INDEPENDENT AUDITORS' REPORT

To The Members of
Hansdeep Industries & Trading Company Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Hansdeep Industries & Trading Company Limited** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2019, and its Losses, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion

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thereon, and the auditor does not provide a separate opinion on these matters. The attention is invited to the following Key Audit Matters related to the audit conducted for the year:

S. No.	Description of Key Audit Matter	Audit procedures to addressed the key audit matter
1	**Valuation of financial instruments (held at fair value including Financial Guarantees)** The Company has recognised Financial Guarantee given by its holding company to NCD holder against NCDs issued by the Company. We have considered, Valuation of Financial Instruments as Key Audit Matter considering the complexities involved.	Our audit procedures included: **Control testing:** • We tested the design and operating effectiveness of key controls. • Controls over the validation, completeness, implementation and usage of valuation models. **Methodology choice:** • In the context of observed industry practices, our valuation specialists helped us in evaluating the appropriateness of significant models and methodologies adopted in calculating fair values, risk exposures, completeness of risk factors, and in calculating FVAs. The results of our testing were satisfactory and we considered the fair value of financial instrument assets and liabilities recognized to be acceptable.

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 Companies Act, 2013("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income ,cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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

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the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

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 of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure "**A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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2. As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub section (2) of section 164 of the Act.

(f) With respect to 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**";

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lunawat & Co.
Chartered Accountants
F.R. No. 000629N

Yadav

per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj
New Delhi-110002

LUNAWAT & CO. * CHARTERED ACCOUNTANTS * FRN: 000629N NEW DELHI

Place: New Delhi
Date: 20.05.2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3 and 4 of our report of even date

***RE:* Hansdeep Industries & Trading Company Limited**

1) a) The company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets;

   b) As explained to us, all the assets have been physically verified by the management at regular interval. As informed to us no discrepancy was noticed on such verification

   c) The title deeds of immovable properties are held in the name of the company.

2) In our opinion, and according to the information & explanation given to us, the company has conducted physical verification of inventory at reasonable intervals. No material discrepancies were noticed during such verification.

3) In our opinion, and according to the information & explanation given to us, the company has granted unsecured loan to company covered in the register maintained under section 189 of the Companies Act 2013 during the year and in our opinion:

   (a) The terms & conditions of the grant of such loan are not prejudicial to the Company's interest.

   (b) The schedule of repayment of the principal & interest has been stipulated and the receipts are also regular.

   (c) No amount is overdue as at the year end.

4) In respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Companies Act 2013 have been complied with.

5) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.

6) According to the information and explanation given to us, the company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.

7) a) In our opinion, the company is regular in depositing undisputed statutory dues including income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues with the appropriate authorities. There were no arrears of statutory dues as on the last day of the financial year which were due for more than 6 months from the date they became payable.

   b) According to information and explanation given to us, there are no dues on account of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute.

8) In our opinion and according to the information & explanation given to us, the company has not defaulted in repayment of loans or borrowing dues to a financial institution or bank or government or dues to debenture holders.

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9) In our opinion and according to the information & explanation given to us, during the year under audit, the company has not raised any moneys by way of initial or further public offer (including from debt instruments) and from term loans hence we are not required to comment on the application of money for the purpose for which those were raised.
10) According to information and explanations given to us, no fraud by the company or on the company by its officer or employees has been noticed or reported during the year.
11) The company has not paid or provided any Managerial Remuneration hence clause (xi) is not applicable.
12) The company is not a Nidhi Company hence clause (xii) is not applicable.
13) According to the information and explanation given to us, and in our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
14) According to the information and explanation given to us, and in our opinion, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15) According to the information and explanation given to us, and in our opinion, the company has not entered into any non-cash transactions with directors or persons connected with them.
16) According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Lunawat & Co.
Chartered Accountants
F.R. No. 000629N

Yadav

per CA. Vikas Yadav
Partner
M. No. 511351

54, Daryaganj
New Delhi-110002

LUNAWAT & CO. FRN: 000629N NEW DELHI CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 20.05.2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Hansdeep Industries & Trading Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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.

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NEW DELHI
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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 standalone Ind AS 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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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 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, 2019, 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.

For Lunawat & Co.
Chartered Accountants
F.R. No.000629N

per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj
New Delhi-110002
Date:20.05.2019

LUNAWAT & CO. * CHARTERED ACCOUNTANTS * FRN : 000629N NEW DELHI

HANSDEEP INDUSTRIES & TRADING COMPANY LIMITED

ANNUAL ACCOUNTS

FY 2018-19

Hansdeep Industries & Trading Company Limited

Balance Sheet as at 31st March,2019

(₹ Lakhs)

Sl. No.	Particulars	Note No.	As At 31st March'2019	As At 31st March'2018
	ASSETS			
(1)	**Non-current Assets**			
(a)	Property, Plant and Equipment	2	**80.60**	84.02
(b)	Capital work-in-progress	3	**27.72**	-
(c)	Financial Assets			
(i)	Investments	4	**12,726.32**	12,662.09
(ii)	Long-Term Loans and Advances	5	**34,500.00**	45,500.00
(d)	MAT Credit Entitlement	6	**7.05**	-
			47,341.69	**58,246.11**
(2)	**Current Assets**			
(a)	Financial Assets			
(i)	Investments	7	**165.89**	2,282.91
(ii)	Trade Receivables	8	**-**	169.26
(iii)	Cash And Cash Equivalents	9	**64.46**	9.55
(iv)	Other Financial Assets	10	**14,456.60**	9,499.77
(b)	Current Tax Assets (Net)	11	**41.67**	60.98
(c)	Other Current Assets	12	**74.56**	59.28
			14,803.18	**12,081.75**
	TOTAL ASSETS		**62,144.87**	**70,327.86**
	EQUITY AND LIABILITIES			
	EQUITY			
(a)	Equity Share Capital	13	**11,605.00**	11,605.00
(b)	Other Equity		**1,228.87**	1,967.03
			12,833.87	**13,572.03**
	LIABILITIES			
(1)	**Non-current Liabilities**			
(a)	Financial Liabilities			
(i)	Long-Term Borrowings	14	**33,307.60**	43,621.83
(ii)	Other Financial Liabilities	15	**1,204.40**	1,878.17
			34,512.00	**45,500.00**
(2)	**Current Liabilities**			
(a)	Financial Liabilities			
(i)	Short-Term Borrowings	16	**50.00**	-
(ii)	Trade Payables			
	Micro and Small Enterprises		**-**	-
	Others		**89.82**	332.99
(iii)	Other Financial Liabilities	17	**14,505.84**	10,914.49
(b)	Other Current Liabilities	18	**153.34**	8.35
			14,799.00	**11,255.83**
	TOTAL EQUITY AND LIABILITIES		**62,144.87**	**70,327.86**

Significant Accounting Policies	1
Notes on financial statements	2-36

As per our report of even date
For LUNAWAT & CO.
Chartered Accountants
Firm Registration Number. 000629N

CA. VIKAS YADAV
Partner
Membership No. : 511351
New Delhi, 20th May, 2019

LUNAWAT & CO. CHARTERED ACCOUNTANTS FRN : 000629N NEW DELHI

for and on behalf of the board
Directors

Ram Ratan Gupta

Ashok Gupta

Sujit Kumar Mukherjee

Manshu Agnihotri
(WTD, CFO & Company Secretary)

Hansdeep Industries & Trading Company Limited

Statement of Profit & Loss For the Period 2018-19

(₹ Lakhs)

Sl. No.	Particulars	Note No.	2018-2019	2017-2018
I.	Revenue From Operations	19	**12,049.64**	7,887.50
II.	Other Income	20	**5,615.67**	6,165.36
III.	**Total Income (I+II)**		**17,665.31**	**14,052.86**
IV.	**Expenses :**			
	a) Cost of Materials Consumed		-	-
	b) Purchases of Stock-in-Trade	21	**12,076.37**	7,789.34
	c) Change in inventories of finished goods, work-in-progress and traded goods		-	-
	d) Employee Benefits Expense	22	**21.35**	62.73
	e) Finance Costs	23	**5,466.21**	5,872.00
	f) Depreciation And Amortization Expense (Net)	2	**3.42**	3.68
	g) Other Expenses	24	**121.66**	260.57
	Total Expenses (IV)		**17,689.01**	**13,988.32**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**(23.70)**	64.54
VI.	Exceptional Items			-
VII.	**Profit/(Loss) before Tax (V-VI)**		**(23.70)**	**64.54**
VIII.	Tax Expense			
	(1) Current Tax		**7.28**	19.29
	(2) Deferred Tax			-
	(3) Tax Adjustments for Earlier Years		**21.41**	
	Total Tax Expense (VIII)		**28.69**	**19.29**
IX.	**Profit / (Loss) for the Year**		**(52.39)**	**45.25**
X.	Other Comprehensive Income		-	-
XI.	**Total Comprehensive Income For The Year (IX+ X)**		**(52.39)**	**45.25**
XII.	Earnings Per Share:			
	Basic & Diluted	25	**(0.05)**	**0.04**
	Significant Accounting Policies	1		
	Notes on financial statements	2-36		

for and on behalf of the board
Directors

Ram Ratan Gupta

Ashok Gupta

Sujit Kumar Mukherjee

Manshu Agnihotri
(WTD, CFO & Company Secretary)

As per our report of even date annexed
For Lunawat & Co.
Chartered Accountants
Firm Registration No. 000629N

LUNAWAT & CO. FRN. 000629N NEW DELHI CHARTERED ACCOUNTANTS

CA. Vikas Yadav
Partner
Membership No. 511351
New Delhi, the 20th May, 2019

Hansdeep Industries & Trading Company Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital

(₹ Lakhs)

Particulars	As at 1st April'2017	Change during the year	As at 31st March'2018	Change during the year	As at 31st March'2019
Equity Shares 11,60,50,007 of Rs. 10 each (Previous year 11,60,50,007 of Rs. 10 each) fully paid up	11,605.00	-	11,605.00	-	11,605.00
Add: Forfeited Shares	-	-	-	-	-
Total	**11,605.00**	**-**	**11,605.00**	**-**	**11,605.00**

B. Other Equity

(₹ Lakhs)

	Reserve & Surplus			
Particulars	**Equity Component of Financial Guarantee**	**Retained Earning**	**Debenture Redemption Reserve**	**Total**
Balance as at 1st April'2017	**2,868.24**	**43.61**	-	**2,911.85**
Profit / (Loss) for the Year	-	**45.25**	-	45.25
Derecognition of Corporate Guarantee Given by JKLCL	**(990.07)**	-	-	(990.07)
Balance as at 31st March'2018	**1,878.17**	**88.86**	-	**1,967.03**
Profit / (Loss) for the Year	-	**(52.39)**		(52.39)
Derecognition of Corporate Guarantee Given by JKLCL	**(685.77)**			(685.77)
Balance as at 31st March'2019	**1,192.40**	**36.47**	-	**1,228.87**

for and on behalf of the board

Directors

Ram Ratan Gupta

Ashok Gupta

Sujit Kumar Mukherjee

Manshu Agnihotri

(WTD, CFO & Company Secretary)

As per our report of even date

For LUNAWAT & CO.

Chartered Accountants

Firm Registration Number. 000629N

CA. VIKAS YADAV

Partner

Membership No.: 511351

New Delhi, 20th May, 2019

LUNAWAT & CO. FRN : 000629N NEW DELHI CHARTERED ACCOUNTANTS

Note - 1

Company Overview, Basis of Preparation & Significant Accounting Policies

I. The Company Overview : Corporate & General Information.

Hansdeep Industries & Trading Company Limited ("the Company") is domiciled and incorporated in India. The Registered Office of the Company is situated at 3, Link House, Bahadur Shah Zafar Marg, New Delhi – 110002. The Company is wholly owned subsidiary of JK Lakshmi Cement Limited.

The Company is primarily engaged in Trading of Cementitious materials.

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on 20th May, 2019.

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 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"). 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 Standalone Financial Statements.

(iii) Basis of Measurement.

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value as required by relevant IND AS.

(iv) Fair Value Measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NAWAT & CO.
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NEW DELHI
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For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy in which they fall.

(v) Current & Non-Current Classifications.

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

(vi) Significant Accounting Judgements, Estimates and Assumptions.

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

III. Significant Accounting Policies for the year ended 31st March, 2019.

(a) Property, Plant and Equipment.

Property, Plant and Equipment are stated at cost 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.

Internally manufactured property, plant and equipment are capitalized at factory cost, including excise duty, wherever applicable.

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.

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Depreciation methods, estimated useful lives and residual value.

Deprecation method 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 and is provided on Straight Line Method (SLM). Leasehold Land amortised over the period of lease.

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 profit or loss within other gains / (losses).

(b) 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.

(c) 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 <u>Definition</u> :

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 amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the Profit or Loss.

(ii) 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 Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

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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/Mutual Funds.

Investment in Equity Securities/Mutual Funds are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities/Mutual Funds are held for trading purposes.

1.4 Investment in Subsidiary.

The Company has accounted for its subsidiary investment in Equity Shares at cost and in Preference Shares at Fair Value.

1.5 Derecognition of Financial Assets.

A Financial Asset is primarily derecognised 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

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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 Amortised Cost.**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised 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 amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised 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 amortisation 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 amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised 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.

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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 recognised 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 recognised 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 recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.5 De-recognition of Financial Liability.

A Financial Liability is derecognised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) 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.

(e) Provisions, Contingent liabilities, Contingent Assets and Commitments.

i) General.

Provisions are recognised 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 recognised as a separate asset, but only when the reimbursement is

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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 recognised as a finance cost.

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.

(f) 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 when significant risk and reward of ownership have been passed on to the Customer.

ii) 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.

(g) Borrowing Costs.

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

(2) All borrowing costs are recognised as expense in the period in which they are incurred.

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(h) Leases.

1. *As a Lessee* :

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

1.1. Finance Lease.

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

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

1.2. Operating Lease.

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

Leasehold lands are amortised over the period of lease.

(i) 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.

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(j) Earnings Per Share (EPS).

i) Basic earnings per share.

Basic earnings per share is calculated by dividing :

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

ii) Diluted earnings per share.

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

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

(k) Segment Accounting.

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

v) <u>Recent Accounting Pronouncements</u>

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which are effective from 1st April 2019.

The following standards or amendments made in below mentioned standards are not expected to have a material impact over financial statements:

a) Ind AS 116 – Leases
b) Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments).
c) Ind AS 109 – Prepayment features with Negative compensation
d) Ind AS 19 – Plan Amendment, curtailment or settlement
e) Ind AS 23 – Borrowing Costs
f) Ind AS 28 – Long term interests in Associates and Joint Ventures
g) Ind AS 103 – Business combinations and Ind AS 111 – Joint Arrangements

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Note -2 Property, Plant and Equipment

(₹ Lakhs)

Particulars	Leasehold Land	Buildings	Office Equipments	Total
Net Block				
As at 1st April'2017	17.82	73.15	2.82	93.79
Additions/Adjustments	-	-	0.55	0.55
Disposals/Adjustments	-	-	-	-
As at 31st March'2018	**17.82**	**73.15**	**3.37**	**94.34**
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2019	**17.82**	**73.15**	**3.37**	**94.34**
Accumulated Depreciation				
As at 1st April'2017	0.56	5.38	0.70	6.64
Charged For the Year	0.28	2.69	0.71	3.68
Disposal	-	-	-	-
As at 31st March'2018	**0.84**	**8.07**	**1.41**	**10.32**
Charged For the Year	0.28	2.69	0.44	3.42
Disposal	-	-	-	-
As at 31st March'2019	**1.12**	**10.76**	**1.87**	**13.73**
Net Carrying Amount				
As at 31st March'2018	**16.98**	**65.08**	**1.96**	**84.02**
As at 31st March'2019	**16.70**	**62.39**	**1.50**	**80.60**

Note -3 Capital Work In Progress

	31st March 2019	31st March 2018
Capital work in progress (CWIP) includes Pre Operative Expenses		
(Pending Allocation/Capitalisation)		
Capital Work in Progress-		
Consultancy Charges	4.93	-
General Charges	22.79	-
	27.72	**-**

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(₹ Lakhs)

Note- 4
Investments

	31st March'2019	31st March'2018
Investment in Equity Shares - Subsidiary		
Ram Kanta Properties Pvt. Ltd. (Rs. 10 each)	**11,533.92**	10,783.92
Number of Shares 9,34,002 (P.Y. 8,74,002)		
Capital Contribution on Account of Financial Guarantee	**1,192.40**	1,878.17
	12,726.32	**12,662.09**

Note- 5
Long-Term Loans and Advances

	Non Current	Current	Non Current	Current
Inter Corporate Loan given to Fellow Subsidiary	**34,500.00**	**11,000.00**	45,500.00	7,000.00
	34,500.00	**11,000.00**	**45,500.00**	**7,000.00**

Note- 6
Deferred Tax Assets (Net)

MAT Credit Entitlement	**7.05**	3.59
Less: Utilised	-	(3.59)
	7.05	-

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Note -7
Current Investment

(₹ Lakhs)

Investments in Mutual Fund at FVTPL	31st March'2019		31st March'2018	
	Number	Value	Number	Value
Baroda Pioneer Treasury Advantage Fund - Direct - Growth	-	-	1,576.58	32.60
BIRLA SUN FRF LTP-IP	-	-	6,606.61	14.23
Franklin India Short Term Bond Fund - Growth - Regular (AMBIT) - 8.15%	-	-	2,950,419.89	712.26
Reliance Liquid Fund - Direct Plan Growth Plan - Growth Option	**414.28**	**18.90**	-	-
Reliance Prime Debt Fund - Direct - Growth	**62,480.84**	**25.06**	65,131.95	24.23
Reliance Ultra Short Duration Fund- Growth Option	-	-	426.10	11.48
Reliance Ultra Short Duration Fund- Direct Plan- Growth Option	**3,548.62**	**108.45**	52,546.41	1,475.14
UTI Dynamic Bond Fund	**62,634.66**	**13.48**	62,634.66	12.97
		165.89		**2,282.91**

	31st March'2019	31st March'2018
Aggregate book value of quoted investments	**165.89**	**2,282.91**
Aggregate market value of quoted investments	**165.89**	**2,282.91**
Aggregate book value of unquoted investments		

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	31st March'2019	(₹ Lakhs) 31st March'2018
Note- 8		
Trade Receivables		
Considered good - Secured	-	169.26
Considered good - Unsecured	-	-
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
Less :- Provision/Allowances for doubtful debts	-	-
	-	**169.26**

	31st March'2019	31st March'2018
Note- 9		
Cash & Cash Equivalents		
Cash on hand	**0.03**	0.02
Balance with bank:-		
On Current Accounts	**64.33**	9.43
Fixed Deposit	**0.10**	0.10
	64.46	**9.55**

	31st March'2019	31st March'2018
Note- 10		
Other Financial Assets		
Current Maturity of Long Term Advances (Refer Note -5)	**11,000.00**	7,000.00
Interest Recoverable from Fellow Subsidiary	**3,456.60**	2,499.77
	14,456.60	**9,499.77**

	31st March'2019	31st March'2018
Note- 11		
Current Tax Assets		
Advance Income Tax (Net of Provision)	**41.67**	60.98
	41.67	**60.98**

	31st March'2019	31st March'2018
Note- 12		
Other Current Assets		
Balance with Govt. Authorities	**74.53**	59.26
Other Advances	**0.03**	0.02
	74.56	**59.28**

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Note- 13 **Equity Share Capital**	31st March'2019	(₹ Lakhs) 31st March'2018
Authorised:		
Equity Shares - 11,70,00,000 of Rs. 10 each (Previous year 11,70,00,000 of Rs. 10 each)	**11,700.00**	11,700.00
Preference Shares - 2,00,000 (Previous year 2,00,000) of Rs. 100 each)	**200.00**	200.00
	11,900.00	**11,900.00**
Issued, Subscribed and Paid up:		
Equity Shares 11,60,50,007 of Rs. 10 each (Previous year 11,60,50,007 of Rs. 10 each) fully paid up	**11,605.00**	11,605.00
	11,605.00	**11,605.00**

a. Reconciliation of Number of Share Outstanding :

Opening Balance	**11,60,50,007**	11,60,50,007
Shares issued during the year	-	-
Shares brought back during the year	-	-
Shares outstanding at the end of the year	**11,60,50,007**	**11,60,50,007**

b. Shares Held By Its Holding or Ultimate Holding Company or Subsidiaries or Associates of The Holding Company or Its Ultimate Holding Company

Company Name	Nature of company	% of holding	31st March 2019 Numbers	31st March 2018 Numbers
JK Lakshmi Cement Ltd & Its Nominees	Holding company	100%	**11,60,50,007**	11,60,50,007

c. Shareholders Holding More Than 5% of Total Issued Shares

Name	% of Holding	Numbers	Numbers
JK Lakshmi Cement Ltd & Its Nominees	100%	**11,60,50,007**	**11,60,50,007**

d. Terms / Rights Attached to Equity Shareholders :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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(₹ Lakhs)

Note- 14 **Long-Term Borrowings**	31st March'2019 Non Current	 Current	31st March'2018 Non Current	 Current
Redeemable Non Convertible Debentures	**34,500.00**	**11,000.00**	45,500.00	7,000.00
Financial obligation of Guarantee	**(1,192.40)**	**-**	(1,878.17)	-
	33,307.60	**11,000.00**	**43,621.83**	**7,000.00**

1 Secured Redeemable Non-Convertible Debentures (NCDs) issued on Private Placement consist of :-

i) 11.50% NCDs Series A of Rs.180 Crore are redeemable in two annual installments at the end of 4th year (Rs.45 Crore) and 5th year (Rs.135 Crore) from the date of allotment i.e. 13th August 2015

ii) 11.50% NCDs Series B of Rs.100 Crore are redeemable in two annual installments at the end of 4th year (Rs.25 Crore) and 5th year (Rs.75 Crore) from the date of allotment i.e. 28th September 2015

iii) 11.50% NCDs Series C of Rs.125 Crore are redeemable in three annual installments at the end of 3rd year (Rs.25 Crore), 4th year (Rs.25 Crore) and 5th year (Rs.75 Crore) from the date of allotment i.e. 12th April 2016

iv) 10.50% NCDs Series D of Rs.50 Crore are redeemable in three annual installments on 15.10.2019 (Rs.15 Crore), on 15.10.2020 (Rs.15 Crore) and on 15.10.2021 (Rs.20 Crore).

2 All the NCDs are secured by way of first ranking pari passu charge in favour of Debenture Trustee on (i) all the movable fixed assets, (ii) Current Assets, (iii) the Designated Bank Account and (iv) Short Term Investments, of the Company, both Present and future.

3 These NCDs are further secured by a first ranking pari passu charge on the Movable & Immovable Fixed Assets of the Cement Plant of Udaipur Cement Works Ltd. (a Co-Subsidiary Company) in the State of Rajasthan, in favour of Debenture Trustee.

4 These NCDs are also secured by a Corporate Guarantee of the Holding Company.

	31st March'2019	31st March'2018
Note- 15 **Other Non Current Financial Liabilities**		
Financial Obligation of Guarantee	**1,192.40**	**1,878.17**
Other Payable	**12.00**	-
	1,204.40	**1,878.17**
Note- 16 **Short-Term Borrowings**		
Inter Corporate Deposit	**50.00**	-
	50.00	-
Note- 17 **Other Current Financial Liabilities**		
Current Maturity of Long Term Debt (Refer Note - 14)	**11,000.00**	7,000.00
Interest Accrued But Not Due	**3,505.84**	3,914.49
	14,505.84	**10,914.49**
Note- 18 **Other Current Liabilities**		
Audit Fees Payable	**0.45**	0.45
Advance From Customer	**144.65**	-
Govt. & Other Dues	**8.23**	7.90
	153.34	**8.35**

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	2018-19	(₹ Lakhs) 2017-18

Note- 19
Revenue From Operation

Sale of Products	**12,049.64**	7,887.50
	12,049.64	**7,887.50**

Note- 20
Other Income

Interest on Inter Corporate Loan	**5,514.27**	5,987.50
Profit on Sale of Current Investment *	**57.72**	177.85
Others	**43.68**	0.01
	5,615.67	**6,165.36**

* Net of fair value Loss of Rs. 52.96 Lakhs (Previous year Gain Rs. 42.49 Lakhs)

Note- 21
Purchase of Stock -in -Trade

Purchase of Products	**12,076.37**	7,789.34
	12,076.37	**7,789.34**

Note- 22
Employee Benefit Expense

Salary & Wages	**21.35**	62.73
	21.35	**62.73**

Note- 23
Finance Cost

Finanace Charges On NCD's	**5,466.21**	5,872.00
	5,466.21	**5,872.00**

Note- 24
OTHER EXPENSES

Legal & Professional Fees	**-**	14.12
Auditor's Remuneration		
Audit Fees	**0.83**	0.72
Others	**-**	-
Sales Commission	**52.43**	36.57
General Charges	**5.00**	5.05
Travelling Expenses	**10.02**	32.45
Advertisement & Publicity	**11.50**	52.59
Miscellaneous expenses	**41.88**	119.07
	121.66	**260.57**

Note- 25
EARNING PER SHARE (Basic / Diluted)

Net profit/(loss) as per Statement of Profit and Loss	**(52.39)**	45.25
Net profit/(loss) attributable to equity shareholders	**(52.39)**	**45.25**
Weighted average number of Equity Shares outstanding during the period	**1,160.50**	1,160.50
	-	
Earnings per Equity Share (Rs.) (face value of Rs. 10/- each)		
Basic and Diluted	**(0.05)**	**0.04**

Notes accompanying the Financial Statements.

26. 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. 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.

26.1 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 change may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes the 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) **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 following Table shows the Company's Fixed & Floating Rate Borrowings:

(₹ in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	**Loans in Rupees**		
	- Fixed Rate	44,357.60	50,621.83
	- Floating Rate	-	-
	Total	**44,357.60**	**50,621.83**

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding.

b) **Interest Rate Sensitivity:** The entire Borrowings as stated in (a) above is at fixed rate. Hence there is no interest rate sensitivity.

26.2 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 Receivable:- 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 accounts receivables. Individual risk limits are set accordingly.

The Aging of Trade Receivables are as below- **(₹ in Lakhs)**

Particulars	Neither Due not Impaired	Due upto 6 Months	Due 6 to 12 Months	Above 12 Months	Total
As at 31 March 2019	-	-	-	-	-
As at 31 March 2018	-	169.26	-	-	169.26

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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. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

26.3 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 Lakhs)

S.No	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	**As on 31st March, 2019**					
	- Borrowings	44,357.60	11,050.00	33,307.60	-	44,357.60
	- Trade Payables	89.82	89.82	-	-	89.82
	- Other Liabilities	3,671.18	3,659.18	12.00	-	3,671.18
	Total	**48,118.60**	**14,799.00**	**33,319.60**	**-**	**48,118.60**
2	**As on 31st March, 2018**					
	- Borrowings	50,621.83	7,000.00	49,621.83	-	50,621.83
	- Trade Payables	332.99	332.99	-	-	332.99
	- Other Liabilities	3,922.84	3,922.84	-	-	3,922.84
	Total	**54,877.66**	**11,255.83**	**43,621.83**	**-**	**54,877.66**

27. 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, compulsorily convertible debentures, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

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(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Borrowings Less: Cash and Cash equivalents (including Current Investments)	44357.60 (230.36)	50,621.83 (2,292.46)
Net debt	**44,127.24**	**48,329.37**
Equity Share Capital Other Equity	11,605.00 1,228.87	11,605.00 1,967.03
Total Capital	**12,833.87**	**13,572.03**
Capital and net debt	**56,961.11**	**61,901.40**
Gearing ratio	77.47%	78.07%

The Company is not subject to any external imposed capital requirement. 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.

28. 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 Lakhs)

Particulars	31st March'19		31st March'18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss :-				
Investments				
- Mutual Funds	165.89	165.89	2,282.91	2,282.91
(ii) At Amortized Cost :-				
a) Bank FDs.	0.10	0.10	0.10	0.10
b) Cash & Bank Balances	64.36	64.36	9.45	9.45
c) Trade Receivable	-	-	169.26	169.26
d) Others	3,531.16	3,531.16	2,559.05	2,559.05
Total	**3,761.51**	**3,761.51**	**5,020.77**	**5,020.77**
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	44,357.60	44,357.60	50,621.83	50,621.83
- Trade Payables	89.82	89.82	332.99	332.99
- Other Financial Liabilities	3,671.18	3,671.18	3,922.84	3,922.84
Total	**48,118.60**	**48,118.60**	**54,877.66**	**54,877.66**

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:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3
31st March, 2019			
Financial Assets			
- Mutual Funds	165.89	-	-
31st March, 2018			
Financial Assets			
- Mutual Funds	2282.91	-	-

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29. Segment Information:

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

30. Income Tax Expense:

i. Amount recognized in statement of profit and loss:-

(₹ in Lakhs)

Particulars	2018-19	2017-18
Current Tax	7.28	19.29
Deferred Tax (Relating to origination and reversal of temporary difference	-	-
Adjustments in respect of current income tax of previous year	21.41	-
MAT		
MAT Credit Entitlement	-	-

(ii) Reconciliation of effective tax rate.

((₹ in Lakhs)

Particulars	**2018-19**	**2017-18**
Accounting profit/(loss) before income tax	**(23.70)**	**64.54**
At applicable Statutory Income tax rates	**26.00%**	30.90%
Computed Income Tax Expense/(Income)	**29.02**	**19.94**
Increase/Reduction in taxes on account of -		
Previous year tax adjustments	-	-
Taxes on Unabsorbed Dep & C/F Losses	-	-
Tax Due to Difference in Rates	(0.33)	(0.65)
Income Tax Expense/(Income) reported to profit & loss	**28.69**	**19.29**

31. The company has neither proposed nor declared any Dividend during the Financial Year 2018-19 (Previous Year – NIL).

32. Amount paid to Auditors: **(₹ in Lakhs)**

Particulars	**Year Ended 31st March'2019**	**Year Ended 31st March'2018**
Statutory Audit Fees	0.50	0.50
For Taxation Matters	0.20	0.20
For Other Services	0.13	0.02
Total	**0.83**	**0.72**

33. Related party disclosure

List of Related Party :

JK Lakshmi Cement Limited (JKLCL) (Holding Company)
Ram Kanta Properties Private Limited (RKPPL) (Subsidiary Company)
Udaipur Cement Works Limited (UCWL) (Fellow Subsidiary Company)

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Key Management Personnel (KMP) :

Shri Ram Ratan Gupta	Director
Shri Ashok Gupta	Director
Shri Sujit Kumar Mukherjee	Director
Ms. Manshu Agnihotri	Whole Time Director, Chief Financial Officer & Company Secretary
Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri B.V. Bhargava	Independent & Non-Executive Director
Shri N.G. Khaitan	Independent & Non-Executive Director
Dr. K.N. Memani	Independent & Non-Executive Director
Dr. Raghupati Singhania	Non Independent & Non-Executive Director
Shri Ravi Jhunjhunwala	Independent & Non-Executive Director
Shri Pradeep Dinodia	Independent & Non-Executive Director
Ms. Bhaswati Mukherjee	Additional Independent Director & Non -Executive 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	Company Secretary
Shri Chiranjiv Kumar Bagga	Director

(₹ in Lakhs)

	2018-19			2017-18		
Nature of Transaction	**JKLCL**	**UCWL**	**RKPPL**	**JKLCL**	**UCWL**	**RKPPL**
-For Purchase of Clinker, Cement & Related Expenses	6,410.24	-	-	3137.41	-	-
-Interest on Inter Corporate Loan	-	5,511.15	-	-	5,987.50	-
-Repayment of Loan	-	7,000.00	-	-	-	-
-For Purchase of Clinker, Cement & Related Expenses	6,849.82	8,593.73	-	5,894.84	3,907.30	-
-Office Rent	5.41	-	-	0.12	-	-
-Investment in Equity Shares	-	-	6.00	-	-	-
-Security premium on investment in shares	-	-	744.00	-	-	-
Receivable/(Payable)	**258.50**	**48,956.39**	-	**(307.82)**	**55,121.03**	-

34. During the year the Company has subscribed to 60,000 numbers of equity shares in its wholly owned subsidiary RKPPL of face value Rs. 10/- each and premium of Rs. 1240/- each amounting to Rs. 7.50 crores.

35. In view of inadequacy profit No DRR has been created during the year.

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36. Previous year's figures have been rearranged and regrouped wherever necessary to make them comparable with current year figures.

As per our report of even date
For Lunawat & Co.
Chartered Accountants

CA. Vikas Yadav
(Partner)
Membership No. 511351
Firm Registration No. 000629N
New Delhi
Dated: 20th May 2019

for & on behalf of the board

Directors

Ram Ratan Gupta

Ashok Kumar Gupta

Sujit Kumar Mukherjee

Manshu Agnihotri
(WTD, CFO & Company Secretary)

Hansdeep Industries & Trading Company Limited

CASH FLOW STATEMENT

For the Year Ended 31st March 2019

(₹ Lakhs)

		2018-19	2017-18
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	(23.70)	64.54
	Adjustments for		
	Depreciation	3.42	3.68
	Profit on Sale of Investments	(110.69)	(135.36)
	Interest Income	(5,514.27)	(5,987.50)
	Profit/Loss on Fair Valuation of Current Investment	52.96	(42.49)
	Finance Cost	5,466.21	5,872.00
	Operating Profit before Working Capital changes	(126.06)	(225.13)
	Adjustment for		
	Trade and Other Receivables	146.94	(63.28)
	Trade and Other Payables	(98.18)	88.66
	Cash Generated from Operations	(77.31)	(199.75)
	Direct Tax paid (Net)	(9.38)	(55.87)
	Net Cash from Operating Activities	(86.69)	(255.62)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Investment in Equity Shares	(750.00)	-
	Purchase of Investments (Net)		
	Sale of Investments (Net)	2,174.74	169.39
	Purchase of Fixed Assets (CWIP)	(27.72)	(0.55)
	Security Deposit & ICD Received	62.00	-
	Net Cash from / (used in) Investing Activities	1,459.02	168.84
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest on Inter Corporate Loan Received During the year	4,557.44	5,907.31
	Interest on Debentures Paid During the year	(5,874.86)	(5,818.64)
	Inter Corporate Loan Received	(7,000.00)	-
	NCD Redeemed	7,000.00	-
	Net Cash from Financing Activities	(1,317.42)	88.67
D.	Increase / (Decrease) in Cash & Cash Equivalents	54.91	1.89
E.	Cash & Cash Equivalents as at the beginning of the year	9.55	7.66
F.	Cash & Cash Equivalents as at the close of the year	64.46	9.55

Notes:-

		2018-19	2017-18
1	Closing Cash and Cash Equivalents include:		
	-Cash on hand	0.03	0.02
	-Balance with Scheduled Bank	64.43	9.53
	-Cheques in hand		-
	Total	64.46	9.55

2 Previous year's figures have been re-arranged and re-cast wherever necessary.

As per our report of even date annexed
For Lunawat & Co.
Chartered Accountants
Firm Registration No. 000629N

Yadav

LUNAWAT & CO. FRN: 000629N NEW DELHI CHARTERED ACCOUNTANTS

CA. Vikas Yadav
Partner
Membership No. 511351
New Delhi, the 20th May, 2019

for & on behalf of the board
Directors

Ram Ratan Gupta

Ashok Gupta

Sujit Kumar Mukherjee

Manshu Agnihotri
(WTD, CFO & Company Secretary)