take ownership of their work and promotes openness and transparency. We strive to provide an environment that helps our people to realise and develop their potential. We stimulate them with access to numerous opportunities that help them grow in the best possible way. With an enabling infrastructure and best practices in place, together we work towards a shared vision. We have nurtured a strong value system where trust and reliability are the bedrock of our foundation.

People-first

At JK Lakshmi Cement, a healthy work environment is as important as a healthy balance sheet. The year under report witnessed one of the most unprecedented times. COVID-19 took the world by surprise. It caused a great deal of uncertainty and raised issues that required thoughtful, people first responses. Our company responded to employees' needs as the challenge unfolded. There were three deeply connected dimensions that required our attention: workforce, workplace and work.

Workforce:

Developing a plan for the entire workforce was paramount. Our people looked up to the leadership for direction. And we in turn assured them that though there was disruption due to the COVID-19 situation, recovery would soon follow. Our company strengthened the safety education, established self-protection guidelines, and increased awareness of risk prevention at offices, plants, townships, depots.

Workplace:

The new normal required us to ensure safe working environment. We aligned with the national COVID-19 policy and government guidelines and took all necessary precautions by developing a detailed six step strategy by going beyond what was mandatory. A detailed SOP with people safety at the core was developed. It revolved around safety for self, family and colleagues, safety at home and workplace, safety in transit and safety for community. The guidelines included starting from home to going back safely, behaviour at workplace, usage of common facilities, guidelines in case of sickness and health emergency were explained in detail. It ensured that social distancing was integrated into our people's lifestyle. From digitising attendance systems, going paperless for logistics to virtual meetings and trainings – quick changes were made to adapt to the new normal.

We also held COVID-19 test camps, mass awareness campaigns, and extended support to nearby communities and district administration to fight these tough times.

Work:

Procedures and plans that not only aligned with business requirements, but also had health and safety at the core were elaborately defined. To ensure that work did not suffer and to establish business response and continuity, we leveraged technology to engage with employees, customers and stakeholders. Virtual open house communication meetings with VCMD and WTDs were held regularly, across all locations including all employees- especially frontline employees, which ensured connectivity of the top leaders with the team members and other work groups during these times of panic. Technical and behavioural trainings (internal and external) were held and Work From Home practice was followed flawlessly.

Alongside creating a safe work environment, creating a positive work environment was vital. To address the biggest challenge - change of environment – various employee engagement activities were organised virtually. We connected through activities like book reading, quizzes, family games, painting, and poetry competition etc.

At JK Lakshmi Cement, we believe that focussing on developing your team and their potential, you future-proof the organisation. The upward push of overall capability enrichment benefits the business. In our endeavour to nurture talent and develop leaders of the future, we were able to enhance the capabilities of 3 young engineers at Lakshmi Cement Limestone Mines to qualify the First Class Mines Manager Exam conducted by Director General Mines Safety, Dhanbad. Today the mines department boasts of 7 first class mining engineers.

Building a safety culture

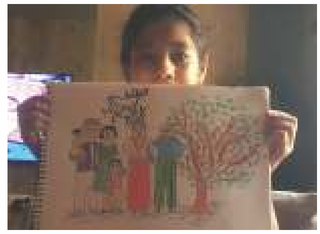
Safety is more than just a priority for us at JK Lakshmi Cement. It is an integral part of our processes as it guides our every action. Cement industry is inherently exposed to numerous risks and at JK Lakshmi Cement, the efforts we have made over the years has produced positive results. We installed a "Mirror" at the factory entrance to sensitize people that "Safety is everyone's responsibility."

'MIRROR' to sensitize people. Safety is everyone responsibility.

- We developed a mobile application to monitor PPE compliance to ensure human safety. Personal Protective Equipment (PPE) helps protect workers against risks at workplace. Even after knowing the risk, there was noticeable non-compliance of PPE. This required an efficient safety compliance solution. A PPE survey was essential to understand the root cause of non-compliance. A mobile app was developed to capture the data and log shop floor observation. The data captured then revealed information regarding, area where PPE compliance was most violated, employees who were non-complaint to PPE rules, employees who complied to the rules stringently, etc. These insights helped in developing suitable action plan for ensuring increased compliance, which thereby led to better safety at work.
- A Digital Emergency Management System was developed in SAP to give a detailed action plan to handle emergency situations. Occupational hazards in the cement industry can result in undesirable situations. Although we have stringent safety paradigms and controls in place, unexpected catastrophic tragedies can take place anytime and it is highly important that we stay prepared for them. A Digital Emergency Management System not only makes important information available 24X7, but also gives quick access to emergency response plan, enabling teams to swiftly assess the situation and respond appropriately.
- Another important step towards better safety standards was installation of CCTV cameras to monitor safety compliance at workplace and ensure safe execution of high-risk jobs.
- To uplift and equip our drivers and workers with a skillset that would add value to their profile, we initiated a programme of Defensive Driving Training for Transit Mixer Drivers and workers. The IRTE (Institute of Road Traffic Education) conducted one day defensive driving training program at RMC plants in Mohali, Khushkhera, Ahmedabad, Vadodara and Surat. 94 drivers were trained through seven workshops held during a course of two months. Pre and post assessments demonstrated a significant increase in the driver's knowledge from an average 40% in the pre-assessment to 87% in the post evaluation.

Bring people together

It is critical to ensure work-life balance and promote a positive environment at the workplace. A healthy work environment leads to increase in work efficiency and productivity. Given the COVID-19 situation, it was highly important to raise employee morale and create a stress-free environment.



Human Resources team designed various employee engagement initiatives to bond with the team virtually:

Bandhan:

At this employee-connect initiative, employees bonded over games and activities which were a perfect mix of education and entertainment.

Sangam:

An Interzone Quiz Competittion was organised every quarter to foster a healthy bond between employees from different zones. Employees also shared best practices of their zones with one another.

Competitions and contests:

To give the employees a chance to voice their views and make it fun as well, we organised a Precis Writing Competition. The employees penned their thoughts on - "How working habits have changed during lockdown and adaptation to the new work-style post unlock & resumption of work". A drawing competition was organised to engage the employees in a creative exercise. "E-family Milan" and "Family Photo Contest" were another fun ways to engage with the extended JK Lakshmi family.

Rewards and Recognition

Our company's constant and persistent efforts to ensure best people practices by striving for higher degrees of excellence over the years, have won us accolades.

Times Ascent 'Dream Companies to Work For' 2021- Cement Sector

People-first HR policies, exemplary workplace ambiance, our values and culture helped us bag this prestigious award. The award celebrated the spirit of our company that has always endeavoured to create a conducive environment for inclusive growth of the employees in our organisation.

Top 25 'coolest places to work for' by Business Today

A nation-wide survey conducted by Business Today recognised JK Lakshmi Cement as one of the Top 25 coolest places to work for in India. The survey took into consideration four parameters including, people growth initiatives, going beyond business, well-being initiative, engagement and connect.

Committed to empower them

We strongly believe in inclusive growth. Well before the CSR law came into existence, JK Lakshmi Cement was committed to making a difference by serving the society through various outreach programmes and initiatives. This belief is deeply embedded in our corporate DNA and we put it into practise by providing innovative solutions to bring about a sustainable change in the quality of life of neighbourhood communities.

Combatting COVID-19

COVID-19 disrupted the socio-economic circumstances of the our planet. To ensure social distancing the Government of India announced lockdown, which worsened the economic troubles. Lack of awareness added to the problems. In the wake of urgent healthcare and other critical needs, JK Lakshmi Cement responded to this unprecedented crisis with initiatives that would help the local communities and migrants to combat the COVID-19 situation.

In collaboration with local panchayats and district administration across our company's plant locations as well as in the marketing zones, large number of food kits, sanitizers, cotton masks and hand wash were distributed to the needy families. Awareness sessions and meetings were organised to emphasise on good health practices and precautionary measures one can adopt to stay unaffected and healthy. Temperature guns, sanitizers, masks and hand gloves were provided to frontline corona warriors – ANMs and ASHA workers. Sanitization of village common places including panchayat bhavans, banks, post offices, e[1]mitra centers, ration shops was done regularly to contain the spread of virus in the communities around the plants.

JK Lakshmi Cement pro-actively responded to this national emergency and donated approximately Rs 99 lakh to The Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund to support Government of India initiatives to fight pandemic.

3750+ food kits distributed to vulnerable families through panchayat / district administration

Kalol unit provided ration to local Panchayat committee to help them deliver **cooked meal to 4000+ migrant workers / widows/ drivers**

27000+ people benefitted from this initiative

Distributed 55,000 cotton masks stitched by 75 JKLC and UCWL Trained Women. During lockdown, when earnings were severely hit, making masks and selling them empowered these women to earn approximately INR 1500-2000 per month

One lakh+ people benefitted in our project area through **awareness sessions**

Health

Towards a healthy tomorrow

603 medical camps including eye and dental camps were organised; benefitting **23,000+ patients** across Durg, Jaykaypuram, Udaipur, Surat, Jhajjar and Kalol

118 people with refractive error **received spectacles** at UCWL, Udaipur

2000+ sanitary pads were distributed during lockdown when non-availability was an issue

29 multi-drug resistant TB patients were provided with **350 food kits provided** as per WHO standards across Kalol and Surat

Large number of meetings were held to **spread awareness**

A 'Naya Savera' for mothers and babies

JK Lakshmi Cement's model project – Naya Savera aims to reduce maternal and infant mortality. Through this project we addressed the issues of very low institutional delivery, low under 2 children immunization coverage, higher level of close spaced pregnancies and lack of access to quality medical services. Until now the project was implemented only at Sirohi, but this year, the project was initiated at Durg as well.

Activities conducted at Durg:

Doorstep medical services and home-based neo-natal care were provided to the community members

Household visits for ante-natal check-ups and post natal check-ups were conducted

Referrals were given to government hospitals for high-risk cases.

Project impact at Sirohi:

Conducted **7,200 household visits**

Held **100 awareness meetings** across 80 hamlets

A total of **1413 pregnant mothers** were attended

Neo-natal care provided to **1187 new-born** babies

258 severely anaemic pregnant mothers were **referred** to government hospital for Iron Sucrose drip

Happy feet

Under the Naya Savera project, we aim to give a new life to mother and child. Team JK Lakshmi Cement regularly visits homes of pregnant women or an infant to keep a check on their health. These visits help them take timely action in case of any health-related issues. On one such visit, team JKLC noticed deformity in the legs of this newly born girl child. She was just three days old. The team immediately referred her case to Sirohi Government Hospital where she underwent treatment for 21 days. The timely action taken by the team gave this new-born a new life. Her family was more than grateful to the team for helping out their girl.

Water & Sanitation

Bucket full of solutions

10,000+ benefitted when UCWL facilitated **water supply from two mining pit** for domestic use at four villages surrounding the mines.

Durg community water project connected pond to mining pit resulting in **500+ families** benefitting from fishing and irrigation

Education

Lighting up lives through ease of learning

12 (out of 18 schools) government schools were provided with classroom furniture, benefitting 2442 students at Jaykaypuram

At UCWL, Udaipur, **12 anganwadi** centres and two schools were provided with electricity. The team also gave fans to all schools

Schools in need of i**nfrastructure development** were aided - construction of boundary wall, levelling of playground, construction of toilets and hand washing stations, provision of storage boxes for mid-day meal grains

Support to **Savera School for Mentally Challenged** Children, Jhajjar, benefitted **50 kids**

Water stand was installed at **15 government schools**, benefitting 6341 students at Jaykaypuram

Empowerment through education

At Durg, **40 students** of grade 9-12 were enrolled for Dell Foundation ASHA Topper online-cum-scholarship education programme. Thirty of them then appeared for scholarship exam in March 2021

Fifty children enrolled in school at Jaykaypuram

Fifty-one girls enrolled into National Institute for Open School (NIOS) for grade 10 and 12 at Surat and Kalol

At Cuttack, **137 students** from grade 9 and 10 were provided with books and test papers

Seventy-five students completed three months of computer training at UCWL, Udaipur and 16 at Durg

JK Lakshmi Vidya Scholarship for Masons and Contractors Children

Scholarship worth INR **10 lakh** was awarded to a total of **200 students** from Haryana, Odisha and **6 districts** across Chhattisgarh. The project benefitted more than **650 students** above grade nine. A total of INR 35 lakh scholarship has been committed.

Making dreams a reality

Lack of financial support has resulted in many dreams not taking flight. To empower the dreams of such students who have the potential, JK Lakshmi Vidya Scholarship programme was started. One of the beneficiaries of this programme is Nirma Kumari, who dreams to become a police officer so she can earn dignity and respect for herself and her family while doing the same for others. A 19-year-old enthusiastic girl from Sirohi, Rajasthan, is committed to her dream despite the many hurdles she faces. Her father is a part of the masonry team at JK Lakshmi Cement Sirohi Plant. His income is barely enough to support her family of eight. Not the one to give up easily, Nirma fights her circumstances each day to make her dream a reality.

After passing grade 12, she took admission at local government college. While the fees were minimum, the supplementary expenses on books and transport were proving to be unaffordable for her father. That's when her father learnt of Mason-Contractor meet which was being locally organised by JK Lakshmi Cement Ltd. At the meet, he got to know about the JK Lakshmi Vidya Scholarship programme. Her father asked Nirma to apply for the scholarship programme. She was given a scholarship of Rs 90,000 to support her studies. Talking about her future goals, she said, "I am resolute to using this financial aid to achieve my dreams and eventually help my siblings achieve theirs."

Livelihood

Small steps towards bigger dreams

Financial support of Rs 6000-10,000 was provided to 27 families under 'Street Vendors Livelihood Restoration' in partnership with DALSA (District Legal Authority), District Child Protection Office (DCPO) and Jhajjar Jail at Jhajjar, Haryana by Jharli Unit of JK Lakshmi Cement.

Two mentally challenged children were aided to make a livelihood. They were provided with copier machine to open a shop at Jhajjar Court. Today, they earn a monthly income of Rs 12,000-18,000.

Empowering her to build her own tomorrow

130 women were provided with sewing machines at Jhajjar.

243 women completed a course on tailoring training (UCWL-78 | Jaykaypuram-35 | Kalol-70 | Durg- 60)

10 women learnt how to make phenyl at Durg.

Training to run a beauty parlour was provided to 16 women at Jaykaypuram.

Large number of women were trained to create handmade products including women's accessories.

Integrated livestock project at Jaykaypuram and Udaipur

Improved livestock health translates into augmented incomes. Data revealed that current mortality rate of livestock at Jaykaypuram and Udaipur was 33%. To reduce mortality rate of livestock, JK Lakshmi Cement initiated Integrated Livestock Project targeting 1200 families across 6 villages and its hamlets. Through the programme our aim was to increase cattle vaccination and spread awareness on rearing and feeding practices. We conducted three veterinary camps in association with the Government of India benefitting more than 540 cattle.

Sowing seeds of prosperity

80 marginal farmers were provided with vegetable seeds at Jaykaypuram.

Three day training sessions covering 78 farmers on improved agriculture and vermi-composting was organised at Jaykaypuram.

At UCWL, Udaipur, two exposure visits were organised for farmers at Krishi Vigyan Kendra. Fifty two farmers were a part of this initiative

She has the power

Poonam Saroj had just one choice when her husband, the sole bread winner of the family was diagnosed with MDR TB – overcome fear and self-limiting beliefs. Due to the financial crisis, her children had already dropped out of school. She wanted to ensure better financial stability for her family but didn't know how. One day when our team was at her home to give away the MDR TB food kit to her husband, they learnt about her condition. They, then encouraged her to learn sewing and tailoring skills. Seeing her dedication and diligence, she was offered to join the Skill Development Center as a tutor. This opportunity helped her gain self-confidence and become self-reliant. Today, she earns 15,000 per month. She has been able to enroll her children back to into school. Her hard work and commitment has made her main coordinator of Aajivika Project.

Acting today for a greener tomorrow

We strongly believe that each one of us can make a difference. And every small act carried out to conserve environment can have a big impact. At JKLakshmi Cement, we take adequate measures to reduce carbon and effluent emission and minimise use of natural resources. Climate change, sustainable development and ecological consciousness are global concerns but as a responsible corporate, we at JK Lakshmi Cement are committed to the global agenda and consistently makes efforts, big or small, to preserve and enrich the environment in and around our areas of operations

Water Management

The act:

Installation of in-house designed Digital Water Flow Meter and Digital Ground Water Level Recorder at all the ground water input sources

The impact:

Digitalisation of water management by monitoring ground water levels around the project area 24X7.

Access impact of rain water harvesting (RWH) as well as withdrawal of ground water for industrial uses

Towards zero water wastage

The act:

Installation of Online pH, temperature and TSS Analyser.

Installation of Water Flow Meter at Waste Heat Recovery (WHR) Boilers (15 MW & 12 MW)

The Impact

Helps maintain zero liquid discharge from WHR Power Plant

Helps monitor quantity and quality of effluent generated and treatment given to waste water.

Aids in recycling waste water generated from N pit into the cement plant for industrial cooling purpose

Certificate of appreciation for Kalol Unit

JK Lakshmi Cement was recognized for its "Ann Lakshmi" CSR Project by Gujarat CSR Authority. We were presented a Certificate of appreciation in Gujarat CSR Awards 2018 under sustainable and impactful project category from GCSRA. Ann Lakshmi Project was initiated in the company in collaboration with Civil Hospital, Gandhinagar under which company provides staple food kit to the identified poor and needy MDR TB patients of Gandhinagar district Gujarat which contributes in the recovery of patients. JK Lakshmi Cement is the only corporate involved in such activity.

Monitoring the environment emission

The act:

Installation of four stack flow meter, 18 temperature sensors and 6 pressure sensors for strengthening environmental emission monitoring system

The impact:

Helps identify source of pollution and capture relevant data for Root Cause Analysis (RCA) for any deviation from benchmark process parameter.

Ambient Air Quality Monitoring System

The act:

Installed additional two Continuous Ambient Air Quality Monitoring Systems (CAAQMS) at Jaykaypuram with parameter PM10, PM 2.5, Sox, NOx & CO

Installed a weather monitoring station.

Installed a Digital display Board at Mine's Main Gate in public domain

The impact:

Helps monitor the key parameters that would guide us towards policy implementation for further improvement of ambient air quality

Achievements at Sirohi

The rain water collected in mining pit was judiciously conserved and used in dust suppression and plantation. Almost 18 lakh litres of rain water was used from this pit.

JK Lakshmi Durg Plant bags the National Energy Award 2020

JK Lakshmi Cement Durg Unit won the coveted 21st National Energy Award for Excellence in Energy Management - 2020. The unit scored first position in benchmarking exercise done by CII in specific power consumption. Its green initiatives including installation of WHR, SNCR, FGD and golden principles for sustaining system efficiency were highly appreciated. It's the first cement plant in Chhattisgarh cluster to cap ISO 50001:2011 within one year of commissioning.

Another feather in the cap: Greentech Environment Award 2020, Durg Plant

The Durg Plant of JK Lakshmi Cement was conferred with the prestigious Greentech Environment Award 2020, for its outstanding achievement in environmental protection and innovative practices towards achieving sustainable goals. We are proud to say that our company has the least carbon footprint in Indian Cement Manufacturing industry.

CII National Award for Excellence in Water Management 2020

The Durg Plant of JK Lakshmi Cement was conferred with the prestigious CII National Award for Excellence in Water Management 2020.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

The Directors are pleased to present the 81st Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021.

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

₹ in Crore

	2020-21	2019-20
Sales & Other Income	4,459.18	4,093.58
Profit before Interest, Depreciation & Tax (EBIDTA)	864.22	722.46
Profit before Depreciation (Before Exceptional Item)	721.70	558.04
Profit / (Loss) after Tax	366.24	236.11
Surplus Brought Forward	528.40	330.18
Transfer from Debenture Redemption Reserve	22.90	8.21
Amount available for Appropriation	917.54	574.50
Appropriations		
Dividend (Including Interim) & Dividend Distribution Tax	-	46.10
Surplus carried to Balance Sheet	917.54	528.40
	917.54	574.50

DIVIDEND

Yours Directors are pleased to recommend a Dividend of ₹ 3.75 per Equity Share (75%) for the Financial Year ended 31st March 2021 for approval of the Members at the ensuing Annual General Meeting (AGM). Total Dividend outgo will be ₹ 44.13 Crore. The Dividend pay-out is in accordance with the Dividend Distribution Policy of the Company.

PERFORMANCE

Tremors of an ensuing catastrophic disturbance to normal life and to the economies of the world over were beginning to be felt one quarter prior to commencement of the Financial Year 2020-21. On March 11, 2020; WHO declared Covid – 19 as global pandemic and on March 24, 2020, the Prime Minister of India declared a Complete National Lockdown of 21 days till April 14, 2020. The lockdown was further extended in phases till May 18, 2020.

Starting from a completely washed-out April, paralysed May and baby walking June; the country overall has shown remarkable 'Resilience' in responding to the global pandemic and crisis. Starting from the first quarter when the Industry demand fell by nearly 40%; the Industry demand staged a smart recovery by the last Quarter of the year ending on a positive note with the demand edging up by 5% in the first month of the Quarter and by 32% in last month of the fiscal year. The year for the Industry ended with a just about 8% contraction in the annual demand.

Your Company responded with a strong determination to minimise the impact of pandemic on its working by galvanizing all its resources to this single point focus. Safety protocols were put in place everywhere in the shortest possible time, systems were laid for adopting the best practices of Work From Home & people were encouraged to connect with our customers, dealers, suppliers, transporters & colleagues virtually.

War rooms were established at State levels to monitor every ton of our finished & raw materials about 90,000 MT in transit lying in abandoned trucks at various borders or check posts. Responsive and reliable supply chain practices were put in place to ensure that customers do not suffer for the want of our products even when the markets were fully/partially closed and strict cost control measures were put in place to minimise all overheads.

Once the lockdown restrictions were eased, maximum efforts were placed on running all the plants to their maximum capability and efficiency. It is a matter of great satisfaction therefore that despite the lockdown of over 50 days (including partial lockdown) **our Volumes registered an YoY growth of 8% over the previous financial year**.

At Udaipur Cement Works Limited; a subsidiary of the Company, Clinker production rose by about 3% despite kilns being shut for more than 30 days during the lockdown period. The grinding units at Surat, Kalol, Jharli and Cuttack have also shown remarkable resilience in bouncing back to normal in the shortest possible span of time. As a consequence of all the steps taken during the year, the Company's combined sales of Cement and Clinker grew by 8 % over the previous year and Cement capacity utilisation increased by 2%.

During the year, average pet coke prices increased by more than 100% and the prices of other comparable fuels followed the similar trends. Increasing fuel costs also impacted cost of captive power; though your Company is consistently focussing on increasing the use of renewable power since last few years. As a conscious effort to continuously increase use of renewable sources of energy; the contribution of renewables including WHR has increased to about 35% in the current financial year and shall rise further in the coming years.

Over the past years, your Company has been assiduously working 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 distribution network and optimizing its distribution cost. These steps enabled the Company to maintain its net sales realization despite many markets witnessing price corrections on account of drop in the demand due to lockdowns and labour migration.

Going against the tide, during the pandemic your Company successfully introduced its premium offering 'Super Sixer Weather Guard Cement' leveraging the goodwill generated by its another Cement brand 'Sixer'; brand endorsement by cricket legend Rohit Sharma and also benefitting from the sponsorship of IPL franchisee Sun Risers Hyderabad (SRH). This also enabled the Company to achieve one of the highest % of premium products sales with respect to its trade sales.

Further, despite lower Clinker production, the Company maintained its efficiency parameters 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 Durg Plant. The upswing in diesel price impacted our cost of transportation during the year; however, our team responded strongly to contain the diesel impact to the maximum possible extent. We reduced the number of dumps and improved the direct dispatches significantly.

During the year, Company's Value Added Product business also witnessed healthy traction in the non-lockdown period. Newly launched product i.e. JK Lakshmi Smart Wall-Putty has got acceptance in the market and gaining momentum to increase its footprint to become a significant player in the category. Besides that once again going against the tide, Company found opportunity into adversity and significantly tightened its credit policy in the Value Added Products resulting into unlocking Working Capital of around ₹ 30 Crore.

The Company registered an EBIDTA of ₹ 864.22 Crore as against ₹ 722.46 Crore in the previous financial year, while the Net Profit topped ₹ 366.24 Crore as against ₹ 236.11 Crore in the corresponding previous period. Creditably, the Company improved its Debt Equity ratio to 0.54 in Financial Year 2020-21 from 0.86 in Financial Year 2019-20.

PROGRESS OF THE PROJECTS & EXPANSIONS

Progress of implementation of Waste Heat Recovery (WHR) Project in Jaykaypuram, Sirohi with an annual capacity of 10 MW was affected during the year due to COVID-19 including non-availability of manpower. Now the progress is in full swing and the Project is expected to be commissioned by 3rd quarter of Financial Year 2021-22.

OUTLOOK FOR INDIAN ECONOMY, INDUSTRY STRUCTURE & DEVELOPMENTS

If there is onething that is overwhelmingly emerging from the happenings across the globe in last one year and continuing even into the current year is that we are living in the most uncertain period in our history. The Cement demand in April 2020 and the demand in March 2021 are in sharp contrast to each other. If it was just above 4 Million MT in April 2020 (lowest of Cement demand in any month in more than a decade); it was slightly below 33 Million MT in March 2021 (second highest of Cement demand in any month in anytime in the history); then there is only one thing that can be said with certainty is that; in the right environment the country has the latent potential to consume nearly 400 Million MT per annum even in the current times to support India's aspirations.

However, when would this right environment emerge and sustain for a prolonged duration is something that is very difficult to predict at this juncture. With the start of mass vaccination across the globe and also in India; that began sometime in December 2020 in some countries and in mid January 2021 in India; it was hoped that the worst of COVID 19 crisis is behind us and the economy is solidly on the path of growth and recovery. The union budget for Financial Year 2021- 22 has reignited this hope with sharp focus on infrastructure and health care. A little could be foreseen then that a second wave; nearly 10 times bigger and stronger than the first wave is in offing. If it took nearly 11 months to cross the figure of 1 Crore of total infections in the first wave; it has taken just about 11 weeks to add these many in the second wave. Hopefully the second wave would subside soon but the experts are already warning of an impending third wave.

"Resilience", "Responsiveness", and "Reliability" are three key words that shall shape future course of economic development across the globe. If there are repeated disruptions of varying magnitude; the Industry needs to resiliently and swiftly move or reallocate its focus and resources to minimize the impact of disruption. With the frequency of disruption increasing and they becoming more localized; the need would be to precise, swift and sharp in responding to such disruption.

The economies are now better prepared to deal with the crisis and hence are the hopes that despite second wave being much larger and impending third wave; the impact of disruption shall be minimal and losses, if any, could be recovered in much shorter span of time than before.

The Economic Survey 2021 expects India to grow at 10-12% in the Financial Year 2021-22, followed by a reversion to the trendline growth of 6.5% in the Financial Year 2022-23. The long term outlook for the Cement Industry shall be quite robust with the Government's thrust towards infrastructure creation and development remaining as a key propeller of growth in the economy going forward.

India is the world's second largest producer of Cement with a cumulative production capacity of ~550 MTPA and accounts for over 8% of the overall global installed capacity. That said, India's per capita Cement consumption at 200-

250 kg remains significantly lower than the world average of 500-580 kg and China's 1,650-1,750 kg. Like other commodity businesses, Cement is a cyclical industry which is subject to peaks and troughs of growth every few years. However due to on going pandemic which may take a while to completely wane off; the Cement demand may face high frequency swings in both directions but given the learnings of such swings seen in last year; the country; the economy; and the Industry is better prepared now to absorb these swings.

Barring the already on going expansions and some investments which may be necessitated to ensure compliance with the mandated conditions in case of new mining lease allotted in auctions; it is unlikely that the Industry would see any major influx of capital in creation of new green field capacities. However, at the same time one may see incremental capital investments in improving operational efficiencies; use of information technology; alternative fuels; renewable energy; and responsive supply chains. Sooner or later once the storm caused by the pandemic settles down, the industry shall witness a prolonged phase of stable demand growth of about 5 – 6% PA; though some momentum lost during the pandemic phase may still take some time to fully recover.

Your Company is well poised to reap the benefits of sustained long term demand growth once the normalcy returns. We shall selectively invest in augmenting our existing capacities in Northern and Western parts of the markets in next few years. You would be happy to note that your Company has recently been awarded two Limestone Mining Blocks – one in Central Rajasthan and another in Coastal Gujarat. These Blocks have been awarded in a competitive bidding process and each of these can support at least 5 Million MTPA Cement capacity for 40 – 50 years. In coming years, your Company will invest to make progress in operationalization of these new Mining Blocks which shall not only add to competitiveness in existing market but shall help us in opening new markets also.

OPPORTUNITIES AND THREATS

The pandemic has induced some kind of behavioural changes in the life and work styles; some of which may become permanent. Such changes are both opportunities and threats for the Industry. Work from Home is increasingly being adopted across various sectors in the industry so much so that a few of them have already announced this as a permanent option for their work force. This move on one hand would reduce the demand for large office spaces but at the same time would create the need for a larger homes for many families. Less visits to market place on one hand would reduce the need for retail space but at the same time would create the need for larger warehouses and redistribution centres. Developers & Builders will look forward to undertake a fewer projects but would strive to complete them fast and in defined time frame. These changes would call for a big change in the construction technologies, construction practices, and products used in construction. 'Time Saved' shall now have a realistic tangible value assigned to it as the pressure to reduce Stock in Process and Working Capital locked in it, builds up.

These changes are likely to exponentially grow the market for ready to use value added construction products. Your Company has over the years has grown its product portfolio in this direction and has drawn up ambitious growth plans. These shall include expansion of manufacturing base, adding of new products and entering into new markets.

Decongestion of cities may lead to faster development of sub urban areas attached to major towns as well as more rapid development in Tier II or Tier III cities. Efforts are being made to strengthen the distribution network and adopt best technologies and practices in supply chain to improve visibility and transparency. Logistics resources and manufacturing capabilities are dynamically allocated to serve the markets in shortest lead time and at the lowest cost. Your Company is investing in the state of the art IT hardware and applications to further optimize the resource allocation for better serving of the markets and for better profitability.

RISKS AND CONCERNS

Amidst prevailing uncertainties due to COVID 19 pandemic, the economic behaviour of the people has witnessed a drastic change. The Consumers have either postponed the large value expenditures or deferred same while dealing with the aftermath of pandemic. Construction and real estate sectors have also been adversely impacted in tandem. In addition, the Industry is suffering from the rising fuel and input costs. Supply chains cutting across all industries are also likely to remain adversely impacted for a long time and may even further result in loss of GDP to a quick rebound to a gradual and slow recovery over the next few years. The emerging scenarios would need a different kind of response from all quarters.

Major concern again continues to be that Cement has been under highest tax slab of 28% despite several representations made to the GST Council. The Industry therefore is under tremendous pressure and it is hoped that the Govt. takes a considerate view while reviewing the tax rates and brings it to a reasonable level of tax of 18% at least. Like always, the Industry prefers to be positive and keep its hope alive for a favourable outcome.

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. With resilience and agility, your Company is confident to sail through this difficult time.

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 31.3.2021	As at 31.3.2020
1	Operating Profit Margin	%	18	17
2	Net Profit Margin	%	8.35	5.84
3	Return on Net-Worth	%	19.32	14.60
4	Interest Coverage Ratio	Times	6.06	4.39
5	Debt Service Coverage Ratio	Times	1.83	1.79
6	Current Ratio	Times	1.00	0.85
7	Debt Equity Ratio	Times	0.54	0.86
8	Net Debt Equity Ratio	Times	0.19	0.59
9	Net Debt to EBIDTA	Times	0.46	1.41
10	Inventory Turnover	Times	12	11
11	Debtors Turnover	Times	79	53

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

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

INTERNAL FINANCIAL CONTROLS

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

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

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

HUMAN RESOURCE - "OUR PEOPLE, OUR BIGGEST STRENGTH"

Our people are our biggest strength – The words we live by at JK Lakshmi Cement Ltd., we have always believed and will continue to believe in 'Our people are our greatest assets'.

Year under report has witnessed one of the most unprecedented times faced by humanity with the outbreak of novel Coronavirus causing pandemic COVID 19. Company has been able to connect & communicate with its employees, customers and stakeholders leveraging the technology in keeping them engaged and aligned with business requirements with health & safety on top priority. To mention few initiatives are VCMD Communication Meeting across all locations with all levels particularly frontline employees, Virtual Connectivity of the Top Leaders with the team members and other work groups, Technical & Behavioral trainings (Internal & external), Safety & health and family-oriented subjects with employees as well as Dealers/ channel partners including their family members, E Learning/Book Reading & Competition on quiz, games, Painting & Poem Competition including family on topics related to COVID 19, Corona Warriors, Nature & mother earth, Well-being, e-Family Milan, Precis writing on topics "Working habit changed during lockdown & New work-style to be adopted post lockdown resumption of work", Collaboration with Government & Local authorities etc. Work From Home practice was followed flawlessly giving a new direction in the New Normal to one and all. Various precautionary awareness and measures were taken in offices, plants & networks.

With a Vision & Mission focused on Human Capital, Customers, Innovation, World-class facilities, the Company actively benchmarks itself for a competitive landscape. 'Grow Your Own Timber' is an unique approach followed for employee's growth and development to leadership roles from within the Company by rewarding the deserving and providing a well-defined growth path. Company believes in life-long employment, respecting the employee's individuality, offering them best experience, expecting in return, a tacit commitment for a pro-longed mutually beneficial association, which is evident from its high level of retention of talents and harmonious industrial relations for last 25 years.

Your Company has relentlessly pursued Assessment and Development Centers in association with world leaders across the levels with post assessment support through Certified Experts for talent management. Some of the key initiatives taken are SANGAM - Interzone Quiz competition to create feeling of One Team One Family, Skip – Level meetings, BANDHAN – an employee connect initiative, We-Care (Cementing Aspirations through Receptive Exchange), UDAAN Competition, Sham Ki Mulakat, Online courses, Leadership & Personality Development etc. extensively using digital platform. The Company has completed e-Joining Portal at all locations for its Management Cadre employees, IDP, e-Learning etc. under its digitization journey.

The results of sustained people practices have been instrumental in JK Lakshmi Cement being chosen amongst the top 25 Coolest Workplaces in India by leading magazine Business Today published in its Special Issue of April 2021. The nationwide survey covered – people growth initiatives, going beyond business, wellbeing initiative, engagement and connect. JK Lakshmi Cement Ltd. also bagged the Times Ascent 'Dream Companies to Work for' – Cement Sector 2021 for demonstrating Company wise best value and culture, business & people practices that make a huge difference in creating a dream environment for its employees.

ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 (Act) read with Rules made thereunder is available on the website of the Company at www.jklakshmicement.com.

RELATED PARTY TRANSACTIONS

During the Financial Year ended 31st March 2021, 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 arms' length basis and were in compliance with the applicable provisions of the Act and the Securities and Exchange Board of India (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 2020-21 as per the Related Party Transactions Policy is attached as Annexure 'A' 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 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, Smt. Vinita Singhania (DIN: 00042983) retires by rotation at the ensuing AGM and being eligible has offered herself for re-appointment. Further, the Board of Directors of the Company (Board) based on the recommendation of the Nomination and Remuneration Committee, has re-appointed Smt. Vinita Singhania as Managing Director, for a further period of 5 years w.e.f. 1st August 2021, subject to requisite approval of the Members at the ensuing AGM. The Board recommends her re-appointment.

The Members at the AGM held on 7th September 2016, had approved re-appointment of Shri Bharat Hari Singhania (DIN: 00041156), Chairman, as Managing Director of the Company for a period of five years w.e.f. 1st October 2016 till 30th September 2021. Shri Singhania has expressed his desire not to seek re-appointment as Managing Director of the Company for a fresh Term, after expiry of the current term on 30th September 2021. However, on the request of the Board, Shri Singhania has agreed to continue as a Non-executive Chairman of the Company with effect from 1st October 2021. The Board has sought requisite approval of the Members by means of Special Resolution pursuant to Regulation 17(1A) of the Listing Regulations, to continuation of Shri Bharat Hari Singhania, Chairman, as Non-Executive Director on the Board, liable to retire by rotation. The Board has also recommended continuation of Dr. Raghupati Singhania (DIN: 00036129), who would be attaining the age of 75 years on 8th December 2021, as Non-executive Director, liable to retire by rotation, pursuant to above Regulation.

Amb. Bhaswati Mukherjee (DIN: 07173244) was appointed as an Independent Director for a Term of three consecutive years with effect from 28th March 2019, with due approval of the Members at the AGM held on 31st August 2019. Accordingly, her first Term as an Independent Director will determine on 27th March 2022. She is eligible for re-appointment as an Independent Director for a second Term of upto five consecutive years. Based on the recommendation of Nomination and Remuneration Committee, the Board has recommended re-appointment of Amb. Bhaswati Mukherjee as an Independent Director of the Company for a second Term of five consecutive years w.e.f. 28th March 2022. In the opinion of the Board, she possesses requisite expertise, integrity, proficiency and experience.

The Board took on record the declarations and confirmations received from Shri N.G. Khaitan, Shri B.V. Bhargava, Dr. K.N. Memani, Shri Ravi Jhunjhunwala and Amb. Bhaswati Mukherjee, all 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 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 'B' and forms part of it.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2020-21 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 thereunder.

The Particulars in respect of the deposits covered under Chapter V of the said Act, for the Financial Year ended 31st March 2021 are: (a) Accepted during the year - ₹ 47.31 Crore; (b) Remained unclaimed as at the end of the year – ₹ 0.71 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) Statutory Auditors

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

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

(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 2020-21.

The Report given by him for the said Financial Year in the prescribed format is annexed to this Report as Annexure 'C'. 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 2020 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 2021 is being conducted by the said firm and the Report will be duly filed.

CORPORATE SOCIAL RESPONSIBILITY

Since its inception and well before the CSR Law came into existence, serving the society towards improving the quality of life of the communities at large has been a priority and commitment for your Company. The concept of socially responsible business is deeply ingrained into our corporate DNA right from the initial years and till date we have pioneered and delivered several CSR projects for needy and vulnerable communities & families. The Company's CSR vision clearly states to strengthen community relationship and to bring sustainable change in the quality of life of neighbourhood community through innovative solutions in Education, Health, Water & Sanitation, Skills Development, Livelihood Promotion and Rural Development.

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. As the beginning of Financial Year saw outbreak of COVID19 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 as well as in the marketing zones. 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 COVID19. Number of temperature guns, sanitizers, masks and hand gloves were provided to frontline "Corona Warriors"- Govt. ANMs & ASHA Workers. Regular sanitization of village common places Panchayat Bhavans, Banks, Post Offices, E-Mitra Centers and Ration Shops helped in containing spread of virus in the communities around the plants. In addition, the Company also pro-actively responded to this national emergency and donated about ₹ 1 Crore to the "Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund" (PM CARES Fund) to support GOI initiatives to fight pandemic. The Ministry of Corporate Affairs, GOI, has clarified vide Office Memorandum "F. No. CSR-05/1/2020-CSR-MCA" dated 28th March 2020 that contribution made to 'PM CARES Fund' shall qualify as CSR expenditure under item no (viii) of Schedule VII of the Act.

While on the one hand, Company put resources to fight the pandemic, on the other, it took several CSR initiatives to reduce maternal and infants mortality; organized number of medical camps for the poor and marginalized communities; provided bridge and remedial classes to out -of-school and school drop-out children for their mainstreaming into government schools; supported government schools for improvement of physical and classroom infrastructure and facilities; provided various kinds of support to students; and continued its support to school working for Special Children and their families. Number of students were provided scholarships to support their education at a time when Pandemic had hit their family's income. On the livelihoods front, the Company undertook multiple on-farm and off-farm initiatives and skills trainings to improve family's income. Trainings for agriculture and cattle improvement helped beneficiaries improve their income through adoption of scientific processes. Other initiatives included setting up water facilities for domestic use; provision for food kits for Multi-Drug Resistant TB patients; plantation; recharging of water bodies, among others. These initiatives in the CSR benefited number of disadvantaged, vulnerable and economically marginalized communities like Scheduled castes and Scheduled tribes, Below Poverty Line families, small and marginal farmers, landless groups, women-headed families, special children, person suffering with chronic diseases like MDR-TB, and youths with no skills for either employability or resources for small business. The Company also strategically endeavoured towards facilitating "last-mile-connectivity" for the poor to access various State and National Govt. Schemes aimed at poverty alleviation.

The various CSR projects have been able to bring qualitative changes in the lives of the community around the plant location. One of the key impacts has been empowerment of women due to improvement in their income resulting into their higher familial and societal status.

The Company received number of appreciation letters for its meaningful and life-changing CSR initiatives during the year.

The Company has requisite Corporate Social Responsibility Policy in accordance with the provisions of the Act and Rules made there under, as amended. The CSR Policy is disclosed on the website of the Company at www.jklakshmicement.com.

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

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure 'E'.

Further, particulars of employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report. However, in terms of provisions of Section 136 of the Act, the 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 upto 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 2020-21 in the prescribed format, giving an overview of the initiatives taken by the Company from 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 four 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 have been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

ACKNOWLEDGEMENTS

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: 29th July 2021

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'A' 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 fourth proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year ended 31st March 2021are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the Contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Transaction Amount (₹ in Crore)
Udaipur Cement Works Ltd. – Subsidiary Company	Clinker Sale & other	June 2013 ongoing	Sale of Clinker/other at Arm's length price	N.A.*	4.47
Udaipur Cement Works Ltd. – Subsidiary Company	Sale of Cement	June 2018 ongoing	Sale of Cement at Arm's length price	N.A.*	205.67
Udaipur Cement Works Ltd. – Subsidiary Company	Purchase of Cement	August 2018 onwards	Purchase of Cement at Arm's length price	N.A.*	298.87
Udaipur Cement Works Ltd. – Subsidiary Company	Corporate Guarantee Given	August 2018 onwards	Corporate Guarantee by the Company to Bank for sanctioning Term Loan	2nd August 2018	270.00

* 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 transaction mentioned above.

On behalf of the Board of Directors

Place: New Delhi
Date: 29th July 2021

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'B' 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 2020-21

- Installation and Commissioning of 5 MW (AC) Solar Power Plant at Durg and 4.5 MW (AC) Solar Power Plant at Sirohi.
- Installation of VFDs at various Plants.
- Optimization of Kiln Coolers by adjusting flow patterns.
- Optimization of Thermal Power Plant by fuel size reduction at Sirohi Plant.
- Installation of control devices on water systems to reduce the requirement of water.

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

- Installation of Solid AFR system at Durg Plant.
- Development and design of liquid AFR feeding system at Sirohi & Durg Plants.
- Co-processing and use of various hazardous waste, medical waste, process waste and plastic waste as AFR.
- Use of Renewable Wind Power at Kalol and Surat Plants (4.5MW).
- Optimization of Power Factor of the Grid by installing Active Power Compensator devices.
- AI based predictive control system for optimization of heat consumption.
- Installation of Particle Analyzer system for controlling the Cement quality.

(III) Capital Investment on energy conservation equipment

Sr. No.	Particulars/ Equipment Names	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1	Installation and commissioning “5MW SOLAR POWER PLANT”	*	249
2	Variable frequency drive for PD Blower in coal firing circuit.	8	2.1

*Installed on Build Operate Own Transfer (Boot) Basis.

B. Technology Absorption

(I) Efforts made towards technology absorption

- Implementation of 20MW Captive Power Plant Project at Durg Plant.
- Installation of SNCR in Thermal Power Plant at Sirohi.

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

- Enhanced Production in Kiln.
- Enhanced Coal Firing Capacity.
- Enhanced Cement Mill availability.
- Optimization of Boiler efficiencies.

(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 Captive Power Plant at Durg.

2. Flue Gas Desulpurization(FGD) for Captive Power Plant at Durg.

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	-
2.	Revenue Expense	7.65
	Total	**7.65**

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.)	298.93

On behalf of the Board of Directors

Place: New Delhi
Date: 29th July 2021

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'C' TO DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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, 2021** (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, 2021, 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 there under;

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (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, 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. There was no change in the composition of the Board of Directors during the period under review.

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 –

a) Two series of privately placed Non-Convertible Debentures amounting to ₹ 91.59 Crore, were redeemed on their respective due dates, during the year.

b) Members of the Company, in terms of sections 180 (1)(c) and 180 (1) (a) of the Act, authorised the Board of Directors for borrowing monies upto ₹ 3500 crores and creating security by mortgage or charge in favour of the lenders, vide special resolutions passed at their Annual General Meeting on 28th August, 2020.

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: 13th May 2021
UDIN: F000234C000293802

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

ANNEXURE 'D' TO DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH 2021.

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

   The philosophy of giving back to the society was laid down by the founding fathers of JK Group over a century ago and the group takes this as a moral responsibility to build a better society through contributing towards community services as well as working towards uplifting and empowering the disadvantaged sections of the society. The Mission statement of the company unequivocally state to be a "socially responsible corporate citizen". For JK Lakshmi Cement, 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 Corporate Social Responsibility Policy (the Policy or the CSR Policy) has been framed in accordance with Section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) as amended from time to time. The Policy shall apply to all CSR projects and activities to be undertaken by the Company and contains the approach and direction given by the Board of Directors, considering the recommendations of the CSR Committee. The CSR Policy also lays down the guiding principles for selection, implementation, and monitoring of activities as well as formulation of the Annual Action Plan to carry out CSR Projects by the Company.

   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, Livelihoods 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.

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

2. **Composition of CSR Committee:**

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

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

   https://www.jklakshmicement.com/listing-composition-of-committees/;http://www.jklakshmi.com/wp-content/uploads/2015/06/CSR-Policy-contents.pdf.

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable

6. **Average net profit of the company as per section135(5):** ₹ 16,983 Lakh

7. (a) Two percent of average net profit of the company as per section135(5) : ₹ 339.67 Lakh
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil
   (c) Amount required to be set off for the financial year, if any: Nil
   (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 339.67 Lakh

8. (a) CSR amount spent or unspent for the financial year:

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

   (b) Details of CSR amount spent against ongoing projects for the financial year: No ongoing projects, hence Not Applicable.
   (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation- Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District	(in ₹/Lakh)		Name	CSR Registration number
1	Disaster Management Fund/ COVID-19 and others	Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Govt. for the promotion of sanitation and making available safe drinking water	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh	Sirohi, Jhajjar, Surat, Kalol, Durg	28.23	Yes	-	-
2	Medical Camps & Aids to patients under Health Care (Arogya Lakshmi and other medical camps)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Govt. for the promotion of sanitation and making available safe drinking water	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh	Sirohi, Jhajjar, Surat, Kalol, Durg	27.44	Yes	-	-
3	Naya Savera Project (Integrated Family Welfare Programme) to improve reproductive and child health status	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Govt. for the promotion of sanitation and making available safe drinking water	Yes	Rajasthan	Sirohi	17.86	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State	District	(in ₹/Lakh)		Name	CSR Registration number
4	Education (Project Aarambh, Vama Lakshmi, Gyan Lakshmi, Support to Savera School for differently abled children, Adult literacy)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects.	Yes	Rajasthan, Haryana, Gujarat	Sirohi, Jhajjar, Surat, Kalol	63.55	Yes	-	-
5	Water & Sanitation (Provision of drinking water; Setting up of Piyau and others)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh	Sirohi, Jhajjar, Surat, Kalol, Durg	11.71	Yes	-	-
6	Vocational Skills & Livelihood Intervention	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh	Sirohi, Jhajjar, Surat, Kalol, Durg	17.41	Yes	-	-
7	Environment protection & plantation	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal 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 Govt. for rejuvenation of river Ganga.	Yes	Chhattisgarh, Gujarat	Durg, Kalol	2.64	Yes	-	-
8	Rural Development	Rural Development Projects	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh	Sirohi, Jhajjar, Surat, Kalol, Durg	5.63	Yes	-	-
9	Support Services (Training, Documentation, etc.)	Promotion of sports, promotion of Education, Livelihood Enhancement.	Yes	Rajasthan, Gujarat, Haryana	Sirohi, Jhajjar, Gandhinagar, Udaipur	15.01	Yes	-	-
10	Education (Scholarships) for Masons and petty contractors' children	Promoting education, including special education and employment enhancing vocation skills especially	Yes	Odisha, Chhattisgarh, Haryana	-	29.50	No	Buddy4Study India Foundation	CSR00000121

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation- Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District	(in ₹/Lakh)		Name	CSR Registration number
		among children, women, elderly, and the differently able and livelihood enhancement projects							
11	Support to affordable houses for poor people in Odisha	Rural Development Projects	Yes	Odisha	-	20.00	No	Habitat for Humanity India	-
12	Donation to PM CARES Fund for COVID-19	CSR expenditure under item no (viii) of Schedule VII of the Companies Act, 2013 clarified vide Office Memorandum F.No. CSR-05/1/2020-CSR-MCA dated 28th March 2020.	NA	NA	NA	98.93	Yes	-	-
	TOTAL					337.91			

(d) **Amount spent in Administrative Overheads:** ₹ 1.76 Lakh.

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 339.67 Lakh.

(g) **Excess amount for set off, if any: Nil**

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable. (No unspent amount for FY 2020-21)

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset – wise detail)**

    (a) **Date of creation or acquisition of capital asset (s):** Not Applicable

    (b) **Amount of CSR spent for creation or acquisition of capital asset (s):** Not Applicable

    (c) **Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their addresses etc.:** Not Applicable

    (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :** Not applicable

11. **Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(2):** Not applicable. (The Company has spent 2% as obligated by CSR law during FY 2020-21).

Vinita Singhania
Chairperson, CSR Committee

S.K.Wali
Whole-time Director

Place: New Delhi
Date: 20th May 2021

ANNEXURE 'E' 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 2020-21 ended 31st March 2021:

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, 2.55; Shri Ravi Jhunjhunwala, 2.40; Dr. Kashi Nath Memani, 2.08; Dr. Raghupati Singhania, 2.40; Shri B.V. Bhargava, 2.40 and Amb. Bhaswati Mukherjee, 2.15.

   Executive Directors: Shri Bharat Hari Singhania, CMD, 192.84; Smt. Vinita Singhania, VC & MD, 238.56; Shri S.K. Wali, WTD, 61.93 and Dr. S. Chouksey, WTD, 61.85.

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 32.83%, 28.88%, 10.79% and 10.70%, respectively. The remuneration of Shri S.A. Bidkar, CFO and Shri B.K. Daga, Sr. VP & CS increased by 8.05% and 7.18%, respectively. The remuneration of Non-executive Directors - namely Dr. Raghupati Singhania, Shri B.V. Bhargava, Amb. Bhaswati Mukherjee, Dr. Kashi Nath Memani, Shri Ravi Jhunjhunwala and Shri N.G. Khaitan increased by 36.79%, 27.67%, 42.92%, 38.75%, 47.31% and 20.00%, respectively.

C. **The percentage increase in the median remuneration of employees is** 7.25%.

D. **The number of permanent employees on the rolls of Company** - 1,677.

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 2020-21 on an average employee received an annual increment of 9% with individual increment varying from 0 to 20%. There was an increase of 23.59% in managerial remuneration during the current financial year. Such increase was mainly attributable to increase in profits for the year by 55.11%, resulting in payment of commission to Executive Directors (EDs) during Financial Year 2020-21.

F. **Affirmation that the remuneration is as per the remuneration policy**: We affirm that the remuneration paid during the Financial Year 2020-21 is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: 29th July 2021

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 2021, the Board of Directors of the Company consists of Ten Directors comprising of four Executive Directors and six Non-executive Directors (NED) out of which five are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2020-21ended 31st March 2021 i.e. on 20th May 2020, 5th August 2020, 4th November 2020 and 29th January 2021. Attendance and other details of the Directors for the Financial Year ended 31st March 2021 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (28.8.2020)	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	4	No	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	4	Yes	5	-	-
Shri B.V. Bhargava*	00001823	IND	4	No	4	4	1
Dr.Kashi Nath Memani*	00020696	IND	4	No	2	1	-
Shri Nand Gopal Khaitan*	00020588	IND	4	Yes	6	7	2
Dr. Raghupati Singhania	00036129	NED	4	No	7	2	1
Shri Ravi Jhunjhunwala*	00060972	IND	4	No	8	5	2
Dr. Shailendra Chouksey, Whole-time Director	00040282	Executive	4	Yes	1	-	-
Shri Sushil Kumar Wali, Whole-time Director	00044890	Executive	4	Yes	2	1	-
Amb.Bhaswati Mukherjee*	07173244	IND	4	Yes	2	-	-

* 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).

$ Excluding private companies, foreign companies and 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.

Other Listed companies where Directors of the Company are Directors and their category of directorship (as on 31st March 2021)

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
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 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. Raghupati 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 has a web based legal compliance tool called "Compliance Manager" developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior management.

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

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

The number of Equity Shares of ₹ 5/- each held by the Non-executive Directors as on 31st March 2021 are: Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan – 15,948 shares and Dr. Raghupati Singhania – 4,43,348 shares [includes 1,30,316 shares held as Karta of Dr. Raghupati Singhania (HUF)]. 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 29th January 2021. 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 https://www.jklakshmicement.com/wp-content/uploads/2020/04/familiarisation-programme.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 was evaluated, taking into account the views of Executive and Non- executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. AUDIT COMMITTEE

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

The Committee consists of four Directors, out of which three are Independent Directors (IND) and one is Non-executive Director (NED). Four meetings of the Audit Committee were held during the financial year ended 31st March 2021.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
20th May 2020	4
5th August 2020	4
4th November 2020	4
29th January 2021	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)	4
Shri Ravi Jhunjhunwala	Member (IND)	4
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, comprising of one Non-Executive Director, one Independent Director and other two are Executive Directors (ED). The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
20th May 2020	4
4th November 2020	4
29th January 2021	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)	3
Shri Bharat Hari Singhania	Member (ED)	3
Dr. Shailendra Chouksey	Member (ED)	3

Shri B.K. Daga, Sr. Vice President & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transfer/transmission of shares, non-receipt of balance sheet and dividends etc. During the financial year ended 31st March 2021, the Company received 2 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/transmission of shares and related matters to 'Share Transfer Committee'. The share transfer/transmission formalities are attended as required. All valid requests for transfer/transmission of shares in physical form were processed in time and there were no pending transfers/transmission of shares. During the financial year ended 31st March 2021, 16 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 (ED) and three are 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 as amended from time ot time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
20th May 2020	4
29th January 2021	4

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman (IND)	2
Shri B.V. Bhargava	Member (IND)	2
Shri Ravi Jhunjhunwala	Member (IND)	2
Shri Bharat Hari Singhania	Member (ED)	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 an 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

(₹ in Crore)

Sl. No	Name of Directors	Particulars of Remuneration				
		Salary	Perquisites etc.	Others (mainly contribution to Provident Fund)	Commission payable	Total
1.	Shri Bharat Hari Singhania Chairman & Managing Director	3.92	0.41	0.08	11.00	15.41
2..	Smt. Vinita Singhania Vice Chairman & Managing Director	7.59	0.40	0.08	11.00	19.07
3.	Dr. Shailendra Chouksey Whole-time Director	3.87	0.00	0.08	1.00	4.95
4.	Shri Sushil Kumar Wali Whole-time Director	3.86	0.02	0.06	1.00	4.94

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. Further, the Company does not have Sweat Equity/Scheme for stock option.

Non-executive Directors: During the Financial Year 2020-21, the Company paid sitting fees aggregating to ₹ 27 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 ₹ 84 Lakh; ₹ 14 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. NEDs 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
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
2019-20	Video Conferencing/Other Audio Visual Means	28th August 2020	2.30 P. M.

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 2018. (2) (a) Issue of Non-Convertible debentures of upto ₹ 500 Crores; (b) 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 AGM held on 31st August 2019. (3) Borrowing of monies of upto ₹ 3,500 Crore and creation of security/charge over the borrowed funds of upto ₹ 3,500 Crore, were passed in the AGM held on 28th August 2020.

No Special Resolution passed last year through postal ballot. There is no immediate proposal for passing any Special Resolution 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 Policyis available on the website of the Company and the weblink for the same is https://www.jklakshmicement.com/wp-content/uploads/2020/04/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 & 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 2021.

(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, the Board constituted another Risk Management Committee (RMC), pursuant to Regulation 21 of the Listing Regulations, with majority of the Members comprising of Directors. As on 31st March 2021, the Committee comprises of 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 Arun K. Shukla (appointed as member w.e.f. 20th May 2021). During the year, one meeting of the RMC was held on 5th August 2020 which was attended by all the members.

The terms of reference 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 2020-21, Company's exposure in petcoke and coal was more than 10% of the total cost of production. Board of Directors considered Petcoke and Coal as 'Material' commodities for the purpose of disclosure as required under the aforesaid SEBI Circular:

(a) Total exposure of the Company to commodities: ₹ 613 Crore.

(b) Exposure of the Company 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	321 Crore	3.91 Lakh MT	Nil	Nil	Nil	Nil	NA
Coal	292 Crore	4.99 Lakh MT	Nil	Nil	Nil	Nil	NA

(c) Commodity risks faced by the Company 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 2021; the Company has not raised any funds through preferential Allotment or through Qualified Institutions Placement.

(viii) **Certificate:** The Company has received a certificate dated 28th April 2021 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 ₹ 1,459.41 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
2	Non-Convertible Debentures of ₹ 225 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
3	Fixed Deposits of ₹ 75 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 Ltd. 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: The Company has framed a Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations. The Policy has been posted on the website of the Company and the web-link for the same is https://www.jklakshmicement.com/wp-content/uploads/2020/04/Dividend-Distribution-Policy-1.pdf.

(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 2021.

(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 49 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 Economic Times, Financial Express, Business Standard, Hindustan Times, Hindu Business Line, Mint and one regional daily newspaper namely "Rajasthan Patrika" (Pali), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The 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, Time and Venue: Please refer to Notice of the AGM

(b) A brief resume and other particulars of the Directors 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 30.06.2021	Within 45 days of the end of the quarter
• for the half-year ending 30.09.2021	
• for the quarter ending 31.12.2021	
• for the year ending 31.03.2022 (Audited)	Within 60 days of the end of the financial year.
• Annual General Meeting for the Financial Year ending 2021-22	Between July to September 2022

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

(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 2021-22 has been paid to both the aforesaid Stock Exchanges.

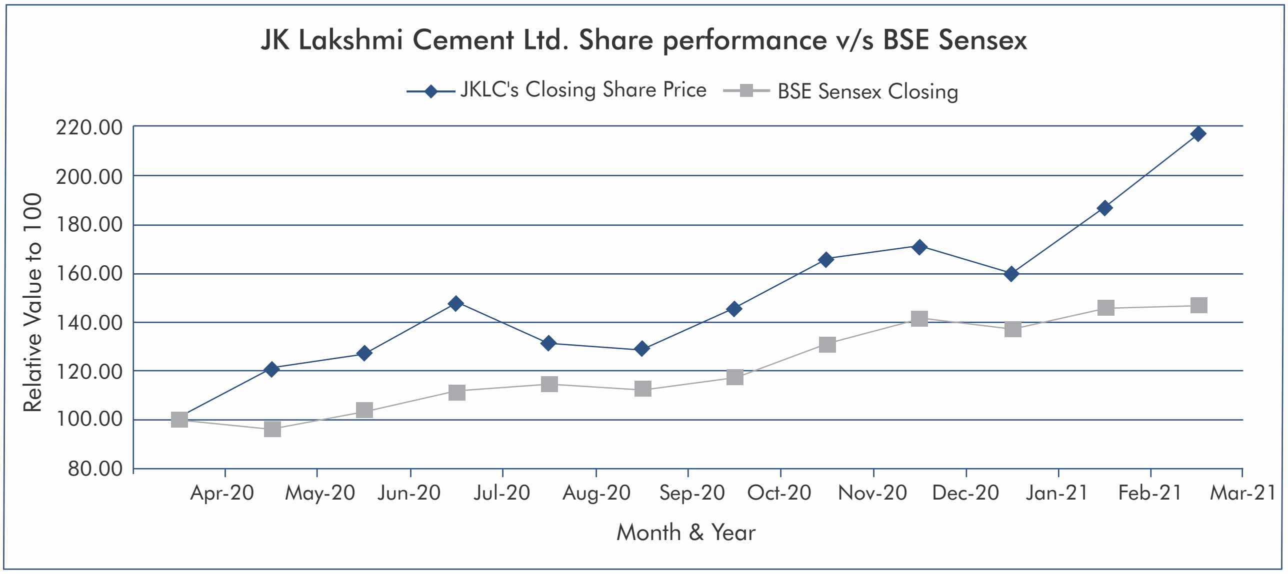
The securities of the Company are not suspended from trading.

(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 (2020-21)	BSE Ltd. (₹)		National Stock Exchange of India Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2020	235.45	179.80	235.80	179.75
May 2020	258.50	183.00	258.75	182.60
June 2020	277.00	235.35	265.00	235.00
July 2020	306.00	252.90	305.90	252.20
August 2020	306.35	258.20	306.95	258.50
September 2020	277.95	243.15	278.10	243.20
October 2020	299.50	259.10	298.80	259.55
November 2020	358.45	275.15	358.00	278.15
December 2020	368.80	307.95	368.70	308.00
January 2021	358.80	310.70	359.90	310.30
February 2021	390.00	312.00	390.00	310.50
March 2021	448.00	375.00	448.50	373.60



(x) Distribution of Shareholding as on 31st March 2021

No. of Equity Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	65,16,220	5.54	92,335	95.13
501-1,000	20,51,837	1.74	2,749	2.83
1,001-5,000	33,10,482	2.81	1,560	1.61
5,001-1,00,000	63,50,044	5.40	349	0.36
1,00,001 & above	9,94,41,483	84.51	72	0.07
TOTAL	11,76,70,066	100.00	97,065	100.00

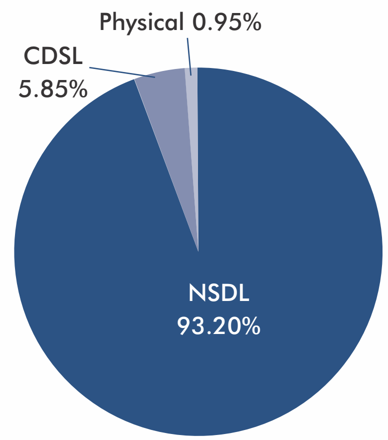
(xi) Share Transfer System

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 2021, 99.05% 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 Members.

Shares Held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2021



(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31st March 2021 – NIL.

(xiv) **Commodity price risk or foreign Exchange risk and hedging activities:** During the Financial Year ended 31st March 2021, 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 Gandhi Nagar – 382010 (Gujarat)

(4) **JK Lakshmi Cement**
& Autoclaved Aerated Cocrete (AAC) Block Unit
Village Bajitpur, P.O. Jhamri,
District Jhajjar-124507 (Haryana)

(5) **JK Lakshmi Cement**
Village Dastan, Taluka Palsana,
District Surat-394310 (Gujarat)

(6) **JK Lakshmi Cement**
Village Ghantikhal, Radhashyampur,
P. O. Khuntuni, District Cuttack-754 029 (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) 6820 1862
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 2021 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 62,689 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF) Authority, during the year. The details of such Shareholders are available on the Website of the Company at www.jklakshmicement.com . The said shares can be claimed back by the shareholders from the IEPF Authority as per the procedure laid down in the IEPFA Rules.

(b) Information in terms of Schedule V (F) of the Listing Regulations:

As on 1st April 2020, the Company had 5,456 Equity Shares in the Company's Unclaimed Suspense Account including 8 Shares which were earlier transferred to the concerned Shareholder but returned back due to mismatch of details in the demat account of the said Shareholder. These shares were unclaimed by 15 Equity Shareholders. Based on a request received from a shareholder, during the year, the Company transferred 244 Equity Shares to his demat Account. Further, 5204 Equity shares, which remained unclaimed by 14 Equity Shareholders, were transferred to the demat account of IEPF Authority. Accordingly, as on 31st March 2021, 8 Equity Shares are still lying in Unclaimed Suspense Account of the Company for reason given above. This Account is held by the Company purely on behalf of the Shareholders and the voting rights on these unclaimed shares, shall remain frozen till the rightful owner of such shares claims and/or the shares get credited to the demat account of the said Shareholder.

15. DECLARATION

This is to confirm that for the financial year ended 31st March 2021, 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

1. We have examined the compliance of conditions of Corporate Governance by JK Lakshmi Cement Limited ("the Company") for the year ended March 31, 2021, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C and D 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

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparations and maintenance of all relevant supporting records and documents. This responsibility also include the design, implementation and maintenance of internal control relevant to the preparations and presentations of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the condition of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, Company has complied with the Corporate Governance as specified in the Listing Regulations.

5. 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

6. Based on our examination of the relevant record and according to the information and explanations provided to us and representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.

7. 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

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN - 000756N

Place: New Delhi
Date: 20th May 2021
UDIN: 21087294AAAAHH4809

Sunil Wahal
Partner
Membership No. 087294

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

JK Lakshmi Cement Limited (Company), a Member of the prestigious JK Organization, is a renowned and well established name in the Cement Industry for about four decades. Company is relentlessly focused on maintaining product quality, customer satisfaction and innovation. This has helped it to push the boundaries and tap the immense potential for development in the infrastructure and construction sector.

The Company is committed towards community engagement via the adoption of an effective CSR approach and partnerships through myriad interventions in the peripheral areas of its establishments. Embedded in our long term business strategy, the Company believes that business priorities co-exist with social commitments that drive holistic development of communities.

The Company endeavors to use the best sustainable practices to protect the Environment, Social Well-being and Community. In this sustainable path, the Company is utilizing the Green renewable energy sources like Solar, Green Energy from Waste Heat Recovery based power system and Wind Power in its operations at various establishments. The Company is also utilizing the energy efficient technologies for manufacturing of its products. Conservation of water through installation of Rain water harvesting structures in and around the facilities and using of waste material in its product manufacturing against the raw virgin material are some of the key initiatives that are taken for the sustainable operations.

This Report is in conformity with the Business Responsibility Reporting (BRR) requirements contained in Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'). The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Disclosures	Information/Reference Sections
1.	Corporate Identity Number (CIN) of the Company	L74999RJ1938PLC019511
2.	Name of the Company	JK Lakshmi Cement Ltd.
3.	Registered address	Jaykaypuram, Distt. : Sirohi- 307 019, Rajasthan Ph. No. : 02971-244409/244410 | Fax No. : 02971-244417
4.	Website	www.jklakshmicement.com
5.	E-mail id	lakshmi_cement@lc.jkmail.com
6.	Financial Year reported	1st April 2020 to 31st March 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and Value added Product Manufacturing **Group** | **Class** | **Sub Class** | **Description** 239 | 2394 | 23941 23942 | Manufacture of Clinker and Cement
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. PPC, OPC, Slag Cement and Composite Cement ii. Ready-Mix-Concrete iii. Autoclaved Aerated Concrete(AAC) Blocks
9.	Total number of locations where business activity is undertaken by the Company	i. No. of National Locations: - The Company has two Integrated Cement Plants at Sirohi (Rajasthan) and Durg (Chhattisgarh) - Four Grinding Units at Gandhinagar (Gujarat); Jhajjar (Haryana); Surat (Gujarat) and Cuttack (Odisha) - Twelve RMC Plants at Ahmedabad,Vadodara,Greater Noida, Jaipur, Surat, Jodhpur, Alwar, Kota, Mohali, Ahmedabad and Udaipur. - One AAC Block Unit at Jhajjar (Haryana) ii International Location: Nil
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	₹ 4,459.18 Crore
3.	Total Profits after Taxes	₹ 366.24 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	During the Financial Year 2020-21, the Company spent ₹ 339.67 Lakh on CSR activities. This represents 0.93% of the Net Profit after Tax on CSR.
5.	List of activities in which expenditure in 4 above has been incurred	• Healthcare and family welfare • Education, training, etc. • Women Empowerment • Livelihood & Skills Development • Water and Sanitation • Rural Development • Environment protection and plantation • Disaster Management, Covid-19 and others

SECTION C: OTHER DETAILS

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

   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%]:**

   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

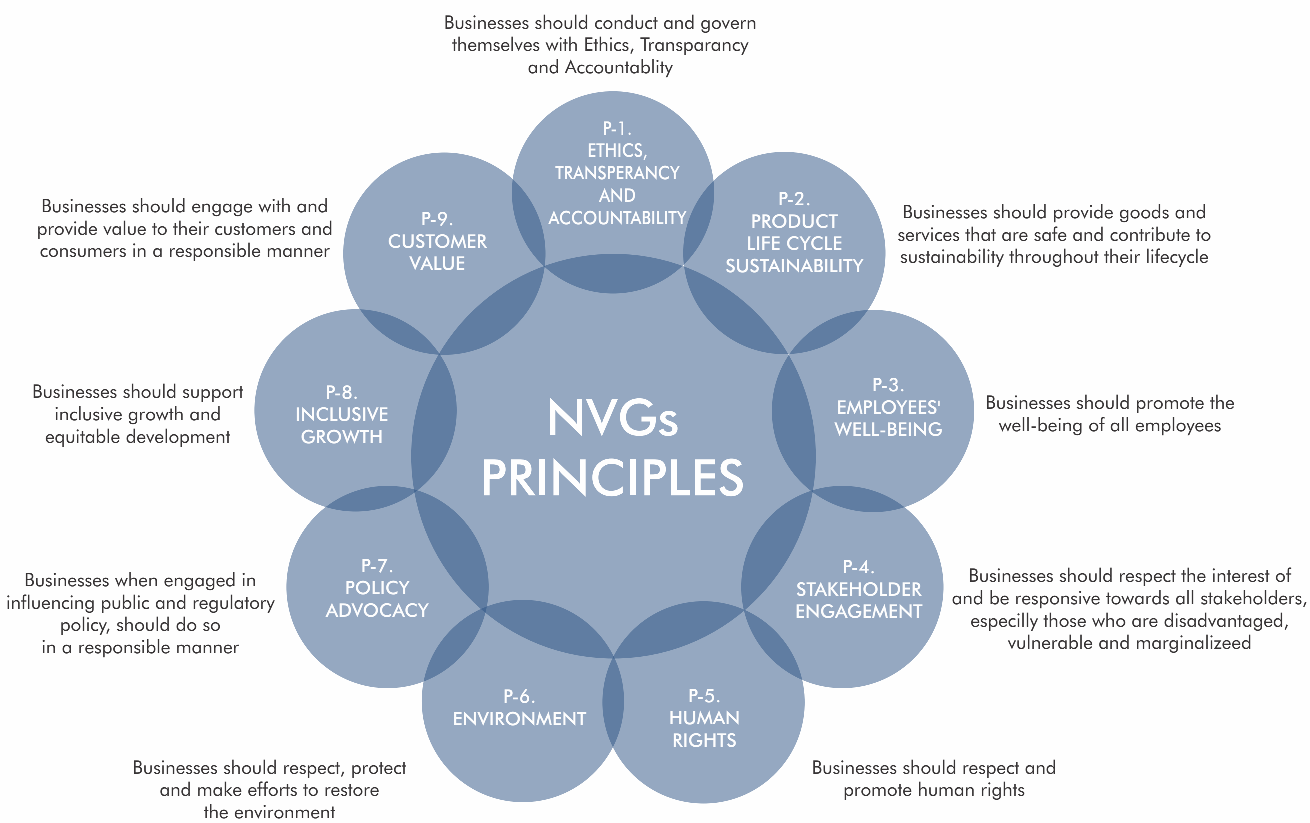
1.	DIN Number	00044890
2.	Name	Shri S. K. Wali
3.	Designation	Whole-time Director

(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:



(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 9001:2015 for Quality Management System 2) ISO 14001:2015 for Environment Management System 3) ISO 50001:2011 for Energy Management System 4) ISO 45001/OHSAS 18001:2007 for Occupational Health & Safety Management System, etc. 5) ISO/IEC 17025:2017 General Requirements for the competence of testing and Calibration Laboratories								
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?	It has been the Company's practice to upload all the policies on the intranet for the information and implementation by internal stakeholders. The Code of Conduct for Board Members and Senior Management, and CSR Policy are available on the website of the Company – https://www.jklakshmicement.com/code-of-conduct/ https://www.jklakshmicement.com/wp-content/uploads/2015/06/CSR-Policy-contents.pdf								
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. The implementation of Corporate Social Responsibility (CSR) activities/projects are also reviewed two times a year by the CSR Committee.

(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 LODR, the Company has been publishing BRR from the FY 2016-17 onwards as an integral part of the Annual Report and can be viewed at https://www.jklakshmicement.com/annual-reports/

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 2020-21. However, two complaints were received from the shareholders, which were promptly resolved to their utmost satisfaction. No complaint was pending as on 31st March 2021.

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

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

   The Company is committed to provide the energy efficient and Environment friendly products to its customers using sustainable practices. The Company manufactures a wide range of products such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement. In Cement production, waste materials such as Fly ash, Granulated Blast Furnace Slag etc. is used to substitute the Virgin raw materials. PPC, PSC and Composite Cement not only reduces virgin raw material consumption but also reduces the energy consumption too. In Clinker manufacturing, the Company is utilizing the alternative fuels such as other industrial wastes, Bio-mass, Liquid waste etc.

The Company also manufactures value added products for its customers. JK Lakshmiplast Gypsum Plaster-It is a superior quality gypsum plaster used for the interior designing. JK Lakshmiplast GypGold-is a light weighted gypsum based plaster which provides smooth and matt finish with good impact strength. JK Lakshmiplast Smart Wall Putty provides a strong base to surface which prevents paints from flaking. These are eco-friendly products which are free from lead, oil or toxic material.

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

JK SMARTBLOX: The use of Autoclaved Aerated Concrete (AAC) Blocks is continuously growing as an easy, convenient, safer, superior and environment friendly Green Building material replacing commonly used conventional clay bricks. JK SMARTBLOX are produced in a state of the art plant with German Machinery and Technology incorporating technological innovations such as Green Separation and Horizontal Autoclaving capable of delivering unmatched consistency in product quality. It not only delivers unmatched speed, quality and economy of construction, but also provides energy savings, low maintenance cost, health, safety and hygiene of users.

BRAHMASTRA: JK Lakshmi Cement has brought a revolutionary concrete mixing solution Brahmastra

4X4. The advance technology of Brahmastra 4X4 boosts the strength of concrete mix when mixed for 4 minutes and makes it 4 generations strong.

JK Lakshmi Smart Serve: JK Lakshmi Cement brings JK Lakshmi "SmartServ" Cement for its consumers. It is a unique concept that promises to fulfill new age construction needs. This is a premium service at no extra cost, equipped with features like a GPS tracker, Quality Check Sensor, Anti-theft Lock etc. And the funnel shaped silo can store up to 5-7 tons of cement. It is an excellent replacement of Cement Bags.

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 at Sirohi and Durg Manufacturing units which mitigates GHG Emission to the tune of 216668 Tons CO_2eq per year.
- Installation of solar power generation plants at various locations, with potential to mitigate about total 49351Tons of Carbon Emissions annually.

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 2019-20	FY 2020-21
Thermal Energy (Kcal/Kg of Clinker)	701	701

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

Diverse range of consumers use the Company's products 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 understands the need of optimization of logistics and transportation in terms of Social, Environmental and Financial aspects. Less Polluting Vehicles and Higher Capacity Vehicles for the longer distances preferred over short distances. Optimization of logistics and transportation is a continuous process. The Company strongly believes that Key raw material Procuring and Transportation is going through sustainable manner with lesser emissions in the environment.

The Company has already implemented an IT system for reducing the ideal and turn-around time of Vehicles called "Truck Calling System". In this unprecedented period of Covid-19, the system strongly holds the 100% Contactless and Paperless work. This system also reduces the un-necessary movement of the vehicles and hence, reducing the environmental emissions. The Company follows the Green Procurement Guidelines, in which Suppliers has to fill the Questionnaire on Environment, Health and Safety during the Vendor registration.

The Company has a well-defined E-Procurement System. A web based E-Bidding portal is used to make procurement through features like RFQ (Request for Quote). This is a 100% Paper-Less more efficient, sustainable and transparent communication system between Purchaser and Vendor.

The Company has also SAP integrated system for tracking of E-waste and Hazardous waste inwards and outwards movement. This system provides an efficient solution for tracking these materials.

The Company ensures the Green Supply chain management practices in its upstream and downstream operations to optimize the transportation in such a way that it reduces the travel time and distance between the source and destination.

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?**

Local Vendors/Suppliers plays a vital role in the growth of a business based on the availability and lesser costing. The Company intends to grow with the community development, hence it promotes the local Vendor/Suppliers for their goods and services. The Company often discusses growth opportunity areas with local vendors through open channel and encourages them to perform well which leads to longer supply-chain relationship.

The Company seeks to develop the in-house design for the machineries parts to procure from local vendors and helps them to deliver in the lowest possible route transportation, which ultimately leads to uplift the local vendors. During the vendor registration, the Company also encourages local vendors to implement Quality, Environmental and Safety Management practices for the sustainable supply chain.

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.**

   The Cement Manufacturing Technology of the Company is based on "Dry Based Cement Manufacturing". Hence, no water is consumed in the product manufacturing. For the prevention of virgin raw materials, the Company uses alternative raw materials as the replacement of some virgin raw materials based on the availability like Chemical Gypsum, Fly ash, Jarosite, slag, other industrial waste etc. The Company is also using the alternative fuels as the replacement of conventional fossil fuels like Industrial liquid waste, organic waste, RDF etc. There is no other by-product and waste generated during the production. Waste Oil and E-wastes are sent to CPCB/SPCB authorized vendors. Sewage Treatment Plant is used to treat domestic water. This treated water is used in the plantation and dust suppression.

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

1. **Please indicate the Total number of employees:** 1,677 permanent employees
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 2,799
3. **Please indicate the Number of permanent women employees:** 20
4. **Please indicate the Number of permanent employees with disabilities:** NIL
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 part 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%	89%
Permanent Women employees	100%	78%
Casual/ Temporary/ Contractual employees	91%	75%
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 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 plants. The Company has also identified other vulnerable groups like truck drivers, loaders, masons, and small contractors and has undertaken CSR projects for their families. As the reporting year 2020-21 was hit by Covid-19 pandemic, the Company identified communities and families around the plants' neighborhood who were worst affected by the pandemic and implemented various CSR projects for them.

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 in the Sirohi district of Rajasthan. This intervention has focused extensively on the health and welfare of women and eligible couples majorly from the scheduled tribe's group like Bhil, Gharasia and other poor and marginalized families. 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, WHO recommended nutritional food kits to MDR TB Patients from marginalized 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. During Covid-19 pandemic, number of vulnerable and marginalized families including women, marginal farmers, laborer's and daily wagers were provided food kits and were supported for livelihoods and income generation activities.

   Kindly refer to Annexure D 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 honor 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 include 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 2020-21 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.**

   The Company always thrives to grow in a healthy sustainable environment. Various initiatives have been taken to protect the environment such as installation of Pollution control equipment, Green belt development in and around the operational facilities, Waste Collection system generated from the colony of Company premises, water treatment system in colony area etc. The environment policy covers the Company's operational facilities and endeavors to create healthy environment nearby area of the facilities. The Company also encourages its subsidiaries, vendors and dealers to take health, safety and environmental 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 been working towards the Greener and Cleaner technology. It adopts energy efficient practices for its operations. The Company has well defined procedures to tackle the environmental issues. 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. 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 10 MW at Durg. Further, the Company has installed Solar Power Plants 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. JK Lakshmi Cement has been limiting its emission level well below the permissible limits fixed by the regulatory authorities.

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

   Yes. The Company follows the international guidelines of ISO 14001:2015 for Environmental Management System which is reviewed periodically. Associated Risks are identified according to the guidelines in the business and reviewed by the well-established Risk Management Committee periodically. After the assessment of risks, corrective measures are taken.

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/cpa_db/S1DR3OABCTJPYVG6HNME2L8IXKQ495/view

VCS Projects:

- Bundled Rooftop Solar PV based Power Generation by JKLCL Project ID- PL1730 https://registry.verra.org/app/projectDetail/VCS/1730

- AAC Block Manufacturing Using Energy Efficient Technology by JKLCL Project ID-1651

  https://registry.verra.org/app/projectDetail/VCS/1651

  The Company's project of 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 utilizing the Renewable Green Power 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 3.40 MW. The Manufacturing units at Kalol and Surat are also outsourcing the wind power energy of capacity 4.0 MW. The Company recently installed 4.16 MW of Solar Power Plant at manufacturing Unit, Sirohi and 5.0 MW Solar Power Plant at manufacturing Unit, Durg. Further, initiatives like Installation of 10 MW Waste Heat Recovery (WHR) based Power generating unit and Selective Non-Catalytic Reaction (SNCR) system in 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. 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?**

   Yes. The Company is following all the compliances of State and Central Pollution Control Board. Emission Monitoring is being done through the OCEMS (Online Continuous Emission Monitoring System), which is connected to the pollution control boards. All stack emissions are well below the permissible limits defined by the Boards. Also, environment related compliances are reported in E&Y Compliance tool periodically.

   There is no waste generated through the manufacturing process. E-waste and Generated Waste oil is well below the permissible limits and it is sold to CPCB/SPCB authorized parties.

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 2020-21.

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)**

   Yes. The Company has been vividly using Trade Association/Chambers of Commerce and industry's platforms and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Renewable Energy, GHG Emission Reduction, Sustainable Business Principles etc.

   The Company attends the presentations, exhibitions etc. on the various topics discussed or presented on multiple national platform. The Company advocates the best practices presented on the platforms such as Use of alternative fuels and raw Materials, Use of renewable energy, Energy efficient activities, water conservation and waste management etc. The Company always encourages its stakeholders to apply these best practices.

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

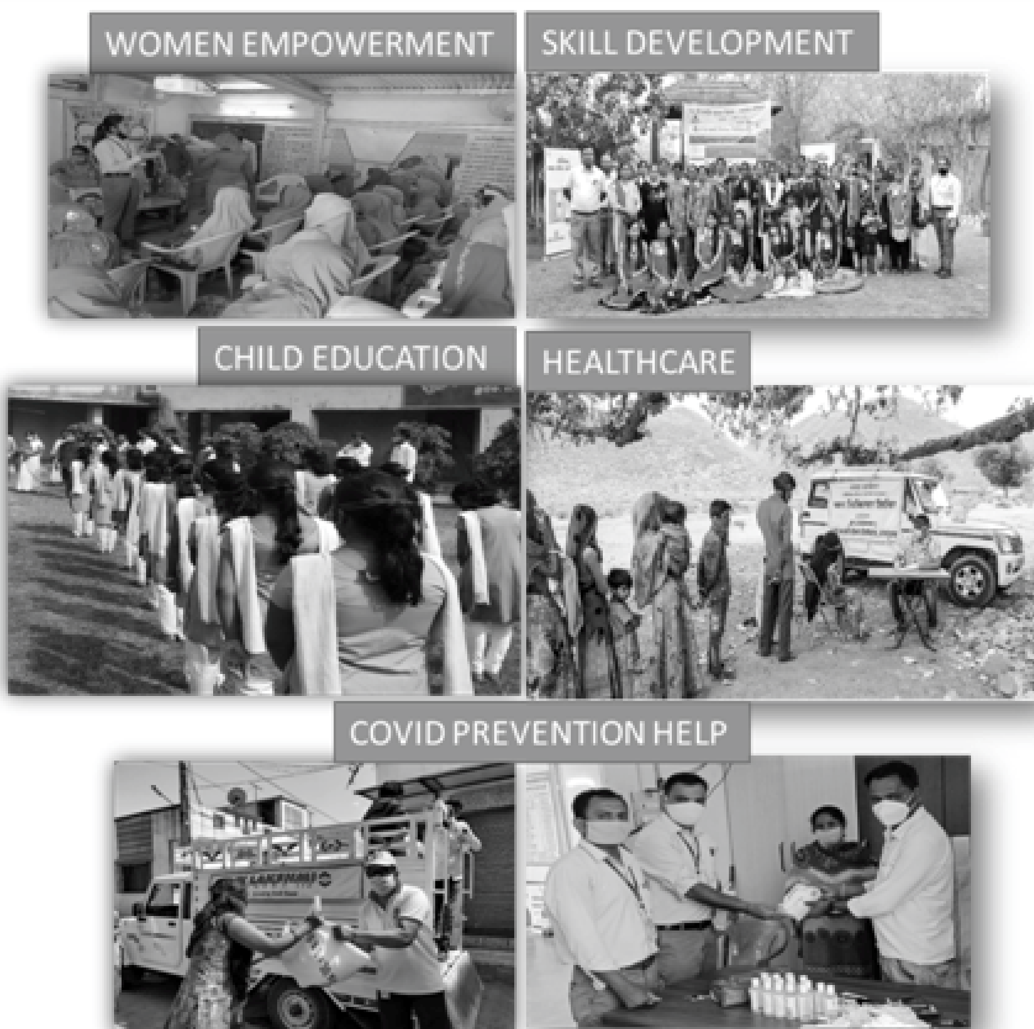
1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   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 continue 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 Company are Health; Water & Sanitation; Education; Skill development and Livelihood; Environment sustainability and Community Development. The CSR Policy is disclosed on the Website of the Company at www.jklakshmicement.com.

   Various CSR and social projects have been aligned to Sustainable Development Goals (SDGs) Agenda Nos.1- No Poverty, 2-Zero Hunger, 3-Good Health and Well-Being, 4-Quaity Education, 5-Gender Equality, 6-Clean Water and Sanitation, 8-Decent Work and Economic Growth & 10-Reduced Inequalities and thus address the global level SDGs.

   As the beginning of Financial Year saw outbreak of 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 plants' 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. Number of temperature guns; sanitizers, masks and hand gloves were provided to frontline "Corona Warriors"- Govt. ANMs & ASHA Workers. Regular sanitization of village common places Panchayat Bhavans, Banks, Post Offices, E-Mitra Centres and Ration Shops helped in containing spread of virus in the communities around the plants.

In addition to Covid-19 relief activities, 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 are Naya Savera - a family integrated welfare program which focus on reducing maternal and infant's mortality; Project Aarambh for out -of-school-children to bring them back to school; Special education project for drop-out girls to complete their Secondary and Sr. Secondary education through NIOS; JK Lakshmi Vidya Scholarship for poor and meritorious children; Gyan Lakshmi; Arogya Lakshmi; Anna Lakshmi; support to Savera School for differently abled children; Vama Lakhsmi for skilling of women and girls; Lakshmi Integrated Livestock Development and various other projects in the thematic area of Health, Education, Livelihood; environmental conservation; water and sanitation and rural development.



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, Krishi Vighyan Kendra 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. If required, the help of external agencies is taken to assess impact of CSR projects. Impact assessment helps 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 INR and the details of the projects undertaken?**

   During the Financial Year 2020-21, the Company has spent ₹ 339.67 Lakh on CSR initiatives. Please refer to ANNEXURE D 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 program, 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 2020-21.

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?**

   JK Lakshmi Cement listens to its direct and indirect customers on regular basis and that has been the reason that we have been able to do a lot of first in the industry even if the product/service may be less attractive in terms of ROI in the beginning. Providing premium quality products in our core markets or supplying cement to IHB in small Portable silo or supplying special slag cement to big infrastructure projects like HPCL Refinery work in Rajasthan, all are true representation of our bonding and two-way communication with our various category of customers. There are various channels that we use to reach out to our customers i.e. call center, email, social media, direct site visits by our technical team, various meetings with Architects, masons, & other influencers. In last year itself, we could connect to 20000+ customers (direct consumers/dealers/influencers) and got the rating of our product/services 4.4 out of 5. This rating is 3 % better than last year. These channels did not just provide us the valuable feedback but also helped us generating extra business of 7500+ MT. So it makes all the more sense for us to continue to focus on this core task that not just gives mutual benefits to us and our customers but also eventually resulted into making us a winner of India's greatest brand award.

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, 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS')prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

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, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

	Key Audit Matters	
1	**Revenue recognition - discounts, incentives, rebates etc.** Recognition, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No III (13) of Note 1 of Accounting Policy). Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the Company's sales. Due to the Company's presence across different marketing regions within the country and the	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

	Key Audit Matters	
	competitive business environment, the assessment of the various types of discounts, incentives and rebate schemes, is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, and rebates. Given the judgement required to estimate the amount of provisions, this is a key audit matter.	• 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. 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.	Our Procedure included: Obtained details of completed tax assessments of earlier years and demands as on March 31, 2021 from management. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Based on management estimates and Independent legal opinion taken by Management of the Company, the liability against these matters are not yet certain hence the same has been shown as contingent liability in the current financial statements.

	Key Audit Matters	
	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 2021. • Inspecting demand notices received from various tax authorities and evaluating the Company's written responses to those matters. • Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and • Assessing the adequacy of the Company's disclosures. We did not identify any significant exceptions to the management's assessment of the ongoing civil, income tax and indirect tax litigations as a result of the above procedures.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2021 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 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, 2021 on its financial position in its standalone financial statements- Refer note 55, 56, 57, 58 and60;

   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:- 087294

Place: New Delhi
Date: May 20, 2021
UDIN :21087294AAAAHF4088

Annexure A to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 20, 2021.

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. All fixed asset have been verified by the management according to the program. No material discrepancies were noticed on such verification undertaken during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties 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 companies 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, 2021 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 and value added 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	Period	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	
		1.90	Jul'20 to Mar'21	Bilaspur High Court
		23.83	2015- 2020	

Name of the Statute	Nature of the Dues	Amount	Period	Forum where dispute is pending
The Rajasthan Tax on Entry of Goods into Local Area Act , 1999	Entry Tax	37.90	2002-2014	Supreme Court
		0.79	2012-2015	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
Chhattisgarh Commercial Tax		4.51	FY 2014-2017	Bilaspur High Court
Cental Excise Act	Excise Duty	0.02	2007-2008	CESTAT
		1.22	1996-1998	CESTAT
		1.83	2015 - 2018	Add Commissioner
Finance Act , 1994	Service Tax	6.64	2013-2014	CESTAT
		3.19	2016-18	CESTAT
		1.18	2007-2008	Excise Comm.
		0.07	2012-2013	Comm (Appeals)
Income Tax Act	Income Tax	3.67	AY 2012-2013	Comm (Appeals), Kolkata
		1.07	AY 2014-2015	
		0.23	AY 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:- 087294

Place: New Delhi
Date: May 20, 2021
UDIN: 21087294AAAAHF4088

Annexure B to the Independent Auditors' Report to the Members of JK Lakshmi Cement Limited dated May 20, 2021 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, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 20, 2021
UDIN : 21087294AAAAHF4088

JK Lakshmi Cement Limited
Balance Sheet as at 31st March 2021

₹ In Crore (10 Million)

		Note No.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	2,641.81	2,787.90
	(b) Capital work-in-progress	2A	227.50	151.89
	(c) Investment Property	3	0.44	0.50
	(d) Right-of-Use Assets	3A	17.16	11.52
	(e) Intangible Assets	4	2.54	3.79
	(f) Financial Assets			
	(i) Investments	5	383.31	367.30
	(ii) Loans	6	55.32	60.16
	(iii) Others	7	2.13	0.71
	(g) Other Non-Current Assets	8	28.06	39.61
			3,358.27	3,423.38
(2)	**Current Assets**			
	(a) Inventories	9	315.50	412.84
	(b) Financial Assets			
	(i) Investments	10	367.33	416.94
	(ii) Trade Receivables	11	53.68	88.22
	(iii) Cash and Cash Equivalents	12	45.66	1.74
	(iv) Bank Balance other than (iii)	13	313.43	29.70
	(v) Loans	14	43.33	43.33
	(vi) Others	15	25.01	14.77
	(c) Other Current Assets	16	139.20	117.15
	(d) Current Tax Assets (Net)	28	-	1.79
			1,303.14	1,126.48
	TOTAL ASSETS		4,661.41	4,549.86
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	17	58.85	58.85
	(b) Other Equity		2,020.07	1,653.83
			2,078.92	1,712.68
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	776.42	1,078.17
	(ii) Other Financial Liabilities	19	243.79	214.78
	(b) Provisions	20	13.54	11.41
	(c) Deferred Tax Liabilities (Net)	21	64.12	20.46
	(d) Other Non-Current Liabilities	22	184.50	181.34
			1,282.37	1,506.16
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	23	13.98	104.81
	(ii) Trade Payables	24		
	Micro and Small Enterprises		12.62	7.51
	Others		383.62	460.98
	(iii) Other Financial Liabilities	25	612.72	534.71
	(b) Other Current Liabilities	26	270.67	217.52
	(c) Provisions	27	5.08	5.49
	(d) Current Tax Liabilities (Net)	28	1.43	-
			1,300.12	1,331.02
	TOTAL EQUITY AND LIABILITIES		4,661.41	4,549.86

Significant Accounting Policies — 1

The accompanying notes form an integral part of these financial statement. — 2-72

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, 2021

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 2021

₹ In Crore (10 Million)

		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from Operations	29	4,384.71	4,043.50
II.	Other Income	30	74.47	50.08
III.	**Total Income (I+II)**		4,459.18	4,093.58
IV.	**Expenses :-**			
	Cost of Materials Consumed	31	671.84	611.35
	Purchases of Stock-in-Trade	32	355.61	312.01
	Change in inventories of finished goods, work-in-progress and traded goods	33	56.44	(72.03)
	Employee Benefits Expense	34	326.98	311.96
	Power and Fuel	35	779.77	843.85
	Transport, Clearing & Forwarding charges	36	883.16	817.57
	Finance Costs	37	142.52	164.42
	Depreciation and Amortization Expense	38	194.19	188.35
	Other Expenses	39	521.16	546.41
	Total Expenses (IV)		3,931.67	3,723.89
V.	**Profit before Exceptional Items and Tax (III-IV)**		527.51	369.69
VI.	Exceptional Items		30.92	30.23
VII.	**Profit before tax (V-VI)**		496.59	339.46
VIII.	Tax Expense			
	(1) Current Tax		90.41	63.13
	(2) Deferred Tax		42.36	43.01
	(3) Tax Adjustments for Earlier Years		-	(1.91)
	Total Tax Expense (VIII)		132.77	104.23
IX.	**Profit for the Year**		363.82	235.23
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		3.72	1.35
	(2) Income tax effect		(1.30)	(0.47)
	Total Other Comprehensive Income (X)		2.42	0.88
XI	**Total Comprehensive Income For The Year (IX + X)**		366.24	236.11
XII	Earnings per equity share (Face Value of ₹ 5 each)	40		
	Basic Earnings per equity share (₹):		30.92	19.99
	Diluted Earnings per equity share (₹):		30.92	19.99

Significant Accounting Policies	1
The accompanying notes form an integral part of these financial statement.	2-72

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, 2021

SUDHIR A. BIDKAR
Chief Financial Officer

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

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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, 2021

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2019	Change during the year	As at 31st March 2020	Change during the year	As at 31st March 2021
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 31st March'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 to Debenture Redemption Reserve	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve	-	-	(8.21)	-	8.21	-	-
Other Comprehensive Income	-	-	-	-	-	0.88	0.88
Balance as at 31st March'2020	**25.64**	**88.65**	**60.40**	**950.74**	**530.71**	**(2.31)**	**1,653.83**
Profit for the Year	-	-	-	-	363.82	-	363.82
Dividend payment including Dividend Distribution Tax	-	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve	-	-	(22.90)	-	22.90	-	-
Other Comprehensive Income	-	-	-	-	-	2.42	2.42
Balance as at 31st March'2021	**25.64**	**88.65**	**37.50**	**950.74**	**917.43**	**0.11**	**2,020.07**

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-72

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, 2021

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
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For and on behalf of the Board
B.H. SINGHANIA Chairman & Managing Director
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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 Million Tonnes. The Company is the first Cement Manufacturer in North India to introduce coloured bags and registered as ISO 9200. The Company's Technical Service Cell provides construction solutions to its customers & carries out regular & innovative contact programmes with Individual House Builders, Masons and other Business Associates to keep in tune with their needs and requirements.

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 20, 2021.

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, 2013and 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 thehistorical 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 recgnised 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 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 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 andLoss 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 initiallyrecognized 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.

ii) **Contingent liability**

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

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

iii) **Other Litigation Claims**

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

iv) **Onerous Contracts**

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

iv) **Contingent Asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(13) **Revenue Recognition**

Revenue 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) **Non-cash incentives**

The Company provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

iii) **Power Distribution**

Revenue from Power Distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

iv) **Dividend Income**

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders, except in case of interim dividend which is authorised when it is approved by the Board of Directors.

v) **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.

vi) **Interest Income**

For all Financial instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

vii) **Renewable Energy Certificate**

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on Sale of REC. Income from Sale of RECs is recognized on the delivery to the Customers' account.

viii) **Export Benefit**

Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss on accrual basis.

(14) **Employees Benefits**

i) **Defined Contribution Plans**

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) **Defined Benefit Plans**

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) **Short-term Employee Benefits**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) **Long-term Employee Benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or enchased subject to restriction on the maximum accumulation of leaves.

v) **Termination Benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.

The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(15) **Borrowing Costs**

(1) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

The Borrowing Cost consists of Interest & Other Incidental costs that the Company incurs in connection with the borrowing of such funds.

(2) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company

that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

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

(16) Leases

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

a) Company as a lessee

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

i) Right-of-use assets

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

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

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing 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.

iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

b) Company as a Lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(17) Taxes on Income

a) Current Tax

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

ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred Tax**

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

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

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss.

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(18) **Exceptional Items**

On certain non-recurring occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(19) **Earnings Per Share (EPS)**

i) **Basic earnings per share**

Basic earnings per share is calculated by dividing

- The Profit or Loss attributable to Equity Shareholders of the Companyby the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the Weighted Average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(20) **Segment Accounting**

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementious Materials.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Vice Chairman & Managing Director (Chief Operating Decision Maker).

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on each segments profit or loss and is measured consistently with profit or loss in the financial statements.

(21) **Cash dividend**

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity. Interim dividends are recognised as a liability on the date of declaration by the Company's Board of directors.

IV. Recent pronouncement

a) Amendment to CSR requirement

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated 22 January 2021, related with utilization of the unspent amount earmarked for CSR activities. Further, the amendments also permit a Company which spends an amount in excess of the prescribed CSR amount of 2%, to set-off excess amount against the requirement to spend up to immediately succeeding three financial years subject to the fulfilment of certain conditions.

b) Amendment in Schedule -III

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:-

i. Lease Liabilities should be separately disclosed under the head 'Financial Liabilities' duly distinguished as current and non-current.

ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

iii. Specified format for disclosure of shareholding of promoters.

iv. Specified format for ageing schedule of Trade Receivables, Trade Payables, Capital Work in Progress and Intangible Assets under development.

v. If a Company has not used the funds for the specific purpose for which it was borrowed from Banks and Financial Institutions, then disclosure of details of where it has been used.

vi. Specific disclosure under 'additional regulatory requirement' such as compliance with the approved scheme of arrangements, compliance with the number of layers of Companies, title deeds of immovable property not held in the name of the Company, Loans and Advances to Promoters, Directors, Key Managerial Personnel(KMP) and Related Parties, details of benami property held etc.

Statement of profit or loss:-

i. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

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'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**
Additions/Adjustments	6.56	0.84	3.92	29.63	2.04	1.52	2.67	-	47.18
Disposals/Adjustments	0.17	-	-	5.80	-	-	4.44	-	10.41
As at 31st March'2021	**261.30**	**57.54**	**229.91**	**3,079.05**	**6.61**	**9.81**	**29.31**	**11.10**	**3,684.62**
Accumulated Depreciation									
As at 1st April'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**
Charged For the Year	-	0.50	12.83	169.43	0.62	1.08	4.18	0.72	189.36
On Disposal	-	-	-	3.20	-	-	3.31	-	6.51
As at 31st March'2021	**-**	**2.86**	**74.07**	**934.29**	**3.79**	**6.08**	**17.61**	**4.11**	**1,042.81**
Net Carrying Amount									
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
As at 31st March'2021	261.30	54.68	155.84	2,144.76	2.82	3.73	11.70	6.99	2,641.81

1) Leasehold Land Includes ₹ 4.02 crore (previous year ₹ 2.82 crore) pending transfer of title in the name of the Company.

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

Movement in capital-work-in-progress	As at March 31, 2021	As at March 31, 2020
Opening	**151.89**	**411.07**
Addition during the year	129.76	77.59
Capitalised during the year	23.23	306.54
Provision for Impairment (refer note 1)	30.92	30.23
Closing	**227.50**	**151.89**

1) Exceptional item of Rs. 30.92 (Previous year 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'2019	₹ 34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2020	34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	₹ 884	-	-	-
As at 31st March'2021	₹ 33,928	0.04	0.71	0.76
Accumulated Depreciation				
As at 1st April'2019	-	25,936	0.20	0.20
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal				
As at 31st March'2020	-	₹ 25,936	0.25	0.26
Charged For the Year	-	₹ 3,242	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2021	-	₹ 29,178	0.30	0.32
Net Carrying Amount				
As at 31st March'2020	₹ 34,812	0.04	0.46	0.50
As at 31st March'2021	₹ 33,928	0.03	0.41	0.44
Fair Value*				
As at 31st March'2020				5.09
As at 31st March'2021				2.74
Rental Income				
For the FY 2019-20				0.65
For the FY 2020-21				0.62

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
As at 1st April'2019	13.76
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2020	13.76
Additions/Adjustments	9.17
Disposals/Adjustments	-
As at 31st March'2021	22.93
Accumulated Depreciation	
As at 1st April'2019	-
Charged For the Year	2.24
Disposal	-
As at 31st March'2020	2.24
Charged For the Year	3.53
Disposal	-
As at 31st March'2021	5.77
Net Carrying Amount	
As at 31st March'2020	11.52
As at 31st March'2021	17.16

The Company has lease contracts for various building (ofice premises) and plants used in its operations. Lease of office premises and plants have lease terms between 9 year to 10 years. The Company also has certain lease with lease terms of 12 months and less. The Company applies the 'short term leases' recognition exemption for these leases.

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

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense of right of use assets	3.53	2.24
Interest expense on lease liabilities	2.28	1.34
Expense relating to leases of short-term / low value assets (included in other expenses)	12.91	16.71
Total amount recognised in statement of profit and loss	**18.72**	**20.29**

	Year Ended March 31, 2021	Year Ended March 31, 2020
Total cash outflow for leases	17.75	19.60
Financing activities		
Repayment of principal	2.56	1.55
Repayment of interest	2.28	1.34
Operating activities		
Short term / low value assets lease payment	12.91	16.71

Note-4 Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April'2019	7.20
Additions/Adjustments	0.01
Disposals/Adjustments	-
As at 31st March'2020	7.21
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2021	7.21
Accumulated Amortisation	
As at 1st April'2019	2.14
Charged For the Year	1.28
On Disposal	-
As at 31st March'2020	3.42
Charged For the Year	1.25
On Disposal	-
As at 31st March'2021	4.67
Net Carrying Amount	
As at 31st March'2020	3.79
As at 31st March'2021	2.54

Note-5 Non Current Investment

₹ In Crore (10 Million)

Particulars	As at 31st March 2021 Numbers	As at 31st March 2021 Amount	As at 31st March 2020 Numbers	As at 31st March 2020 Amount
Investment in Equity Shares				
Subsidiaries- At Cost				
Udaipur Cement Works Limited (₹ 4 each)	225,892,781	128.88	225,892,781	128.88
Udaipur Cement Works Limited -Equity Component*		34.90		34.90
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	116,050,007	116.05	116,050,007	116.05
Associate- At Cost				
Dwarkesh Energy Ltd (₹ 10 each)	350,000	0.35	350,000	0.35
Others- Fair Value through Profit and Loss				
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	-	4,396,136	-
Sungaze Power Pvt Ltd. (₹ 14.66 each)	1,432,308	2.10	1,432,308	2.10
Investment in Preference Shares- Fair Value Through Profit and Loss				
Subsidiary				
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	50.30	6,600	47.00
Udaipur Cement Works Limited (6% cumulative redeemable preference shares) (₹ 100 each)	500,000	6.09	500,000	5.79
Associate				
Dwarkesh Energy Ltd. (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	1,100,000	12.95	1,100,000	11.90
Others				
V. S. Lignite Power Pvt. Ltd. (0.01%) (₹ 10 each) #	3,899,777	-	3,899,777	-
Other Investments in Subsidiary				
Capital Contribution on account of Financial Guarantee		31.69		20.33
		383.31		367.30
Aggregate carrying amount of quoted investment		128.88		128.88
Aggregate market value of quoted investment		458.56		170.32
Aggregate amount of unquoted investment		254.43		238.42

* 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 2021	As at 31st March 2020
Note-6 Loans		
Unsecured, Considered Good:		
Security Deposits	38.48	43.03
Loan to Related Parties (refer note 53)	16.84	17.13
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	55.32	60.16

Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

	As at 31st March 2021	As at 31st March 2020
Note-7 Other Non Current Financial Assets		
Unsecured, Considered Good:		
Bank Deposits with original maturity for more than 12 months*	2.13	0.71
	2.13	0.71

* Under lien

	As at 31st March 2021	As at 31st March 2020
Note-8 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances	25.80	37.80
Deferred Expenditure	2.26	1.81
	28.06	39.61
Note-9 Inventories (at lower of cost or net realisable value)		
Raw Materials	18.27	20.17
Work -in -progress	45.42	87.78
Finished Goods	28.66	41.22
Stock-in -Trade	1.08	2.60
Stores and Spares (Including in transit ₹ 32.28 crore (previous year ₹ 91.71 crore)	206.90	251.92
Packing Materials	15.17	9.15
	315.50	412.84

For hypothecation refer note 23

	As at 31st March 2021	As at 31st March 2020
Note-10 Current Investment		
Investment at fair value through Profit & Loss		
Investment in quoted Non Convetible Debentures	110.30	127.63
Investment in quoted mutual funds	257.03	289.31
	367.33	416.94
Aggregate book value of quoted investments	367.33	416.94
Aggregate market value of quoted investments	367.33	416.94
Aggregate book value of unquoted investments	-	-

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-11 Trade Receivables@		
Considered good - Secured	5.26	8.99
Considered good - Unsecured	48.42	79.23
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	5.52	3.92
Less :- Provision/Allowances for doubtful debts	(5.52)	(3.92)
	53.68	88.22
@ Contract Assets as Per IND AS 115		
For Hypothecation Refer Note 23		
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.		
Note-12 Cash and Cash Equivalents		
On Current Account	23.32	1.14
Cheques , Draft on hand/transit	1.13	0.25
Cash on hand	0.30	0.35
Deposits with original maturity for less than 3 months	20.91	-
	45.66	1.74
Note-13 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	311.89	27.70
On Unpaid Dividend Accounts	1.54	2.00
	313.43	29.70
* Includes ₹ 4.60 crore (previous year ₹ 4.39 crore) under lien		
Note-14 Loans		
Unsecured, Considered Good:		
Loans to Related Party (refer note 53)	43.33	43.33
	43.33	43.33
Note-15 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good - Unsecured	8.44	8.75
Credit Impaired	4.22	4.22
Less: Provision for doubtful	(4.22)	(4.22)
	8.44	8.75
Interest Receivable from Banks and others	15.47	3.18
Advances to Employees (Loans)	0.54	0.72
Marked to Market Gain	0.56	2.12
	25.01	14.77
Note-16 Other Current Assets (unsecured considered good unless otherwise stated)		
Prepaid expenses	13.07	9.88
Balance with Govt. Authorities	61.62	62.41
Other Advances*	63.77	44.39
Deferred Expenditure	0.74	0.47
	139.20	117.15

*Includes advances to related party amounting of ₹ 19.33 crore (previous year ₹ 8.70 crore) Unsecured, Considered Good, otherwise stated.

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
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 2021	31st March 2020
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:	Number	Number
Shareholder name		
Bengal & Assam Company Ltd.	52,099,121	52,388,321
Franklin Templeton Mutual Fund	10,870,030	10,870,030

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-18 Non Current Borrowings

₹ In Crore (10 Million)

Particulars	As at 31st March 2021 Non Current	As at 31st March 2021 Current*	As at 31st March 2020 Non Current	As at 31st March 2020 Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	-	149.79	149.34	91.60
Term Loans				
From Banks	653.07	179.84	877.13	178.93
From Government	41.26	-	33.36	-
Term Loan In Foreign Currency	36.26	-	-	-
	730.59	329.63	1,059.83	270.53
UNSECURED LOANS				
Public Deposits	45.83	4.69	18.34	13.21
	45.83	4.69	18.34	13.21
Less:- current maturities of long term debt Shown under Note No- 25	-	334.32	-	283.74
	776.42	-	1,078.17	-

* Due & payable within one year

1 9.15% Secured Redeemable Privately Placed Non-Convertible Debentures of Series C of ₹ 150 Crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017

2 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 Term Loans from Banks aggregating to ₹ 46.25 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 and Company's Banks for Working Capital on specified movables assets. These Term Loans are repayable as under:
   a) Term Loan of ₹ 8.75 crore is repayable in 4 equal quarterly instalments.
   b) Term Loan of ₹ 37.50 crore is repayable in 12 equal quarterly instalments.

4 Foreign Currency Term Loan from a Bank of ₹ 36.26 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 and Company's Banks for working capital on specified movables assets. This Foreign Currency Term Loan is repayable in 7 unequal annual instalments commencing from 28th September 2023.

5 Term Loan from a Bank of ₹ 8.75 Crore & ₹ 24.06 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 4 & 11 equal quarterly instalments respectively.

6 Term Loan from a Bank of ₹ 10.00 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 8 equal quarterly instalments.

7 Term Loan from a Bank of ₹ 15.00 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 12 equal quarterly instalments

8 Term Loan from a Bank of ₹ 108.49 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 19 equal quarterly instalments

9 Term Loans from Banks aggregating to ₹ 450.00 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. These Term Loans from Banks are repayable in 18 equal quarterly instalments.

10 Term Loan from a Bank of ₹ 90.05 Crore is secured by way of an exclusive charge on movable fixed assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 46 unequal quarterly instalments.

11 Term Loan from a Bank of ₹ 81.96 Crore is secured by way of an exclusive first charge on all the immovable & movable fixed assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 51 equal quarterly instalments

12 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 57.61 Crore granted to Company in relation to its Cement Grinding Unit at Jhajjar, Haryana, is secured by Bank Guarantee of equivalent amount and shall be repaid at the end of 5th year from the respective disbursement dates. The said IFL is recognised on amortised cost basis.

13 Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.

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

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-19 Other Non Current Financial Liabilities		
Trade and other Deposits	152.07	142.00
Other Liabilities	46.11	43.13
Financial Obligation of Guarantee	31.69	20.33
Lease Liabilities	13.92	9.32
	243.79	214.78
Note-20 Non Current Provisions		
Provision for Employees' Benefits	13.54	11.41
	13.54	11.41
Note-21 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	427.33	428.06
Others	0.60	0.89
Less: Deferred Tax Assets		
Expenses / Provisions allowable	79.16	74.11
Unabsorbed Depreciation & Brought Forward Business Losses	-	83.79
Others	7.85	6.41
MAT Credit Entitlement	276.80	244.18
Deferred Tax Liabilities (Net)	64.12	20.46
Note-22 Other Non-Current Liabilities		
Deferred Revenue*	10.04	12.32
Liability for Employees Subsidised Car Scheme	5.98	5.59
Government and other dues	168.48	163.43
	184.50	181.34
* Including on account Government Grant of ₹ 10.04 crore (Previous year ₹ 12.32 crore)		
Note-23 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	-	99.10
Unsecured Loans		
Public Deposits	13.98	5.71
	13.98	104.81

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 2021	As at 31st March 2020
Note-24 Trade Payables		
Micro and Small Enterprises (refer note 64)	12.62	7.51
Others	383.62	460.98
	396.24	468.49
Note-25 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-18)	334.32	283.74
Interest Accrued but not due on borrowings	6.22	9.14
Unclaimed dividends #	1.54	2.00
Unclaimed matured Public Deposits and interest #	0.92	1.12
Capital Creditors	10.41	24.37
Other liabilities	254.39	211.45
Lease Liabilities	4.92	2.89
	612.72	534.71
# Investor Education and Protection Fund will be credited as and when due.		
Note-26 Other Current Liabilities		
Advance from Customers @	88.37	79.70
Government and other dues	177.39	133.48
Deferred Revenue*	4.91	4.34
	270.67	217.52
@ Contract Liabilities as Per IND AS 115		
* Including on account Government Grant of ₹ 4.91 crore (Previous Year ₹ 4.34 crore)		
Note-27 Current Provisions		
Provision for Employees' Benefit	5.08	5.49
	5.08	5.49
Note-28 Current Tax Liabilities/(Assets) (Net)		
Provision for Taxation (Net of Taxes Paid)	1.43	(1.79)
	1.43	(1.79)

₹ In Crore (10 Million)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-29 Revenue From Operations@		
Revenue from contracts with customers		
Sale of products		
Cement*	3,881.15	3,542.62
Others	499.88	497.25
Other Operating Revenues	3.68	3.63
* Refer note 61	4,384.71	4,043.50
@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115		
Note-30 Other Income		
Interest Income	21.93	7.04
Interest income from other finanical asset at amortised cost	6.17	5.79
Profit on sale* of		
Current Investments	33.70	26.53
Profit/(loss) on Sale of Property Plant & Equipments (Net)	1.48	3.16
Other Non - Operating Income	11.19	7.56
	74.47	50.08
* Inclusive of fair value gain of ₹14.57 crore (Previous year gain of ₹ 16.56 crore)		
Note-31 Cost of Material Consumed		
Raw Material Consumed (refer note 52)	671.84	611.35
	671.84	611.35
Note-32 Purchse of Stock - in - Trade		
Purchase of Traded goods	355.61	312.01
	355.61	312.01
Note-33 Change In Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening stocks		
Work in progress	87.78	32.43
Finished Goods	41.22	25.80
Stock-in-Trade	2.60	0.56
	131.60	58.79
Closing stocks		
Work in progress	45.42	87.78
Finished Goods	28.66	41.22
Stock-in-Trade	1.08	2.60
	75.16	131.60
Less : Preoperative period Stocks	-	(0.78)
	56.44	(72.03)
Note-34 Employee Benefit Expense		
Salaries and Wages	280.87	264.16
Contribution to Provident and Other Funds	18.58	19.01
Staff Welfare Expenses	27.53	28.79
	326.98	311.96

₹ In Crore (10 Million)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-35 Power and Fuel		
Power and Fuel	779.77	843.85
	779.77	843.85
Note-36 Transport, Clearing & Forwarding charges		
Transport, Clearing & Forwarding charges	883.16	817.57
	883.16	817.57
Note-37 Finance Cost		
Interest expenses*#	133.69	155.99
Interest expenses at amortised cost	7.34	6.44
Other borrowing cost	1.49	1.99
	142.52	164.42
* Refer note 61		
#net of finance cost capitalised refer note 51.		
Note-38 Depreciation and Amortization Expense		
Depreciation on Property, Plant and Equipment	189.41	184.83
Amortisation on Intangible Assets	1.25	1.28
Amortisation on ROU Assets	3.53	2.24
	194.19	188.35
Note-39 Other Expenses		
Consumption of Stores and Spares*	109.86	122.55
Consumption of Packing Materials	145.30	132.35
Rent (Net of realisation ₹ 0.80 crore, previous year ₹ 0.84 crore)	12.91	16.71
Repairs to Buildings	5.64	6.22
Repairs to Machinery	40.18	45.24
Insurance	7.31	3.57
Rates and Taxes	5.14	8.89
Commission on Sales	62.32	49.86
Directors' Fee & Commission	1.12	0.85
Provision for Doubtful Debts	1.61	0.79
Advertisement and Sales Promotion	51.43	67.04
Travelling, Consultancy & Misc. expenses etc.#	78.34	92.34
	521.16	546.41
* Refer note 61 # Refer note 62		
Note-40 Earning Per Equity Share		
Profit after tax	363.82	235.23
Weighted average number of equity shares outstanding	117670066	117670066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	30.92	19.99
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	30.92	19.99

JK Lakshmi Cement Limited
Notes Accompanying the Financial Statement

Note-41 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.

41.1 **Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The 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 Companymakes certain imports in foreign currency& therefore is exposed to foreign exchange risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change of US $ with 'all other variables held constant. The impact on the Company's profit/(loss)before tax due to changes in foreign exchange rate :

₹ in Crore (10 Million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Appreciationin USD	+ Rs.0.25	+ Rs.0.25
Effect on profit/(loss) before tax	(0.17)	(0.32)
Depreciation in USD	- Rs.0.25	- Rs.0.25
Effect on profit/(loss) before tax	0.17	0.32

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, 2021	As at 31st March, 2020
1	**Loans in Rupees**		
	- Fixed Rate	214.29	278.20
	- Floating Rate	832.91	1155.16
	- Interest Free	41.26	33.36
	Total	1088.46	1466.72
2	**Loans in US $**		
	- Fixed Rate	-	-
	- Floating Rate	36.26	-
	Total	36.26	-
3	Grand Total (1+2)	1124.72	1466.72

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 2021	As at 31st March 2020
Increase in interest in basis points	+ 25	+ 25
Effect on profit/(loss) before tax	(2.17)	(3.39)
Decrease in interest in basis points	- 25	- 25
Effect on profit/(loss) before tax	2.17	3.39

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.

41.2 **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'2021					
Secured	4.62	0.58	-	0.06	5.26
Unsecured	34.14	4.56	0.77	14.47	53.94
Gross Total	**38.76**	**5.14**	**0.77**	**14.53**	**59.20**
Provision for doubtful	-	-	-	(5.52)	(5.52)
Net total	**38.76**	**5.14**	**0.77**	**9.01**	**53.68**
As at 31st March'2020					
Secured	4.11	4.61	0.16	0.11	8.99
Unsecured	32.73	40.25	2.92	7.25	83.15
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**

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.

41.3 **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, 2021					
	- Borrowings	1143.37	348.51	660.04	134.82	1143.37
	- Trade Payables	396.24	396.24	-	-	396.24
	- Other Liabilities	459.48	275.52	8.16	175.80	459.48
	- Lease Liabilities	26.67	4.99	18.88	2.80	26.67
	Total	**2025.76**	**1025.26**	**687.08**	**313.42**	**2025.76**
	As on 31st March, 2020					
	- Borrowings	1486.96	388.55	872.63	225.78	1486.96
	- Trade Payables	468.49	468.49	-	-	468.49
	- Other Liabilities	433.22	248.08	8.16	176.98	433.22
	- Lease Liabilities	17.58	3.14	10.97	3.47	17.58
	Total	**2406.25**	**1108.26**	**891.76**	**406.23**	**2406.25**

Note-42 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 2021	As at 31st March 2020
Borrowings	1124.72	1466.72
Less: Cash and cash equivalents (Including current investments & other bank balances)	726.42	448.38
Net Debt	**398.30**	**1018.34**
Equity share capital	58.85	58.85
Other equity	2020.07	1653.83
Total Capital	**2078.92**	**1712.68**
Capital and Net Debt	**2477.22**	**2731.02**
Gearing Ratio	16.08%	37.29%

The Company monitors capital using a gearing ratio, which is net debt divided by total Capital plus net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note-43 Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

₹ in Crore (10 Million)

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	2.10	2.10
- Mutual Funds	257.03	257.03	289.31	289.31
- NCD's & others	110.30	110.30	127.63	127.63
- Preference Shares*	104.24	104.24	99.59	99.59
(b) Financial Guarantee	31.69	31.69	20.33	20.33
Total (i)	**505.36**	**505.36**	**538.96**	**538.96**
(ii) At Amortized Cost				
a) Bank FDs	334.93	334.93	28.41	28.41
b) Cash & Bank Balances	26.29	26.29	3.74	3.74
c) Trade Receivables	53.68	53.68	88.22	88.22
d) Loans	98.65	98.65	103.49	103.49
e) Others	25.01	25.01	14.77	14.77
Total (ii)	**538.56**	**538.56**	**238.63**	**238.63**
Total (A)	**1043.92**	**1043.92**	**777.59**	**777.59**
B. Financial Liabilities				
(i) At FVTPL				
- Financial Guarantee	31.69	31.69	20.33	20.33
(ii) At Amortized Cost				
- Borrowings	1124.72	1124.72	1466.72	1466.72
- Trade Payables	396.24	396.24	468.49	468.49
- Other Financial Liabilities	459.48	459.48	433.22	433.22
Total (ii)	**1980.44**	**1980.44**	**2368.43**	**2368.43**
	2012.13	**2012.13**	**2388.76**	**2388.76**

* Including Equity Component

Fair Valuation Techniques:

The Company maintains policies and procedures to value financial assets &financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. 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 Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(A) Financial Assets ₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	104.24	-
- Mutual Funds	257.03	-	-
- NCD and Others	-	110.30	-
- Financial Guarantee	-	-	31.69
Financial Assets at Amortized Cost			
- Bank FDs	-	334.93	-
- Cash & Bank Balances	-	26.29	-
- Trade Receivable	-	-	53.68
- Loans	-	-	98.65
- Others	-	-	25.01
Total Financial Assets	257.03	576.76	211.13
As at 31st March'2020			
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

(B) Financial Liabilities

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	31.69
Financial Liabilities at Amortized Cost			
- Borrowings	-	1124.72	-
- Trade Payables	-	-	396.24
- Other Financial Liabilities			459.48
Total Financial Liabilities	**-**	**1124.72**	**887.41**
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**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2021.

Note-44 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).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

Note-45 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening	16.66	16.78
Deferred during the year	2.83	6.38
Released to profit and loss	(4.54)	(6.50)
Closing	14.95	16.66
Current	4.91	4.34
Non-Current	10.04	12.32

Note-46 Income Tax Expense:

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
A. Current Tax		
Current Tax	90.41	63.13
Adjustments in respect of current income tax of previous year	-	(1.91)
Total A	**90.41**	**61.22**
B. Deferred Tax		
Relating to origination and reversal of temporary difference	76.28	105.32
MAT Credit Entitlements	(33.29)	(62.31)
Total Deferred Tax Assets (net)	**42.36**	**43.01**
Total Tax Expense (A + B)	**132.77**	**104.23**

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax (Gain)/Loss on Defined Benefit	1.30	0.47

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Accounting Profit/(Loss) before income tax	496.59	339.46
At applicable Statutory Income Tax Rate	34.944%	34.944%
Computed Income Tax Expense/(Income)	173.53	118.62
Increase/(Reduction) in taxes on account of:		
Income not taxable	(0.96)	(9.15)
R & D u/s- 35(2AB) of Income Tax	-	(0.70)
Deferred Tax related to Property, Plant & Equipment & Others	-	(5.56)
Previous year tax adjustments	-	(1.91)
Income not taxable during tax holiday period	(55.74)	-
Provision for impairment not considered deductible	10.80	-
Tax on which deduction is not admissible	5.14	2.93
Income Tax Expense/(Income) Reported to Profit & Loss	132.77	104.23

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

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	(20.46)	22.03
Deferred Tax recognized in Statement of Profit and Loss	(42.36)	(43.01)
Other Comprehensive Income	(1.30)	(0.47)
Previous Year Adjustment	-	0.99
Closing Balance	(64.12)	(20.46)

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax Assets Related to		
Brought Forward Losses Setoff	(83.79)	(71.00)
Disallowances / Allowances Under Income Tax	5.05	5.10
Others	1.44	(0.84)
MAT Credit Entitlement	32.62	63.13
Total Deferred Tax Assets	(44.68)	(3.61)
Deferred Tax Liabilities Related to :-		
Property, Plant and Equipment	0.73	(43.90)
Others	0.29	4.03
Total Deferred Tax Liabilities	1.02	(39.87)
Net Total Movement in Statement of Profit & Loss	(43.66)	(43.48)
Movement in Profit & Loss	(42.36)	(43.01)
Movement in OCI	(1.30)	(0.47)

Note-47 Dividends

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Final Dividend For the year ended 31st March'2020 – nil (31st March'2019 – 15% i.e. ₹ 0.75 per equity share)	-	8.83
Dividend distribution tax thereon	-	1.81
Interim Dividend For the year ended 31st March'2021 – nil (March 31, 2020 – 50% i.e. ₹ 2.50 per equity share)	-	29.42
Dividend distribution tax thereon	-	6.04
Total	**-**	**46.10**

The following dividends were proposed by the board of directors in their meeting held on 20th May 2021, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
For the year ended 31st March'2021 – 75% i.e. ₹ 3.75 per equity share (31st March'2020 – nil)	44.13	-

Note-48 Detail of Expenditure on Research and Development (R & D) activities during the year

₹ in Crore (10 Million)

S.No.	Particulars	2020-21	2019-20
A	<u>Revenue Expenditures</u>		
	Employee Cost	6.08	5.76
	Cost of Material and Testing Charges	0.45	0.41
	Other R & D Expenses	1.12	0.36
B	**Total Revenue Expenditure**	**7.65**	**6.53**
C	**Capital Expenditures**	-	0.55
D	**Total Expenditures (B+C)**	7.65	7.08

Note-49 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2020-21	2019-20
A	**Statutory Auditor**		
	Audit Fee	0.18	0.18
	For Taxation Matters	0.03	0.03
	Limited review fee, GST audit fee &other services	0.18	0.11
	Reimbursement of Expenses	0.01	0.03
B	**Total (A)**	**0.40**	**0.35**
C	**Cost Auditors**		
	Audit Fee	0.01	0.01

Note-50 Retirement Benefit Obligations

A Expenses Recognised for Defined Contribution Plan

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Company's contribution to provident fund	13.40	13.86
Company's contribution to ESI	0.36	0.38
Company's contribution to superannuation fund	1.17	1.23
Total	14.93	15.47

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, 2021 and March 31, 2020, 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'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
Current service cost	3.76	1.79
Interest cost	4.22	0.85
Benefits paid	(9.80)	(4.53)
Remeasurement - actuarial loss / (gain)	(2.44)	3.54
Present value of obligation as on 31st March'21	60.69	14.75

ii Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Fair value of plan assets at beginning of year	66.67	60.89
Acquisitions / Transfer in /Transfer out	-	-
Expected return on plan assets	4.33	4.26
Employer contributions	9.80	4.84
Benefit paid	(9.80)	(4.84)
Actuarial gain / (loss)	1.28	1.52
Fair value of plan assets at end of year	72.28	66.67
Present value of obligation	60.69	64.95
Net funded status of plan	11.59	1.72
Actual return on plan assets	5.61	5.78

iii Expenses recognised in Statement of profit and loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
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	-
Current service cost	3.76	1.79
Interest cost	4.22	0.85
Expected return plan assets	(4.33)	-
Remeasurement - actuarial loss / (gain)	-	3.54
For the year ended 31st March'21	3.65	6.18
Actual return on plan assets	5.61	-

iv Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(1.35)
For the year ended 31st March'20	
Remeasurement - Actuarial loss/(gain)	(3.72)
For the year ended 31st March'21	

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 2021	As at 31st March 2020
Attrition rate		
Discount rate	6.50%	6.50%
Expected rate of increase in salary	5.50%	5.00%
Expected rate of return on plan assets	6.50%	7.00%
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Expected average remaining working lives of employees (years)	14.29	15.44

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'20		
Discount rate	0.50%	(1.30)
	-0.50%	1.41
Salary growth rate	0.50%	1.42
	-0.50%	(1.33)
For the year ended 31st March'21		
Discount rate	0.50%	(1.40)
	-0.50%	1.51
Salary growth rate	0.50%	1.52
	-0.50%	(1.43)
Leave Encashment :-		
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)
For the year ended 31st March'21		
Discount rate	0.50%	(0.54)
	-0.50%	0.59
Salary growth rate	0.50%	0.59
	-0.50%	(0.55)

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'2020	
Plan Liabilities - Loss/(Gain)	0.17
Plan Assets - Gain/(Loss)	1.52
For the year ended 31st March'2021	
Plan Liabilities - Loss/(Gain)	(2.44)
Plan Assets - Gain/(Loss)	1.28

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2021 - March'2022	27.38	4.96
April'2022 - March'2023	2.46	0.62
April'2023 - March'2024	2.81	0.48
April'2024 - March'2025	3.47	0.68
April'2025 - March'2026	2.10	0.42
April'2026 - March'2027	2.07	0.41
April'2027 onwards	20.40	7.18

viii Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Gratuity	(0.07)	2.19
Leave encashment	6.18	3.87
Superannuation	1.17	1.23

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'2020		
Current	(1.72)	4.22
Non Current	-	8.89
For the year ended 31st March'2021		
Current	(11.59)	4.96
Non Current	-	9.79

x Employee benefit expense

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Salary and wages	280.87	264.16
Costs-defined benefit plan	3.65	3.54
Costs-defined contribution plan	14.93	15.47
Welfare expense	27.53	28.79
Total	**326.98**	**311.96**

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-51 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)

	2020-21	2019-20
Raw material consumption	-	1.79
Stores & spares consumption	-	2.99
Power & fuel	0.04	0.98
Salaries and wages	-	2.47
Contribution to provident and other funds	-	0.08
Staff welfare expenses	-	0.19
Insurance	-	0.14
Transport ,clearing and forwarding charges	-	2.51
Travelling, consultancy & miscellaneous expenses	0.10	5.65
Finance costs	0.18	9.37
	0.32	26.68
Less: Sale	-	2.82
Increase in stock	-	0.79
	0.32	23.07
Add : Expenditure upto previous year	14.39	72.04
Less: Charged to exceptional Item	14.39	30.23
Less: Transferred to property, plant & equipment (includes interest Nil previous year ₹ 22.01 crore).	-	50.49
	0.32	14.39

Note-52 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

	2020-21	2019-20
Salaries & wages	5.07	5.11
Contribution to provident and other funds	0.35	0.37
Employees' welfare expenses	0.65	0.87
Consumption of stores and spares	27.45	31.49
Power & fuel	7.27	7.33
Repairs to machinery	2.32	4.93
Material handing	95.24	85.32
Insurance	0.12	0.10
Rates and taxes	23.87	24.58
Royalty	74.11	77.19
Miscellaneous expenses	0.37	0.65
Total	236.82	237.94

Note-53 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 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	RKPPL	DEL	BACL	Trusts
	2020-21						2019-20					
- Sharing of expenses received	2.28	-	-	0.12	0.06	-	3.84	0.68	0.21	-	0.07	-
- Payment of expenses	-	0.97	-	-	2.10	-	-	-	-	-	2.17	-
- Sale of clinker/cement/others	205.67	8.78	-	-	-	-	230.18	23.25	-	-	-	-
- Purchase of cement/others	298.87	-	-	-	-	-	177.26	65.63	-	-	-	-
- Other income	2.19	-	-	-	3.90	-	2.19	-	-	-	2.30	-
- ICD given	-	-	-	-	-	-	-	-	-	-	40.00	-
- Advances received back	-	-	-	-	3.33	-	-	-	-	-	3.33	-
- Contribution	-	-		-	-	12.70	-	-		-	-	8.59
- Dividend Paid					-						17.02	
- Corporate guarantee given on behalf of	270.00	-					100.00	-				
Outstanding as at year end:												
- Advance Receivable	2.28	4.85	-	-	-	-	6.61	0.37	-	-	-	-
Loan receivable	10.00				50.17	-	10.00				56.67	-
EPF - (Contribution Payable)	-	-	-	-		(0.80)	-	-	-	-		(0.80)
SF - Advance Receivable / (Contribution Payable)						0.61						(1.18)
GF - Advance Receivable						11.59						1.72
- Corporate Guarantee Outstanding	572.15	10.00	-				316.27	256.28	-			

ii) **Remuneration Paid to KMPs**

Particulars	2020-21	2019-20
Short term employee benefits	49.20	39.81
Post employment benefits*	-	-
Other payments	1.12	0.85
Receivable/(Payable) :	(25.99)	(18.14)

*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-54 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 8.17 crore (previous year ₹ 82.53 crore);

Note-55 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 2021	31st March 2020
a) Service tax	9.83	10.22
b) Sale tax and interest thereon	151.46	149.56
c) Income tax	6.62	6.06
c) Excise duty	1.83	1.83
e) Other matters	17.61	12.48
Total	187.35	180.15

Note-56 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-57 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-58 Competition Commission of India (CCI) vide its order dated January 19, 2017 had imposed penalty on certain cement companies including a penalty of ₹ 6.55 crore on the Company pursuant to a reference filed by the government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said order. COMPAT has granted a stay on CCI order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Company believes that it has a good case but out of abundant caution the Company had been provided full amount during the earlier years.

Note-59 Maximum balance due for commercial paper issued during the year was ₹ 110.00 crore and the year end balance is **Nil** (previous year maximum balance nil) and at the year end outstanding commercial paper is Nil (previous year Nil).

Note-60 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 have already 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-61

a) Sales include own consumption at cost nil (previous years ₹ 0.39 crore).

b) Consumption of stores and spares is net of scrap sale ₹ 5.41 crore (previous year ₹ 6.38 crore).

c) Interest expenses include ₹ 4.07 crore (previous year ₹ 4.55 crore) being interest on entry tax.

Note-62

a) Disclosure in respect of Corporate Social Responsibility Expenditure:

CSR expenses amounting to ₹ 3.40 crore (previous year ₹ 1.81 crore), required to spend ₹ 3.40 crore (previous year ₹ 1.72 crore)

b) foreign exchange fluctuation of gain (net) ₹ 2.61 crore (previous year loss (net) ₹ 2.91 crore).

Note-63 **Derivative Financial Instruments**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward & Option Contract outstanding for the purpose of hedging at the Balance Sheet Date.

S. No.	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
	Forward				
1	USD	1.99 Mn	14.68	4.68 Mn	33.68
2	Euro	0.76 Mn	6.70	Nil	Nil
	Option				
1	USD	13.09 Mn	97.20	Nil	Nil

Foreign Currency Exposure not hedged as at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
1	Supplier's Credit	Nil	Nil	11.96 Mn	90.20
2	Letter of Credit	Nil	Nil	Nil	Nil

Note-64 Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

₹ in Crore (10 Million)

		2020-21	2019-20
I.	Principal and Interest amount due and remaining unpaid as at 31st March 2021.	12.62	7.51
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 2021 Nil (previous year - Nil).	-	-

Note-65 Udaipur Cement Works Limited (UCWL), a 72.54% Subsidiary of the Company had completed its Revival & Rehabilitation Scheme in March 2017.

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 10.00 Crore (Outstanding as on 31.3.2021 is ₹ 10 Crore) issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries &

Trading Company Limited (HITCL). The Company has received a Counter Indemnity of ₹10 Crore from UCWL.

In addition, the Company has given Corporate Guarantee to the Banks for collaterally securing :

- The Term Loans aggregating to Rs. 565 Crore (Outstanding as on 31.3.2021 is Rs.522.15 Crore) (Previous Year : Rs.268.72 Crore – Outstanding Rs.266.47 Crore) granted by the Banks to UCWL and
- The Working Capital Facility of Rs.50.00 Crore (Previous Year :Rs. 50.00 Crore) granted by Bank to UCWL.
- The Company has received a Counter Indemnity from UCWL for
  - (i) Rs.565 Crore in consideration of the Company having given Corporate Guarantee to Bankers of UCWL for Term Loans of Rs.543.23 Crore (Outstanding Rs.522.15 Crore).
  - (ii) Rs.50 Crore in consideration of the Company having given Corporate Guarantee to Bank of UCWL for Working Capital Borrowing of Rs.50 Crore.

Note-66

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 ₹ 13.34 crore (including ₹ 3.33 crore receivable within one year) (previous year ₹ 16.67 crore) (maximum balance due ₹ 16.67 crore, previous year ₹ 20.01 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 ₹ 40 crore) Maximum balance outstanding during the year is ₹ 40 crore (previous year ₹ 40 crore)

c) Disclosure of transaction in pursuant to regulation 34(3) read with schedule V, part A, clause 2 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, with promoter/promoter group companies holding more than 10% of equity share capital of the Company.

Name of Company	Nature of transaction and amount
Bengal & Assam Company Limited	Refer note 53

Note-67 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-68 **Impairment review :**

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

Note-69 **Events occurring after the balance sheet date**

No adjusting or significant non-adjujsting events have occured between the reporting date and date of authorization of these financial statements

Note-70 The operations & the financial results of the Company during the year ended March 31, 2021 were 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 resumed its operations 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 are being continuously 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-71 During the previous year , the Company had 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 (CPP) model at our Durg cement plant in the state of Chhattisgarh. The Company, as a captive user, has no role & responsibility in the day-to-day management & operations of SPPL. As such, SPPL has not been considered as an associate for consolidation purposes.

Note-72 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, 2021

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, 2021

₹ In Crore (10 Million)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and				
Exceptional Items	527.51		369.69	
Adjustments for:				
Depreciation and Amortization Expense (net)	194.19		188.35	
Interest & Dividend Income	(21.93)		(7.04)	
(Profit) / Loss on sale of Assets (Net)	(1.48)		(3.16)	
(Profit) / Loss on sale of Current Investments (net)	(48.27)		(42.89)	
(Gain) / Loss on Fair Valuation of Current Investments	14.57		16.37	
Finance Costs	142.52		164.42	
Provision for Doubtful Debts	1.61		0.79	
Foreign Exchange Difference (net)	(1.96)		(3.35)	
Exceptional Items	(30.92)		(30.23)	
Operating Profit before Working Capital changes	775.84		652.95	
Adjustments for:				
Trade and Other Receivables	15.90		21.93	
Inventories	97.34		(101.14)	
Trade and Other Payables	60.29		43.28	
Cash generated from Operations	949.37		617.02	
Income Tax Payments (Net)	(87.19)		(75.77)	
Net Cash from Operating Activities		862.18		541.25
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Intangible Assets	(126.19)		(92.36)	
Sale of Property, Plant and Equipment and Intangible Assets	5.38		5.84	
(Purchase) / Sale of Investments (net)	67.30		(38.05)	
Redemption / (Investments) in bank deposits (having original maturity of more than 3 months and upto 12 months)	(283.74)		(13.62)	
ICD Given	-		(40.00)	
Interest Received	9.64		5.99	
Net Cash from / (used in) Investing Activities		(327.61)		(172.20)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long-term Borrowings	76.40		45.51	
Repayment of Long-term Borrowings	(329.24)		(238.60)	
Repayment of Lease Obligation - Principal	(0.90)		(1.55)	
Repayment of Lease Obligation - Interest	(1.13)		(1.34)	
Short-term borrowings (net)	(90.83)		46.23	
Interest paid	(144.49)		(174.04)	
Dividend paid (including Dividend Distribution Tax)	(0.46)		(45.47)	
Net Cash from / (used in) Financing Activities		(490.65)		(369.26)

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2021

₹ In Crore (10 Million)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
D. Increase / (Decrease) in Cash and Cash Equivalents		43.92		(0.21)
E. Cash and Cash Equivalents as at the beginning of the year/period		1.74		1.95
F. Cash and Cash Equivalents as at the close of the year / period		45.66		1.74

Notes:

1. Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
Opening	1361.91	104.81	1554.29	58.58
Cash Flow Changes				
Inflow / (Repayments)	(252.84)	(90.83)	(193.09)	46.23
Non - Cash Flow Changes				
Others	1.67	-	0.71	-
Closing	**1110.74**	**13.98**	**1361.91**	**104.81**

1. Cash and Cash Equivalents include:

- Cash, Cheques in hand and remittances in transit	1.43	0.60
- Balances with Scheduled Banks	44.23	1.14
	45.66	**1.74**

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, 2021

SUDHIR A. BIDKAR
Chief Financial Officer

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Sr. Vice President &
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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

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, 2021, 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 then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary and an associate referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, 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.

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, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

	Component	Key Audit Matters	How our audit addressed the key audit matter
1	**Holding Company and subsidiary Company ("Udaipur Cement Works Limited" or UCWL)**	**Revenue recognition, discounts, incentives, rebates.** • Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No 13 of Note 1 of Accounting Policy). • Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the Company's sales. • Due to the Company's presence across different marketing regions within the country and the competitive business environment, the assessment of the various types of discounts, incentives and rebate schemes is material and considered to be complex and judgmental. • Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, and rebates. • Given the judgement required to estimate the amount of provisions, this is a key audit matter.	Our procedures included: 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, 2021 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 2021. • Inspecting demand notices received from various tax authorities and evaluating the Company's written responses to those matters. • Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and • Assessing the adequacy of the Company's disclosures. We did not identify any significant exceptions to the management's assessment of the ongoing civil, income tax and indirect tax litigations as a result of the above procedures.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial 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 including an associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and an associate are responsible for assessing the ability of the Group and of an associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and an associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of an associate are also responsible for overseeing the financial reporting process of the Group and of an associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiaries including step down subsidiary and associate which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and an associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and an associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and an associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the 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. 1121 crore as at March 31, 2021; as well as the total revenue of Rs. 752 crore for the year ended March 31, 2021, total profit after tax of Rs. 57 crore, total comprehensive income of Rs. 57 crore and net cash outflow amounting to Rs. 1 crore for the year ended March 31, 2021, 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, 2021 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, 2021 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, 2021 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, 2021 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, 2021 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, 2021 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, 2021 on the consolidated financial position of the Group and an associate -Refer Note 54, 55, 56, 57 and 59 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, 2021
UDIN: 21087294AAAAHG7517

Annexure A to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 20, 2021 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, 2021, 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 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 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, 2021, 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 modified 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, 2021
UDIN: 21087294AAAAHG7517

JK Lakshmi Cement Limited
Consolidated Balance Sheet as at 31st March 2021

₹ In Crore (10 Million)

		Note No.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	3,219.27	3,497.04
	(b) Capital work-in-progress	2A	273.75	166.22
	(c) Investment Property	3	115.79	0.59
	(d) Right-of-Use Assets	3A	17.16	11.52
	(e) Goodwill	4	72.32	72.32
	(f) Other Intangible Assets	4A	2.56	3.85
	(g) Investment in an Associate	5	13.05	12.03
	(h) Financial Assets			
	(i) Investments	5	2.10	2.10
	(ii) Loans	6	53.60	59.18
	(iii) Others	7	2.14	0.78
	(i) Deferred Tax Assets (Net)	8	-	38.95
	(j) Other Non-Current Assets	9	32.51	42.51
			3,804.25	3,907.09
(2)	**Current Assets**			
	(a) Inventories	10	366.20	480.56
	(b) Financial Assets			
	(i) Investments	11	461.25	443.55
	(ii) Trade Receivables	12	54.50	95.92
	(iii) Cash and Cash Equivalents	13	48.36	3.05
	(iv) Bank Balance other than (iii) above	14	323.49	29.70
	(v) Loans	15	43.33	43.33
	(vi) Others	16	26.94	15.24
	(c) Current Tax Assets (Net)	17	1.24	3.15
	(d) Other Current Assets	18	154.73	141.21
			1,480.04	1,255.71
(3)	Assets held for sale	18 A	1.94	-
	TOTAL ASSETS		5,286.23	5,162.80
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	19	58.85	58.85
	(b) Other Equity		2,035.70	1,628.09
			2,094.55	1,686.94
	Non Controlling Interest		12.80	(2.87)
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	1,255.99	1,364.13
	(ii) Other Financial Liabilities	21	231.88	217.25
	(b) Provisions	22	15.68	13.60
	(c) Deferred Tax Liabilities (Net)	8	6.78	-
	(d) Other Non-Current Liabilities	23	184.89	181.69
			1,695.22	1,776.67
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	24	13.98	104.91
	(ii) Trade Payables	25		
	Micro and Small Enterprises		13.08	8.07
	Others		423.76	502.10
	(iii) Other Financial Liabilities	26	720.90	836.36
	(b) Other Current Liabilities	27	304.96	243.76
	(c) Provisions	28	5.55	6.86
	(d) Current Tax Liabilities (Net)	29	1.43	-
			1,483.66	1,702.06
	TOTAL EQUITY AND LIABILITIES		5,286.23	5,162.80

Significant Accounting Policies	1
The accompanying notes form an integral part of these financial statement.	2-73

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, 2021

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 2021

₹ In Crore (10 Million)

		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from Operations	30	4,727.44	4,364.07
II.	Other Income	31	72.64	45.99
III.	**Total Income (I+II)**		4,800.08	4,410.06
IV.	**Expenses :**			
	Cost of Materials Consumed	32	670.47	619.03
	Purchases of Stock-in-Trade	33	254.53	247.82
	Change in inventories of finished goods, work-in-progress and traded goods	34	69.07	(86.85)
	Employee Benefits Expense	35	362.17	343.03
	Power & Fuel	36	923.29	984.23
	Transport Clearing & Forwarding Charges	37	925.35	854.56
	Finance Costs	38	191.96	224.97
	Depreciation and Amortization Expense (Net)	39	225.33	219.82
	Other Expenses	40	583.98	604.20
	Total Expenses (IV)		4,206.15	4,010.81
V.	**Profit before Exceptional Items and Tax (III-IV)**		593.93	399.25
VI.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.02)	(0.03)
VII.	Exceptional Items - (Loss)		(37.85)	(30.23)
VIII.	**Profit before Tax (V+VI-VII)**		556.06	368.99
IX.	Tax Expense			
	(1) Current Tax		90.43	63.13
	(2) Deferred Tax		44.51	54.80
	(3) Tax Adjustments for Earlier Years		-	(1.88)
	Total Tax Expense (IX)		134.94	116.05
X.	**Profit for the Year**		421.12	252.94
XI.	**Profit for the Year attributable to**			
	Owners of the Parent		405.38	248.04
	Non Controlling Interest		15.74	4.90
			421.12	252.94
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		3.38	0.51
	(2) Income tax effect on above		(1.21)	(0.26)
	Total Other Comprehensive Income (XII)		2.17	0.25
XIII	**Total Comprehensive Income For The Year (X + XII)**		423.29	253.19
XIV	**Total Comprehensive Income For The Year attributable to**			
	Owners of the Parent		407.61	248.46
	Non Controlling Interest		15.68	4.73
			423.29	253.19
XV	Earnings per share:	40A		
	Basic Earnings per equity share (₹):		34.45	21.08
	Diluted Earnings per equity share (₹):		34.45	21.08

Significant Accounting Policies	1
The accompanying notes form an integral part of these financial statement.	2-73

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, 2021

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 2021

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st March 2019	Change during the year	As at 31st March 2020	Change during the year	As at 31st March 2021
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each	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'2019	25.64	88.65	68.61	950.74	295.72	(3.63)	1,425.73
Profit for the year	-	-	-	-	248.04		248.04
Dividend payment including Dividend Distribution Tax	-	-	-	-	(46.10)		(46.10)
Transfer from 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
Profit for the year	-	-	-	-	405.38		405.38
Transfer from Debenture Redemption Reserve	-	-	(22.90)	-	22.90	-	-
Other Comprehensive Income						2.23	2.23
Balance as at 31st March'2021	25.64	88.65	37.50	950.74	934.15	(0.98)	2,035.70

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-73

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, 2021

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
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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 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, 2021.

(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, 2021. 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 31/03/2021 and 31/03/2020.

Name	Proportion of ownership interest	Financial statements as on	For the period
Subsidiaries and Indirect Subsidiary			
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	31/03/2021	12 months
Udaipur Cement Works Ltd. (UCWL)	72.54%	31/03/2021	12 months
Ram Kanta Properties Pvt. Ltd. (RKPPL)	100%	31/03/2021	12 months
Associates:			
Dwarkesh Energy Ltd. (DEL)	35.00%	31/03/2021	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 expert.

The Residual Life, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

(3) **Intangible Assets**

Intangibles Assets are recognized if the future economic benefits attributable to the Assets are expected to flow to the Group and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed atleast at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible Asset with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

Intangible Assets are amortized as follows:

- Computer Software : 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 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 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.

ii) Contingent liability

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

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

iii) Other Litigation Claims

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

iv) Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets with the contract.

v) Contingent Asset

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(13) Revenue Recognition

Revenue 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) Non-cash incentives

The Group provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

iii) Power Distribution

Revenue from Power Distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

iv) Dividend Income

The Group recognises as income, when the Group's right to receive dividend is established, which 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.

v) **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.

vi) **Interest Income**

For all Financial Instruments measured at amortized cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the Financial Instrument or a shorter period, where appropriate, to the net carrying amount of the Financial Asset. Interest income is included in other income in statement of profit and loss.

vii) **Renewable Energy Certificate**

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on Sale of REC. Income from Sale of RECs is recognized on the delivery to the Customers' Account.

viii) **Export Benefit**

Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss on accrual basis.

(14) Employees Benefits

i) **Defined Contribution Plans**

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) **Defined Benefit Plans**

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) **Short-term Employee Benefits**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) **Long-term Employee Benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or enchased subject to restriction on the maximum accumulation of leaves.

v) **Termination Benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.

The Group shall recognize a liability and expense for termination benefits at the earlier of the following dates:

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(15) Borrowing Costs

(1) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A

qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

The Borrowing Cost consists of Interest & Other Incidental costs that the Group incurs in connection with the borrowing of such funds.

(2) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

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

(16) Leases

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

a) Group as a Lessee

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

i) Right-of-use assets

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

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

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Lease liabilities 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.

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

b) Group as a Lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(17) Taxes on Income

a) Current Tax

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

ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

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

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

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss.

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(18) Exceptional Items

On certain non-recurring occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(19) Earnings Per Share (EPS)

i) **Basic earnings per share**

Basic earnings per share is calculated by dividing

- The Profit or Loss attributable to Equity Shareholders of the Group by the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the Weighted Average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(20) Segment Accounting

The Group is engaged primarily into manufacturing and trading of Cementious Material. The Group has only one business segment as identified by management namely Cementious Materials.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Vice Chairman & Managing Director (Chief Operating Decision Maker).

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on each segments profit or loss and is measured consistently with profit or loss in the financial statements.

(21) **Cash dividend**

The Group recognises a liability to pay dividend to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity. Interim dividends are recognised as a liability on the date of declaration by the Company's Board of directors.

1.4 Recent pronouncement

a) **Amendment to CSR requirement**

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated 22 January 2021, related with utilisation of the unspent amount earmarked for CSR activities. Further, the amendments also permit a Company which spends an amount in excess of the prescribed CSR amount of 2%, to set-off excess amount against the requirement to spend up to immediately succeeding three financial years subject to the fulfilment of certain condition.

b) **Amendment in Schedule -III**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:-

i. Lease Liabilities should be separately disclosed under the head 'Financial Liabilities' duly distinguished as current and non-current.

ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

ii. Specified format for disclosure of shareholding of promoters.

iv. Specified format for ageing schedule of Trade Receivables, Trade Payables, Capital Work in Progress and Intangible Assets under development.

v. If a Company has not used the funds for the specific purpose for which it was borrowed from Banks and Financial institutions, then disclosure of details of where it has been used.

vi. Specific disclosure under 'additional regulatory requirement' such as compliance with the approved scheme of arrangements, compliance with the number of layers of Companies, title deeds of immovable property not held in the name of the Group, Loans and Advances to Promoters, Directors, Key Managerial Personnel(KMP) and Related Parties, details of benami property held etc.

Statement of profit or loss:-

i. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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 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
Additions/Adjustments	12.94	0.84	13.16	29.95	2.07	1.55	3.33	-	63.84
Disposals/Adjustments	0.17	-	-	5.80	-	-	4.58	-	10.55
Transferred to Investment Property (Refer Note 3)	107.50	-	7.79	-	-	-	-	-	115.29
Transferred to assets classified as held for sale (Refer Note-18A)	-	0.18	1.91	-	-	-	-	-	2.09
As at 31st March'2021	270.25	57.74	245.27	3,751.05	7.20	10.44	31.63	15.37	4,388.95
Accumulated Depreciation									
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
Charged For the Year	-	0.50	14.15	198.34	0.66	1.13	4.63	0.99	220.42
On Disposal	-	-	-	3.20	-	-	3.37	-	6.59
Transferred to Investment Property (Refer Note 3)	-	-	-	-	-	-	-	-	-
Transferred to assets classified as held for sale (Refer Note-18A)	-	0.01	0.14	-	-	-	-	-	0.15
As at 31st March'2021	-	2.85	80.35	1,052.02	4.19	6.58	18.77	4.92	1,169.68
Net Carrying Amount									
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
As at 31st March'2021	270.25	54.89	164.93	2,699.03	3.01	3.86	12.86	10.45	3,219.27

1) Leasehold Land Includes ₹ 4.02 crore (previous year ₹ 2.82 crore) pending transfer of title in the name of the Holding Company.

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

Movement in capital-work-in-progress	As at March 31, 2021	As at March 31, 2020
Opening	166.22	416.59
Addition during the year	171.33	86.40
Capitalised during the year	(32.88)	(306.54)
Provision for impairment (refer note 1 below)	(30.92)	(30.23)
Closing	273.75	166.22

1) Exceptional item of Rs 30.92 crore (Previous Year 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 contruction 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'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
Additions/Adjustments				-
Add-Transferred from Property Plant & Equp.	107.50	-	7.79	115.29
Disposals/Adjustments				
As at 31st March'2021	107.60	0.04	8.50	116.14
Accumulated Depreciation				
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	0.27
Charged For the Year	-	-	0.08	0.08
Add-Transferred from Property Plant & Equp.				
On Disposal				-
As at 31st March'2021	-	₹ 29,178	0.34	0.35
Net Carrying Amount				
As at 31st March'2020	0.10	0.03	0.46	0.59
As at 31st March'2021	107.60	0.03	8.16	115.79
Fair Value*				
As at 31st March'2020				5.09
As at 31st March'2021				123.24
Rental Income				
For the FY 2019-20				0.65
For the FY 2020-21				0.62

Note : There is no material expenses incurred for the maintenance of investment properties derived out of the same.
Figure with ₹ symbol represents absolute figure.
*Based upon realisation value as calculated by independent valuer.

Note-3A Right of Use Assets

₹ In Crore (10 Million)

Particulars	ROU Assest
Gross Block	
As at 1st April'2019	13.76
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2020	13.76
Additions/Adjustments	9.18
Disposals/Adjustments	-
As at 31st March'2021	22.93
Accumulated Depreciation	
As at 1st April'2019	-
Charged For the Year	2.24
Disposal	-
As at 31st March'2020	2.24
Charged For the Year	3.53
Disposal	-
As at 31st March'2021	5.77
Net Carrying Amount	
As at 31st March'2019	-
As at 31st March'2020	11.52
As at 31st March'2021	17.16

The Group has lease contracts for various building (office premises) and plants used in its operations. Lease of office premises and plants have lease terms between 9 year to 10 years. The Company also has certain lease with lease terms of 12 months and less. The Group applies the 'short term leases' recognition exemption for these leases.

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense of right of use assets	3.53	2.24
Interest expense on lease liabilities	2.28	1.34
Expense relating to leases of short-term / low value assets (included in other expenses)	14.51	18.36
Total amount recognised in statement of profit and loss	**20.32**	**21.94**

Amounts recognised in statement of cash flows:

Total cash outflow for leases	17.75	19.60
Financing activities		
Repayment of principal	2.56	1.55
Repayment of interest	2.28	1.34
Operating activities		
Short term / low value assets lease payment	14.51	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 Consolidations	As at 31st March 2021	As at 31st March 2020
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'2019	7.65
Additions/Adjustments	0.01
Disposals/Adjustments	-
As at 31st March'2020	7.66
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2021	7.66
Accumulated Amortisation	
As at 31st March'2019	2.50

Note-4A Other Intangible Assets (Cont.)

₹ In Crore (10 Million)

Particulars	Software
Charged For the Year	1.31
Disposal	-
As at 31st March'2020	3.81
Charged For the Year	1.29
Disposal	-
As at 31st March'2021	5.10
Net Carrying Amount	
As at 31st March'2020	3.85
As at 31st March'2021	2.56

Note-5 Investments

₹ In Crore (10 Million)

Particulars	As at 31st March 2021 Number	As at 31st March 2021 Amount	As at 31st March 2020 Number	As at 31st March 2020 Amount
Investment in an Associate*				
Dwarkesh Energy Ltd.				
Equity Shares of face value ₹ 10 unquoted	3,50,000	0.10	3,50,000	0.12
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value ₹ 100/- unquoted	11,00,000	12.95	11,00,000	11.91
		13.05		12.03
Investment in Other Financial Assets				
Others - Fair Value through Profit and Loss				
Sungaze Power Pvt Ltd. (₹ 14.66/- each) (Refer Note 72)	14,32,308	2.10	14,32,308	2.10
		15.15		14.13
Aggregate carrying amount of quoted investments	-	-	-	-
Aggregate market value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	-	15.15	-	14.13

* Share of Post acquisition Loss / Gain has been adjusted in carrying amount.

Note-6 Loans

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Unsecured, Considered Good:		
Security Deposits	46.76	52.04
Loan to Related Parties (refer Note 66)	6.84	7.14
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	53.60	59.18

Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-7 Other Non Current Financial Assets		
Unsecured, considered good:		
Bank Deposits with original maturity for more than 12 months*	2.14	0.78
*Under lien	2.14	0.78
Note-8 Deferred tax (Asset)/Liabilities (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	492.12	509.69
Others	0.60	0.89
Less: Deferred Tax Assets		
Expenses / Provisions allowable	81.95	74.11
Unabsorbed Depreciation & Brought Forward Business Losses	119.34	224.82
Others	7.85	6.42
MAT Credit Entitlement	276.80	244.18
Deferred Tax (Asset)/Liabilities (Net)	6.78	(38.95)
Note-9 Other Non-Current Assets		
Unsecured, considered good:		
Capital Advances	30.25	40.70
Deferred Expenditure	2.26	1.81
	32.51	42.51
Note-10 Inventories (at lower of cost or net realisable value)		
Raw Materials (Including in transit ₹ 0.02 crore (previous year ₹ 0.02 crore))	19.75	22.08
Work -in -progress	54.62	106.54
Finished Goods	31.88	44.96
Stock-in-Trade (Including in transit ₹ 0.18 crore (previous year nil))	1.72	5.79
Stores and Spares (Including in transit- ₹ 41.51 crore previous year ₹ 107.25 crore)	241.13	290.69
Packing Materials	17.10	10.50
	366.20	480.56
For Hypothecation refer Note 24		
Note-11 Current Investments		
Investment at fair value through Profit & Loss		
Investment in quoted Non Convertible Debentures	110.30	127.63
Investment in quoted mutual funds (debt base)	350.95	315.92
	461.25	443.55
Aggregate book value of quoted investments	461.25	443.55
Aggregate market value of quoted investments	461.25	443.55
Aggregate book value of unquoted investments	-	-

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-12 Trade Receivables@		
Considered good - Secured	5.37	9.44
Considered good - Unsecured	49.13	86.48
Which have Significant Increase in Credit Rsik	-	-
Credit Impaired	5.52	3.92
Less :- Provision/Allowances for doubtful debts	(5.52)	(3.92)
	54.50	95.92

@ Contract Assets as Per IND AS 115

For Hypothecation Refer Note 24

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

	As at 31st March 2021	As at 31st March 2020
Note-13 Cash and Cash Equivalents		
On Current Account	25.99	2.16
Fixed Deposits with maturity of Less than 3 months	20.91	0.27
Cheques , Draft on hand/transit	1.13	0.25
Cash on hand	0.33	0.37
	48.36	3.05
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months *	321.95	27.70
On Unpaid Dividend / Interest Accounts	1.54	2.00
	323.49	29.70

* Includes ₹ 4.60 crore (previous year ₹ 4.39 crore) under lien

	As at 31st March 2021	As at 31st March 2020
Note-15 Loans		
Unsecured, Considered Good:		
Loans to Related Party (refer Note 66)	43.33	43.33
	43.33	43.33
Note-16 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good- Unsecured	10.36	9.22
Credit Impaired	4.22	4.22
Less: Provision for doubtful claims	(4.22)	(4.22)
	10.36	9.22
Interest Receivable from Banks and others	15.48	3.18
Advances to Employees (Loans)	0.54	0.72
Marked to Market Gain	0.56	2.12
	26.94	15.24

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-17 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	1.24	3.15
	1.24	3.15
Note-18 Other Current Assets		
(unsecured considered good unless otherwise stated)		
Prepaid expenses	14.45	11.25
Balance with Govt. Authorities	62.72	64.05
Other Advances *	76.82	65.44
Deferred Expenditure	0.74	0.47
	154.73	141.21
* includes advances to related party amounting of ₹ 19.33 crore (previous year ₹ 8.70 crore). Unsecured, Considered Good, otherwise stated.		
Note-18A Assets held for Sale		
Property Plant & Equipment	1.94	-
Assets retired from active use #		
	1.94	-
# The Group classified certain items of Property Plant and Equipment retired from active use and are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell.		
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 2021	As at 31st March 2020
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:	Number	Number
Shareholder Names:-		
Bengal & Assam Company Ltd.	52,099,121	52,388,321
Franklin Templeton Mutual Fund	10,870,030	10,870,030

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial owernships of the shares.

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 2021		As at 31st March 2020	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures :-				
Redeemable Non- Convertible Debentures	-	159.80	185.35	307.88
Term Loans :-				
From Banks	1132.64	216.75	1127.09	195.45
From Government	41.26	-	33.36	-
Term Loan In Foreign Currency	36.26	-		
	1210.16	376.55	1345.80	503.33
UNSECURED LOANS				
ICD	-	1.90	-	1.50
Public Deposits	45.83	4.69	18.34	13.21
	45.83	6.59	18.34	14.71
Less:- current maturities of long term debt shown under Note No- 26		383.14		518.04
	1255.99	-	1364.13	-

* Due & Repayable within one year

Parent Company

1 9.15% Secured Redeemable Privately Placed Non-Convertible Debentures of Series C of ₹150 Crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017

2. 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 Term Loans from Banks aggregating to ₹ 46.25 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 and Company's Banks for Working Capital on specified movables assets. These Term Loans are repayable as under:

   a) Term Loan of ₹ 8.75 crore is repayable in 4 equal quarterly instalments.

   b) Term Loan of ₹ 36.50 crore is repayable in 12 equal quarterly instalments.

4 Foreign Currency Term Loan from a Bank of ₹ 36.26 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 and Company's Banks for working capital on specified movables assets. This Foreign Currency Term Loan is repayable in 7 unequal annual instalments commencing from 28th September 2023.

5 Term Loan from a Bank of ₹ 8.75 Crore & ₹ 24.06 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 4 & 11 equal quarterly instalments respectively.

6 Term Loan from a Bank of ₹ 10.00 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 8 equal quarterly instalments.

7 Term Loan from a Bank of ₹ 15.00 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 12 equal quarterly instalments

8 Term Loan from a Bank of ₹ 108.49 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 19 equal quarterly instalments

9 Term Loans from Banks aggregating to ₹ 450.00 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. These Term Loans from Banks are repayable in 18 equal quarterly instalments.

10 Term Loan from a Bank of ₹ 90.05 Crore is secured by way of an exclusive charge on movable fixed assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 46 unequal quarterly instalments.

11 Term Loan from a Bank of ₹ 81.96 Crore is secured by way of an exclusive first charge on all the immovable & movable fixed assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 51 equal quarterly instalments.

12 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 57.61 Crore granted to Company in relation to its Cement Grinding Unit at Jhajjar, Haryana, is secured by Bank Guarantee of equivalent amount and shall be repaid at the end of 5th year from the respective disbursement dates. The said IFL is recognised on amortised cost basis.

13 Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.

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

Subsidiary (Udaipur Cement Works Ltd.)

1 Term Loans aggregating to ₹ 522.15 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.

   The said Term Loans are also secured by a Corporate Guarantee of the Holding Company

   - Term Loan of ₹ 43.25 Crore shall be repayable in 30 unequal quarterly instalments
   - Term Loan of ₹ 42.97 Crore shall be repayable in 32 unequal quarterly instalments
   - Term Loan of ₹ 90.00 Crore shall be repayable in 30 unequal quarterly instalments
   - Term Loan of ₹ 100.00 Crore shall be repayable in 32 unequal quarterly instalments commencing from 23rd December 2021
   - Term Loan of ₹ 217.70 Crore shall be repayable in 36 unequal quarterly instalments
   - Term Loan of ₹ 28.23 Crore shall be repayable in 32 equal 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 C of ₹ 5 Crore is redeemable on 12.04.2021

   ii) 10.50% NCDs Series D of ₹ 5 Crore is redeemable on 15.10.2021.

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 2021	As at 31st March 2020
Note-21 Other Non Current Financial Liabilities		
Trade and other Deposits	171.84	164.80
Other Liabilities	46.11	43.13
Lease Liabilities	13.92	9.33
	231.88	217.25
Note-22 Non Current Provisions		
Provision for Employees' Benefits	15.68	13.60
	15.68	13.60
Note-23 Other Non-Current Liabilities		
Deferred Revenue *	10.05	12.32
Liability for Employees Subsidised Car Scheme	6.38	5.94
Government & Other Dues	168.47	163.43
	184.89	181.69

* Including on account Government Grant of ₹10.05 crore Prev. Year ₹ 12.32 Crore

	As at 31st March 2021	As at 31st March 2020
Note-24 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	-	99.20
Unsecured Loans		
Public Deposits	13.98	5.71
	13.98	104.91

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.

	As at 31st March 2021	As at 31st March 2020
Note-25 Trade Payables		
Micro and Small Enterprises (refer note 63)	13.08	8.07
Others	423.76	502.10
	436.84	510.17

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-26 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-20)	383.14	518.04
Interest Accrued but not due on borrowings	7.02	30.11
Unclaimed dividends #	1.54	2.00
Unclaimed matured Public Deposits and interest #	0.92	1.12
Capital Creditors	15.93	26.71
Other liabilities	307.43	255.49
Lease Liabilities	4.92	2.89
	720.90	836.36
# Investor Education and Protection Fund will be credited as and when due.		
Note-27 Other Current Liabilities		
Advance from Customers @	95.85	89.47
Govt. and other dues	204.19	149.95
Deferred Revenue *	4.91	4.34
	304.96	243.76
* Including on account Government Grant of ₹ 4.91 crore (Prev Year ₹ 4.34 Crore)		
@ Contract Liabilities as Per IND AS 115		
Note-28 Current Provisions		
Provision for Employees' Benefit	5.55	6.86
	5.55	6.86
Note-29 Current Tax Liabilities (Net)		
Provision for Taxation(Net of Taxes paid)	1.43	-
	1.43	-

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-30 Revenue From Operations@		
Revenue from contracts with customers		
Sale of products		
Cement *	4,184.19	3,817.73
Others	530.81	530.28
Other Operating Revenues	12.44	16.06
	4,727.44	4,364.07

* Refer Note No. 60

@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115

₹ In Crore (10 Million)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-31 Other Income		
Interest Income	21.84	6.59
Interest income from other finanical asset at amortised cost	6.17	5.79
Profit on sale * of		
Non Current Investments	-	-
Current Investments	35.14	26.80
Profit/(loss) on Sale of Assets (Net)	1.48	3.16
Other Non - Operating Income	8.01	3.65
	72.64	45.99
* Inclusive of fair value gain of ₹ 14.89 crore (Previous year gain of ₹ 16.72 crore)		
Note-32 Cost of Material Consumed		
Raw Material Consumed (Refer Note 52)	670.47	619.03
	670.47	619.03
Note-33 Purchase of Stock - in -Trade		
Purchase of Traded goods	254.53	247.82
	254.53	247.82
Note-34 Change In Inventories of Finished Goods, Work-In-Progress and Stock- In -Trade		
Opening Stocks		
Work in progress	106.54	40.74
Finished Goods	44.96	28.02
Stock-in-Trade	5.79	0.90
	157.29	69.66
Closing Stocks		
Work in progress	54.62	106.54
Finished Goods	31.88	44.96
Stock-in-Trade	1.72	5.79
	88.22	157.29
	-	
Less : Preoperative period Stocks	-	(0.78)
	69.07	(86.85)
Note-35 Employee Benefits Expense		
Salaries and Wages	310.15	289.81
Contribution to Provident and Other Funds	20.76	20.98
Staff Welfare Expenses	31.26	32.24
	362.17	343.03
Note-36 Power & Fuel		
Power & Fuel	923.29	984.23
	923.29	984.23

₹ In Crore (10 Million)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-37 Transport, Clearing and Forwarding Charges		
Transport, Clearing and Forwanding Charges	925.35	854.56
	925.35	854.56
Note-38 Finance Costs		
Interest expenses * #	181.06	216.03
Interest expenses at amortised cost	7.34	6.44
Other borrowing cost	3.56	2.50
	191.96	224.97
* Refer Note No. 60		
# net of finance cost capitalised refer note 51		
Note-39 Depreciation and Amortization Expense (Net)		
Depreciation on Property, Plant and Equipment	220.51	216.27
Amortisation on Intangible Assets	1.29	1.31
Amortisation on ROU Assets	3.53	2.24
	225.33	219.82
Note-40 Other Expenses		
Consumption of Stores and Spares *	126.03	135.69
Consumption of Packing Material	161.31	145.78
Rent (Net of realisation ₹ 0.94 crore, previous year ₹ 0.88 crore)	14.51	18.36
Repairs to Buildings	6.33	7.48
Repairs to Machinery	47.24	50.81
Insurance	8.03	3.91
Rates and Taxes	9.88	12.64
Commission on Sales	65.12	52.26
Directors' Fee & Commission	1.21	0.96
Provision for Doubtful Debts	1.61	0.79
Advertisement and Sales Promotion	60.66	77.53
Travelling, Consultancy & Misc. expenses etc. #	82.05	97.98
	583.98	604.20
* Refer Note No. 60		
# Refer note 61, also refer note-49 for remuneration of auditors.		
Note-40A Earning Per Equity Share		
Profit for the year attributable to Equity Shareholders of Parent	405.38	248.04
Weighted average number of equity shares outstanding	117,670,066	117,670,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	34.45	21.08
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	34.45	21.08

Note-41 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.

41.1 **Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Group has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

a) **Foreign Currency Risk**: Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group makes certain imports in foreign currency& therefore is exposed to Foreign Exchange Risk.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency Sensitivity.

The following table demonstrates the sensitivity to a reasonable possible change of US $ with all other variables held constant. The impact on the Group's Profit/(Loss)Before Tax due to changes in Foreign Exchange Rate :

₹ in Crore **(10 Million)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Appreciation in USD	+ Rs.0.25	+ Rs.0.25
Effect on profit/(loss) before tax	(0.17)	(0.35)
Depreciation in USD	- Rs.0.25	- Rs.0.25
Effect on profit/(loss) before tax	0.17	0.35

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, 2021	As at 31st March, 2020
1	**Loans in Rupees**		
	- Fixed Rate	226.20	535.98
	- Floating Rate	1,349.39	1,417.74
	- Interest Free	41.26	33.36
	Total	1,616.85	1,987.08
2	**Loans in US $**		
	- Fixed Rate	-	-
	- Floating Rate	36.26	-
	Total	36.26	-
3	**Grand Total (1+2)**	1,653.11	1,987.08

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 2021	As at 31st March 2020
Increase in Interest Basis Points	+ 25	+ 25
Effect on Profit/(loss) Before Tax	(3.49)	(3.56)
Decrease in Interest Basis Points	- 25	- 25
Effect on Profit/(loss) Before Tax	3.49	3.56

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) **Commodity Price Risk and Sensitivity:**

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

41.2 **Credit Risk:**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Group's established policy, procedures and controls. The Group periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques. The Outstanding's of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

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'2021					
Secured	4.73	0.58	-	0.06	5.37
Unsecured	34.74	4.66	0.78	14.47	54.65
Gross Total	**39.47**	**5.24**	**0.78**	**14.53**	**60.02**
Provision for Doubtful	-	-	-	(5.52)	(5.52)
Net Total	**39.47**	**5.24**	**0.78**	**9.01**	**54.50**
As at 31st March'2020					
Secured	4.56	4.60	0.16	0.12	9.44
Unsecured	36.68	43.47	3.01	7.24	90.40
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**

Financial Instruments and Deposits with Banks:

he Group considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operation.

41.3 Liquidity Risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Group relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial 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, 2021					
	- Borrowings	1,677.30	397.20	890.64	389.46	1,677.30
	- Trade Payables	436.84	436.84	-	-	436.84
	- Other Liabilities	538.63	334.89	27.94	175.80	538.63
	- Lease Liabilities	26.67	4.99	18.88	2.80	26.67
	Total	2,679.44	1,173.92	937.46	568.06	2,679.44
2	As on 31st March, 2020					
	- Borrowings	2,011.31	581.45	1,100.59	329.27	2,011.31
	- Trade Payables	510.17	510.17	-	-	510.17
	- Other Liabilities	523.37	315.44	30.95	176.98	523.37
	- Lease Liabilities	17.58	3.14	10.97	3.47	17.58
	Total	3,062.43	1,410.20	1,142.51	509.72	3,062.43

Note-42 Capital Risk Management:

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings	1653.11	1987.08
Less: Cash and Cash equivalents (Including Current Investments & Other Bank balances)	833.10	476.30
Net Debt	**820.01**	**1510.78**
Equity Share Capital	58.85	58.85
Other Equity	2035.70	1628.09
Total Capital	**2094.55**	**1686.94**
Capital and Net Debt	**2914.56**	**3197.72**
Gearing Ratio	28.14%	47.25%

The Group monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note-43 Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

₹ in Crore (10 Million)

Particulars	31st March 2021		31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss :-				
Investments				
- Equity Shares	2.10	2.10	2.10	2.10
- Mutual Funds	350.95	350.95	315.92	315.92
- NCD's & others	110.30	110.30	127.63	127.63
- Preference Shares*	12.95	12.95	11.91	11.91
(ii) At Amortized Cost :-				
a) Bank FDs.	345.00	345.00	28.75	28.75
b) Cash & Bank Balances	28.99	28.99	4.78	4.78
c) Trade Receivables	54.50	54.50	95.92	95.92
d) Loans	96.93	96.93	102.51	102.51
e) Others	26.94	26.94	15.24	15.24
Total (A)	1028.66	1028.66	704.76	704.76
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	1653.11	1653.11	1,987.08	1,987.08
- Trade Payables	436.84	436.84	510.17	510.17
- Other Financial Liabilities	538.63	538.63	523.37	523.37
Total (B)	2628.58	2628.58	3,020.62	3,020.62

*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 counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following Table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. **Level 1:** Quoted prices in active markets.

ii. **Level 2:** Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. **Level 3:** Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(A) Financial Assets

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	12.95	-
- Mutual Funds	350.95	-	-
- NCD and others	-	110.30	-
Financial Assets at Amortized Cost			
- Bank FDs	-	345.00	-
- Cash & Bank Balances	-	28.99	-
- Trade Receivable	-	-	54.50
- Loans	-	-	96.93
- Others	-	-	26.94
Total Financial Assets	**350.95**	**497.24**	**180.47**

₹ 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	-	-	95.92
- Loans	-	-	102.51
- Others	-	-	15.24
Total Financial Assets	**315.92**	**173.07**	**215.77**

(B) Financial Liabilities

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Liabilities at Amortized Cost			
- Borrowings	-	1,653.11	-
- Trade Payables	-	-	436.84
- Other Financial Liabilities	-	-	538.63
Total Financial Liabilities	**-**	**1,653.11**	**975.47**
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**	**1,033.54**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

Note-44 Segment Information:

The Group is engaged primarily into manufacturing of Cement. The Group has only one business segment as identified by management namely Cementious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the VC&MD of the Parent Company (Chief Operating Decision Maker).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

Note-45 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening	16.66	16.78
Deferred during the year	2.83	6.38
Released to profit and loss	(4.54)	(6.50)
Closing	14.95	16.66
Current	4.91	4.34
Non-Current	10.04	12.32

Note-46 Income Tax Expense:

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
A. Current Tax		
Current Tax	90.43	63.13
Adjustments in respect of current income tax of previous year	-	(1.88)
Total A	90.43	61.25
B. Deferred Tax		
Relating to origination and reversal of temporary difference	78.43	117.11
MAT Credit Entitlements	(33.92)	(62.31)
Total Deferred Tax Assets (net)	44.51	54.80
Total Tax Expense (A + B)	134.94	116.05

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax (Gain)/Loss on defined benefit	1.21	0.26

iii. **Reconciliation of Effective Tax Rate.**

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Accounting Profit/(Loss) before Income Tax	556.06	368.98
At Applicable Statutory Income Tax Rate	25.17%-34.94%	22.88%-34.94%
Computed Income Tax Expense/(Income)	188.52	126.11
Increase/(Reduction) in taxes on account of :-		
Income not taxable	(15.92)	(16.61)
R & D u/s- 35(2AB) of Income Tax	-	(0.70)
Deferred Tax related to Property, Plant & Equipment & Others	2.14	6.23
Previous Year Tax Adjustments	-	(1.91)
Income not taxable during tax holiday period	(55.74)	-
Provision for impairment not considered deductible	10.80	-
Tax on which deduction is not admissible	5.14	2.93
Income Tax Expense/(Income) Reported to Profit & Loss	134.94	116.05

iv. **Reconciliation of Deferred Tax Liabilities (Net)**

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	38.95	93.08
Deferred Tax recognised in Statement of Profit and Loss	(44.51)	(54.80)
Other Comprehensive Income	(1.21)	(0.26)
Previous year adjustment	(0.01)	(0.93)
Closing Balance	(6.78)	38.95

v. **Deferred Tax:**

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax Assets Related to:-		
Brought Forward Losses Setoff	(104.96)	(106.05)
Disallowances/Allowances Under Income Tax	7.32	4.94
Others	1.44	(0.84)
MAT Credit Entitlement	32.62	63.13
Total Deferred Tax Assets	(63.58)	(38.82)
Deferred Tax Liabilities Related to		
Property, Plant and Equipment	17.57	(20.27)
Others	0.29	4.03
Total Deferred Tax Liabilities	17.86	(16.24)
Net Total Movement in Statement of Profit & Loss	(45.72)	(55.06)
Movement in Profit & Loss	(44.51)	(54.80)
Movement in OCI	(1.21)	(0.26)

Note-47 Dividends:

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
For the year ended 31st March'2020 – Nil (31st March'2019 – 15% i.e. ₹ 0.75 per equity share)	-	8.83
Dividend distribution tax thereon	-	1.81
Interim Dividend*		
For the year ended 31st March'2021 – Nil (31st March'2020 – 50% i.e. ₹ 2.50 per equity share)	-	29.42
Dividend distribution tax thereon	-	6.04
Total	-	**46.10**

The following dividends were proposed by the board of directors in their meeting held on 20th May 2021, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
For the year ended 31st March'2021 – 75% i.e. ₹ 3.75 per equity share (31st March'2020 – nil)	44.13	-

Note-48 Detail of Expenditure on Research and Development (R & D) activities during the year:

₹ in Crore (10 Million)

S. No	Particulars	2020-21	2019-20
A	**Revenue Expenditures**		
	Employee Cost	6.08	5.76
	Cost of Material and Testing Charges	0.45	0.41
	Other R & D Expenses	1.12	0.36
B	**Total Revenue Expenditure**	7.65	6.53
C	**Capital Expenditure**	-	0.55
D	**Total Expenditure (B+C)**	7.65	7.08

Note-49 Amount paid to Auditors:

₹ in Crore (10 Million)

S. No	Particulars	2020-21	2019-20
A	**Statutory Auditor**		
	Statutory audit fee	0.21	0.21
	Tax audit fee	0.04	0.04
	Limited review fee, GST audit fee & other services	0.20	0.12
	Reimbursement of Expenses	0.01	0.03
B	**Total (A)**	0.46	**0.40**
C	**Cost Auditors**		
	Audit Fee	0.02	0.02

Note-50 Retirement Benefit Obligations:

A. Expenses Recognised for Defined Contribution Plan.

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Company's Contribution to Provident Fund	14.92	15.27
Company's Contribution to ESI	0.38	0.40
Company's Contribution to Superannuation Fund	1.26	1.32
Total	16.56	**16.99**

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, 2021 and March 31, 2020, 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'19	65.24	13.60
Current Service Cost	3.87	2.03
Interest Cost	4.57	0.95
Past Service Cost including curtailment Gain/Losses	-	-
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
Present Value of obligation as on 1st April'20	69.43	15.23
Current Service Cost	4.22	2.26
Interest Cost	4.51	0.99
Benefits Paid	(10.69)	(5.06)
Remeasurement - actuarial loss / (gain)	(2.08)	3.78
Present Value of obligation as on 31st March'21	65.39	17.20

2 Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Fair Value of plan assets at beginning of year	69.72	63.68
Acquisitions / Transfer in /Transfer Out	-	-
Expected Return on plan assets	4.53	4.46
Employer contributions	11.95	5.33
Benefit paid	(10.69)	(5.33)
Actuarial gain / (loss)	1.31	1.58
Fair Value of plan assets at end of year	76.82	69.72
Present Value of Obligation	65.40	69.43
Net funded status of plan	11.42	0.29
Actual Return on plan assets	5.84	6.04

3 Expenses recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
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	-
Current Service Cost	4.22	2.26
Interest cost	4.51	0.99
Expected return plan assets	(4.53)	-
Remeasurement - actuarial loss / (gain)	-	3.78
For the year ended 31st March'21	4.20	7.03
Actual return on plan assets	5.84	-

4 Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(0.51)
For the year ended 31st March'20	
Remeasurement - Actuarial loss/(gain)	(3.38)
For the year ended 31st March'21	

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'21	As at 31st March'20
Attrition Rate	-	-
Discount Rate	6.50%	6.50%
Expected Rate of increase in salary	5.50%	5.00%
Expected Rate of Return on Plan Assets	6.50%	7.00%
Mortality Rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Expected Average remaining working lives of employees (years)	14.54	15.54

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'20		
Discount Rate	0.50%	(1.43)
	-0.50%	1.55
Salary Growth Rate	0.50%	1.55
	-0.50%	(1.45)
For the year ended 31st March'21		
Discount Rate	0.50%	(1.57)
	-0.50%	1.69
Salary Growth Rate	0.50%	1.69
	-0.50%	(1.59)
Leave Encashment :-		
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)
For the year ended 31st March'21		
Discount Rate	0.50%	(0.67)
	-0.50%	0.74
Salary Growth Rate	0.50%	0.71
	-0.50%	(0.66)

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'2020	
Plan Liabilities - Loss/(Gain)	(0.61)
Plan Assets - Gain/(Loss)	1.59
For the year ended 31st March'2021	
Plan Liabilities - Loss/(Gain)	(2.65)
Plan Assets - Gain/(Loss)	1.31

Estimate of Expected Benefit Payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2021 - March'2022	28.21	4.21
April'2022 - March'2023	3.10	0.75
April'2023 - March'2024	3.03	0.53
April'2024 - March'2025	4.06	0.36
April'2025 - March'2026	2.29	0.54
April'2026 - March'2027	2.24	0.03
April'2027 onwards	22.46	6.41

8 Statement of Employee Benefit Provision

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Gratuity	4.63	6.67
Leave Encashment	8.63	6.00
Superannuation	1.17	1.23

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'2020		
Current	(0.69)	4.56
Non Current	3.45	10.67
For the year ended 31st March'2021		
Current	(10.76)	5.27
Non Current	3.87	11.93

10 Employee Benefit Expense

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Salary and Wages	310.91	289.81
Costs-defined benefit plan	4.19	3.99
Costs-defined contribution plan	16.56	16.99
Welfare expense	31.26	32.24
Total	**362.92**	**343.03**

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-51 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	2020-21	2019-20
Raw Material Consumption	-	1.79
Stores & Spares Consumption	-	2.99
Power & Fuel	0.19	0.98
Salaries and Wages	0.45	2.51
Contribution to Provident and Other Funds	-	0.08
Staff Welfare expenses	0.02	0.19
Insurance	-	0.17
Transport ,Clearing and Forwarding Charges	-	2.51
Rent	-	0.51
Travelling, Consultancy & Miscellaneous Expenses	0.46	5.65
Finance costs	0.92	9.37
	2.04	26.75
Less: Sale	-	2.82
Increase in Stock	-	0.79
	2.04	23.14
Add : Expenditure upto previous year	14.46	72.04
Less: Charged to Exceptional Item	14.39	30.23
Less: Transferred to Property, Plant & Equipment (Includes interest ₹ 0.18 crore previous year ₹ 22.01crore)	-	50.49
	2.11	14.46

Note-52 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Salaries & Wages	6.45	6.47
Contribution to Provident and Other Funds	0.48	0.50
Employees' Welfare Expenses	0.86	1.10
Consumption of Stores and Spares	34.28	38.06
Power & Fuel	8.71	8.85
Repairs to Machinery	2.32	4.93
Material Handing	108.38	98.44
Insurance	0.12	0.10
Rates and Taxes	23.87	24.58
Royalty	90.22	93.44
Miscellaneous Expenses	1.05	3.26
Total	276.74	279.73

Note-53 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹12.44 crore (previous year ₹ 102.22 crore). Other commitment ₹ 38.90 crore (Previous year Nil)

Note-54 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, 2021	31st March, 2020
a) Service tax	9.83	10.22
b) Sale tax and interest	159.59	157.69
c) Income tax	6.62	6.06
c) Excise duty	1.83	1.83
e) Other matters	22.26	16.79
Total	200.13	192.59

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 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-57 Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a Penalty of ₹ 6.55 crore on the Parent Company pursuant to a reference filed by the Government of Haryana. The Parent Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Parent Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Parent Company believes that it has a good case but out of abundant caution the Parent Company had been provided full amount in earlier years.

Note-58 Maximum balance due for Commercial Paper issued during the year was ₹110.00 crore and the year end balance is nil (previous year Maximum balance nil)and at the year end outstanding commercial paper is Nil (previous year Nil).

Note-59 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 have already 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-60

a) Sales include own consumption at cost nil (previous years ₹ 0.41 crore).

b) Consumption of Stores and Spares is net of scrap sale ₹ 5.41 crore (previous year ₹ 6.38 crore.)

c) Interest expenses include ₹ 4.07 crore (previous year ₹ 4.55 crore) being interest on entry tax.

Note-61 Disclosure in respect of Corporate Social Responsibility Expenditure:

a) CSR expenses amounting to ₹ 3.50 crore (previous year ₹ 1.81 crore), required to spend ₹ 3.40 crore (previous year ₹ 1.81 crore)

b) foreign exchange fluctuation of gain (net) ₹ 2.61 crore (previous year loss (net) ₹ 3.07 crore).

Note-62 Derivative Financial Instruments

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward& Option Contract outstanding for the purpose of hedging at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
	Forward				
1	USD	1.99 Mn	14.68	4.68 Mn	33.68
2	Euro	1.10 Mn	9.73	Nil	Nil
	Option				
1	USD	13.09 Mn	98.13	Nil	Nil

Foreign Currency Exposure not hedged as at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
1	Supplier's Credit	Nil	Nil	11.96 Mn	90.20
2	Letter of Credit	Nil	Nil	Nil	Nil

Note-63 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) 2020-21	2019-20
i)	Principal and Interest amount due and remaining unpaid as at 31st March 2021.	13.08	8.07
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 2021 Nil (previous year - Nil).	-	-

Note-64 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 2021 is ₹10 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 2021 is ₹ 10Crore), 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 ₹ 548.23 Crore (O/s. as on 31.03.2021 is ₹ 522.18 Crore) (Previous Year : ₹ 268.72 Crore – Outstanding ₹ 266.27 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 (previous year 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 Parent Company having given Corporate Guarantee to Bank of UCWL for Working Capital Borrowing of ₹ 50.00 crore.

Note-65 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-66 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 ₹ 13.34 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹16.67 crore) (Maximum balance due ₹ 16.67 crore, previous year ₹ 20.01 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 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 ₹ 40 crore) Maximum balance outstanding during the year is ₹ 40 crore (previous year ₹ 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 67

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 ₹ 1.16 crore (Previous year – ₹ 1.10 crore) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.

c) Exceptional Item of ₹ 6.93 Crore includes RIPS Benefit of ₹ 6.61 Crore (& Interest of ₹ 0.32 Crore) availed by the Company under the Rajasthan Investment Promotion Scheme, 2010 on SGST Deposited in respect of certain Sales made by the Company during the Financial Years 2017-18, 2018-19 & 2019-20 which were denied to the Company by the Department pursuant to a Clarification dated 24th February 2020 issued by State Government of Rajasthan.

d) Other Operating Revenue includes Sales Tax / Value added Tax / SGST subsidy of ₹ 8.94crore (Previous year – ₹ 12.42 crore) and others nil (Previous year - ₹ 0.02 Cores)

e) UCWL has opted for the fair value of Property Plant and Equipment on the date of transition to IND AS. However, to be in line with the Accounting Policy of parent Company, the Company has considered the financial statements of UCWL without considering the fair value adjustments in consolidated financial statements.

f) Details of Materials Non-Controlling Interest.

Summarized financial information of UCWL, which has material non-controlling interest:

₹ In Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Assets		
Non-Current Assets	689.60	677.72
Current Assets	181.55	133.78
Liabilities		
Non-current Liabilities	641.70	447.38
Current Liabilities	182.84	374.58
Equity	**46.61**	**(10.46)**
Percentage of Ownership held by Non-controlling Interest	27.46%	27.46%
Accumulated Non Controlling Interest	**12.80**	**(2.87)**
Revenue	737.66	686.88
Net Profit/(Loss) after tax	57.34	17.86
Other Comprehensive Income (net of tax)	(0.26)	(0.63)
Total Comprehensive Income	57.08	17.23
Total Comprehensive Income allocated to Non Controlling interests	**15.67**	**4.73**
Net Cash Inflow/(Outflow) from Operating Activities	187.10	112.63
Net Cash Inflow/(Outflow) from Investing Activities	(114.13)	(33.92)
Net Cash Inflow/(Outflow) from Financing Activities	(61.52)	(78.47)
Net Cash Inflow / (Outflow)	**11.45**	**0.24**

e) With respect to subsidiary HITCL, in view of inadequacy of profits no Debenture Redemption Reserve (DRR) has been created.

f) The summarized aggregate financial information of associates as follows:-

₹ In Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Carrying Amount of Interest in Associates	**13.05**	12.03
- Share in Profit	**(0.02)**	(0.03)
- Share in Total Comprehensive Income	**(0.02)**	(0.03)
Dividend Received	-	-

g) Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement.

For the FY 2020-21

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.	99.25%	2078.92	89.85%	366.24
Subsidiary Company:-				
Udaipur Cement Works Ltd.	6.83%	143.12	14.00%	57.07
Hansdeep Industries & Trading Company Ltd.	5.56%	116.37	(0.02%)	(0.07)
Ram Kanta Properties P. Ltd.	5.50%	115.24	0.01%	0.06
Non Controlling Interest	(0.61%)	(12.80)	(3.84%)	(15.67)
Associates :-				
Dwarkesh Energy Ltd.			0.00%	(0.02)
Total Elimination	(16.53%)	(346.30)		
Total	**100%**	**2094.55**	**100%**	**407.61**

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.			0.00%	(0.03)
Total Elimination	(20.22%)	(341.17)		
Total	**100%**	**1686.94**	**100%**	**248.47**

Note-67 Related Party Disclosure

List of Related Parties

I <u>Associates</u>

Dwarkesh Energy Ltd.(DEL)

II <u>Key Management Personnels (KMPs)</u>

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

III <u>Enterprise which holds more than 20% of Equity share</u>

Bengal & Assam Company Ltd. (BACL)

IV <u>Trusts under common control</u>

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
	2020-21			2019-20		
- Sharing of Expenses received	0.12	0.06	-	-	0.07	-
- Payment of Expenses	-	2.10	-	-	2.17	-
- Other Income	-	3.90	-	-	2.30	-
- ICD given	-	-	-	-	40.00	-
- Dividend Paid	-	-			17.02	
- Advances Received back	-	3.33	-	-	3.33	-
- Contribution	-	-	12.70	-	-	9.08
Outstanding as at year end:						
- Loan Receivable		50.17				
- EPF - (Contribution Payable)			(0.80)			
- SF - Advanced Receivable/ (Contribution Payable)			0.61			
- GF - Advanced Receivable			11.59	-	56.67	(1.69)

₹ in Crore (10 Million)

ii)	Remuneration Paid to KMPs	2020-21	2019-20
	Short Term Employee benefits	49.20	39.81
	Post Employment benefits*	-	-
	Other Payments	1.12	0.85
	Receivable/(Payable) :	(25.99)	(18.14)

* 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-68 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-69 Impairment review :

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

Note-70 Events occurring after the Balance Sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements

Note-71 The operations & the financial results of the Group during the year ended March 31, 2021 were 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 Group has resumed its operations 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 are being continuously 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 statements 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 statement.

Note-72 During the previous 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 (CPP) 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-73 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, 2021

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, 2021

₹ In Crore (10 Million)

		For the year ended March 31, 2021		For the year ended March 31, 2020	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax and Exceptional Items	593.93		399.25	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	225.33		219.82	
	Interest & Dividend Income	(21.84)		(6.59)	
	(Profit) / Loss on sale of Assets (Net)	(1.48)		(3.16)	
	(Profit) / Loss on sale of Current Investments (net)	(49.71)		(43.17)	
	Gain) / Loss on Fair Valuation of Current Investments	14.57		16.37	
	Finance Costs	191.96		224.97	
	Provision for Doubtful Debts	1.61		0.79	
	Foreign Exchange Difference (net)	(1.96)		(3.35)	
	Share in Profit / (Loss) of Associates (Net of Tax)	(0.02)		(0.03)	
	Exceptional Items	(37.85)		(30.23)	
	Operating Profit before Working Capital changes	914.54		774.67	
	Adjustments for:				
	Trade and Other Receivables	30.67		11.61	
	Inventories	114.36		(128.33)	
	Trade and Other Payables	59.34		67.63	
	Cash generated from Operations	1,118.91		725.58	
	Income Tax Payments (Net)	(87.08)		(76.07)	
	Net Cash from Operating Activities		1,031.83		649.51
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, plant and Equipment and Intangible Assets	(290.40)		(104.66)	
	Sale of Property, Plant and Equipment and Intangible Assets	122.67		6.04	
	(Purchase) / Sale of Investments (net)	16.42		(53.53)	
	Redemption / (Investments) in bank deposits (having original maturity of more than 3 months and upto 12 months)	(293.79)		(13.12)	
	ICD Given	-		(40.00)	
	Interest Received	9.54		5.54	
	Net Cash from / (used in) Investing Activities		(435.56)		(199.73)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long-term Borrowings	350.91		45.51	
	Repayment of Long-term Borrowings	(594.35)		(240.85)	
	Repayment of Lease Obligation - Principal	(0.90)		(1.55)	
	Repayment of Lease Obligation - Interest	(1.13)		(1.34)	
	Short-term borrowings (net)	(90.93)		43.05	
	Interest paid	(214.10)		(248.93)	
	Dividend paid (including Dividend Distribution Tax)	(0.46)		(45.47)	
	Net Cash from / (used in) Financing Activities		(550.96)		(449.58)

₹ In Crore (10 Million)

		For the year ended March 31, 2021		For the year ended March 31, 2020	
D.	Increase / (Decrease) in Cash and Cash Equivalents		45.31		0.20
E.	Cash and Cash Equivalents as at the beginning of the year		3.05		2.85
F.	Cash and Cash Equivalents as at the close of the year (Note 13 & 14)		48.36		3.05

Notes:

'1.	Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
	Opening	1882.16	104.91	2072.92	61.86
	Cash Flow Changes				
	Inflow / (Repayments)	(243.44)	(90.93)	(195.34)	43.05
	Non - Cash Flow Changes				
	Others	0.41	-	4.58	-
	Closing	**1639.13**	**13.98**	**1882.16**	**104.91**

1. Cash and Cash Equivalents include:

-	Cash, Cheques in hand and remittances in transit	1.46	0.62
-	Balances with Scheduled Banks	46.90	2.43
		48.36	**3.05**

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, 2021

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

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 Subsidiary	Indirect Subsidiary	Direct Subsidiary
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
3	Reporting Currency	INR	INR	INR
4	Closing Exchange Rate	N.A.	N.A.	N.A.
5	Equity Share Capital	11,605.00	93.40	12,456.39
6	Insrument Entirely Equity in Nature	-	-	-
7	Other Equity	31.82	11,431.02	12,220.85
8	Total Assets	13,492.31	11,542.73	97,478.86
9	Total Liabilities	1,855.49	18.31	72,801.62
10	Investments	110.77	8.01	9273.07
11	Turnover	1,397.55	11.65	73,765.77
12	Profit / (Loss) before taxation	(5.72)	7.60	5,679.76
13	Provision for taxation, DTL/(DTA)	0	1.98	205.73
14	Profit / (Loss) after taxation	(5.72)	5.62	5,474.03
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	31.03.2021
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	482.18
	Considered in Consolidation	168.76
	Not Considered in Consolidation	313.42

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, 2021

NOTES

NOTES

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MEMBER J.K. ORGANISATION

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