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Lunawat & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Hansdeep Industries & Trading Company Limited

Report on the Standalone Ind AS Financial Statements

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, 2017, the Statement of Profit and Loss (including Other Comprehensive Income)and the Cash Flow Statement and the Statement of Changes in Equityfor the year then ended, and a summary of significant accounting policies and other explanatory information.

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, includingthe 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 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.

Auditors' Responsibility

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

LUNAWAT & CO. * FRN : 000629N NEWDELHI CHARTERED ACCOUNTANTS

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.

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, 2017 taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2017 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.

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

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.

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

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, 2017 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 overfinancial reporting based on our audit. We conductedour 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 materialrespects.

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 providea basis forour audit opinion on the Company's internal financial controls system overfinancial reporting.

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

HANSDEEP INDUSTRIES & TRADING COMPANY LTD

ANNUAL ACCOUNTS

2016-17

Hansdeep Industries & Trading Company Limited

Statement of Profit & Loss For the Period 2016-17

(₹ Lacs)

Sl. No. Particulars	Note No.	2016-2017	2015-2016
I. Revenue From Operations	14	9,881.53	3,879.29
II. Other Income	15	5,573.27	2,391.43
III. Total Income (I+II)		15,454.80	6,270.72
IV. Expenses :			
a) Cost of Materials Consumed		-	-
b) Purchases of Stock-in-Trade	16	9,121.20	3,389.18
c) Change in inventories of finished goods, work-in-progress and traded goods		-	-
d) Employee Benefits Expense	17	12.56	36.63
e) Finance Costs	18	5,569.92	2,319.17
f) Depreciation And Amortization Expense (Net)	2	3.45	3.19
g) Excise Duty		518.06	454.96
h) Other Expenses	19	207.69	46.27
Total Expenses (IV)		15,432.88	6,249.41
V. Profit Before Exceptional Items and Tax (III-IV)		21.92	21.32
VI. Exceptional Items		-	-
VII. Profit/(Loss) before Tax (V-VI)		**21.92**	**21.32**
VIII. Tax Expense			
(1) Current Tax		3.59	0.38
(2) MAT Credit Entitlements		(3.59)	-
(3) Deferred Tax		-	-
(4) Tax Adjustments for Earlier Years		0.28	-
Total Tax Expense (VIII)		**0.28**	**0.38**
IX. Profit / (Loss) for the Year		**21.64**	**20.94**
X. Other Comprehensive Income		-	-
XI. Total Comprehensive Income For The Year (IX+ X)		**21.64**	**20.94**
XII. Earnings Per Share: Basic & Diluted	20	0.15	1.99

Notes on financial statements 2-37

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

Yadav

CA. Vikas Yadav
Partner
Membership No. 511351
New Delhi, the 16th May, 2017

(WTD, CFO & Company Secretary)

CB.

CASH FLOW STATEMENT

For the Year Ended 31st March 2017

		2016-17	(₹ Lacs) 2015-16
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	21.92	21.32
	Adjustments for		
	Depreciation	3.45	3.19
	Profit on Sale of Investments	(154.39)	(414.64)
	Interest Income	(5,404.19)	(1,784.06)
	Profit/Loss on Fair Valuation of Current Investment	(3.10)	(17.74)
	Finance Cost	5,569.92	2,319.17
	Operating Profit before Working Capital changes	33.61	127.25
	Adjustment for		
	Trade and Other Receivables	(161.50)	(0.15)
	Trade and Other Payables	47.37	205.10
	Cash Generated from Operations	(80.52)	332.20
	Direct Tax paid (Net)	2.47	(19.97)
	Net Cash from Operating Activities	(78.05)	312.23
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Investment in Equity Shares	(10,783.92)	-
	Purchase of Investments	(16,323.25)	(37,890.00)
	Sale of Investments	14,937.32	37,605.16
	Loan Given	(17,500.00)	(35,000.00)
	Purchase of Fixed Assets	(1.28)	(1.54)
	Net Cash from / (used in) Investing Activities	(29,671.13)	(35,286.38)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of NCD's	17,500.00	35,000.00
	Proceed From Issue of Equity Shares	11,500.00	-
	Interest on Loan Received During the year	4,757.51	-
	Interest on Debentures Paid During the year	(4,027.95)	-
	Net Cash from Financing Activities	29,729.56	35,000.00
D.	Increase / (Decrease) in Cash & Cash Equivalents	(19.62)	25.86
E.	Cash & Cash Equivalents as at the beginning of the year	27.28	1.43
F.	Cash & Cash Equivalents as at the close of the year	7.66	27.29

Notes:-

		2016-17	2015-16
1	Closing Cash and Cash Equivalents include:		
	-Cash on hand	0.05	0.01
	-Balance with Scheduled Bank	7.61	27.28
	-Cheques in hand	-	-
	Total	7.66	27.29

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

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

Yadav

CA. Vikas Yadav
Partner
Membership No. 511351
New Delhi, the 16th May, 2017

CaB.

(WTD, CFO & Company Secretary)

GAAP financial statements as their deemed cost at the transition date to IND AS (i.e. 1st April, 2015).

b) **Exceptions from full Retrospective Application:**

Estimates: Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under IND AS, except where revision in estimates was necessitated as required by IND AS . The estimates used by the Company to present the amounts in accordance with IND AS reflect conditions existing as at 1st April, 2015, the date of transition to IND AS and as at 31st March, 2016 and 31st March, 2017.

(iii) **Basis of Measurement.**

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except for the following:

- Certain Financial assets and liabilities are measured at fair value.

The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lacs & two decimals thereof.

(iv) **Fair Value Measurement.**

The Company measures financial instruments certain investments, at fair value at each balance sheet date.

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

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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. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. 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 :**

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.

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 recognised initially at fair value and subsequently measured at amortised 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.

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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.

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.

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(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. The Company has assumed that recovery of excise duty flows to the entity on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

i) Sale of Goods.

Revenue is recognized when significant risk and reward of ownership have been passed on to the Customer. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss and other revenue incentives are netted from respective head. Project subsidy is credited to Capital Reserve.

ii) Interest Income.

For all Financial instruments measured at amortised 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.

(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

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

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.

IV. Significant Accounting Judgments, Estimates and Assumptions.

The preparation of Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Income Taxes.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

ii) Fair Value Measurement of Financial Instruments.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

(₹ Lacs)

Note - 3 Investments

	Number	31st March'2017	31st March'2016	1st April'2015
Investment in Equity Shares - Subsidiary				
Ram Kanta Properties Pvt Ltd	8,74,002	10,783.92	-	-
Capital Contributionon on Account of Financial Guarantee	-	2,868.24	2,461.13	-
		13,652.16	2,461.13	-

Note - 4 Long-Term Loans and Advances

	31st March'2017	31st March'2016	1st April'2015
Inter Corporate Loan given to Fellow Subsidiary	52,500.00	35,000.00	-
	52,500.00	35,000.00	-

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

Yadav

(₹ Lacs)

	31st March'2017	31st March'2016	1st April'2015
Note - 6 Cash & Cash Equivalents			
Cash on hand	0.05	0.01	0.10
Balance with bank:-	-	-	
On Current Accounts	7.51	27.17	1.33
Fixed Deposit	0.10	0.10	-
	7.66	**27.28**	**1.43**

	31st March'2017	31st March'2016	1st April'2015
Note - 7 Current Tax Assets			
Advance Income Tax (Net of Provision)	27.99	30.74	-
	27.99	**30.74**	**-**

	31st March'2017	31st March'2016	1st April'2015
Note - 8 Other Current Assets			
Interest Accrued but not due From Fellow Subsidiary	2,419.59	1,772.90	-
Cenvat Recoverable	-	0.15	-
Advances to Vendor	161.64	-	-
Interest Receivable on Fixed Deposit	0.01	-	-
	2,581.24	**1,773.05**	**-**

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

Yadav

(₹ Lacs)

	31st March'2017	31st March'2016	1st April'2015
Note - 10 Long-Term Borrowings			
Redeemable Non Convertible Debentures	52,500.00	35,000.00	-
Capital Contribution From Holding Company	(2,868.24)	(2,461.13)	-
	49,631.76	**32,538.87**	**-**

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

   i) 11.25% NCDs Series A of Rs.225 Crore are redeemable in three annual installments at the end of 3rd year (20%), 4th year and 5th year (60%) from the date of allotment i.e. 13th August 2015.

   ii) 11.25% NCDs Series B of Rs.125 Crore are redeemable in three annual installments at the end of 3rd year (20%), 4th year (20% and 5th year (60%) from the date of allotment i.e. 28th September 2015.

   iii) 11.25% NCDs Series C of Rs.125 Crore are redeemable in three annual installments at the end of 3rd year (20%), 4th year and 5th year (60%) from the date of allotment i.e. 12th April 2016.

   iv) 10.25% NCDs Series D of Rs.50 Crore are redeemable in three annual installments on 15.10.2019 (30%), on 15.10.2020 and on 15.10.2021 (40%).

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 (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 Udaipur Cement Works Ltd. (a Co-Subsidiary Company) situated at Shripati Nagar, P.O. C.F.A.-312021, Distt. Udaipur 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'2017	31st March'2016	1st April'2015
Note - 11 Other Financial Liabilities			
Financial Obligation	2,868.24	2,461.13	-
	2,868.24	**2,461.13**	**-**
Note - 12 Other Current Liabilities			
Interest Accrued But Not Due	3,861.13	2,319.16	-
Audit Fees Payable	0.45	0.23	0.13
Others Liabilities	-	-	0.06
Advance From Customer	233.97	103.85	-
VAT Payable	2.24	0.91	-
Other Expenses Payable	0.28	0.01	-
	4,098.07	**2,424.16**	**0.19**
Note - 13 Current Tax Liabilities			
Provision For Current Tax (Net of Taxes Paid)	-	-	0.01
	-	**-**	**0.01**

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

Notes accompanying the Financial Statements.

21. 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.

21.1 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 Lacs)

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	**Loans in Rupees**			
	- Fixed Rate	49,631.76	32,538.87	-
	- Floating Rate	-	-	-
	Total	**49,631.76**	**32,538.87**	-

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.

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 before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

(₹ in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Change in Basis Points	+25	+25	+25
Effect on Profit Before Tax	(124.08)	(81.35)	-
Change in Basis Points	- 25	- 25	- 25
Effect on Profit Before Tax	124.08	81.35	-

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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 Lacs)

S.No	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	**As on 31st March, 2017**					
	- Borrowings	49,631.76	-	49,631.76	-	49,631.76
	- Trade Payables	15.73	15.73	-	-	15.73
	- Other Liabilities	4,098.07	4,098.07	-	-	4,098.07
	Total	**53,745.56**	**4,113.80**	**49,631.76**		**53,745.56**
2	**As on 31st March, 2016**					
	- Borrowings	32,538.87	-	32,538.87	-	32,538.87
	- Trade Payables	100.32	100.32	-	-	100.32
	- Other Liabilities	2,424.16	2424.16	-	-	2,424.16
	Total	**35,063.35**	**2,524.48**	**32,538.87**	-	**35,063.35**
3	**As on 1st April, 2015**					
	- Borrowings	-	-	-	-	-
	- Trade Payables	-	-	-	-	-
	- Other Liabilities	0.19	0.19	-	-	0.19
	Total	**0.19**	**0.19**	-	-	**0.19**

22. 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.

(₹ in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Borrowings	49631.76	32538.87	-
Less: Cash and Cash equivalents	(7.66)	(27.28)	(1.43)
Net debt	**49624.10**	**32511.59**	**(1.43)**
Equity Share Capital	11605.00	105.00	105.00
Other Equity	2911.85	2483.10	1.03
Total Capital	**14516.85**	**2588.10**	**106.03**
Capital and net debt	**64140.95**	**35099.69**	**104.60**
Gearing ratio	77.37%	92.63%	(73.15%)

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.

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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 Lacs)

Particulars	Level 1	Level 2	Level 3
31st March, 2017 **Financial Assets** - Mutual Funds	2274.45	-	-
31st March, 2016 **Financial Assets** - Mutual Funds	731.06	-	-
1st April, 2015 **Financial Assets** - Mutual Funds	13.83	-	-

24. 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.

25. Income Tax Expense:

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

(₹ in Lacs)

Particulars	2016-17	2015-16
Current Tax	3.59	0.38
Deferred Tax (Relating to origination and reversal of temporary difference	-	-
Adjustments in respect of current income tax of previous year	0.28	-
MAT		
MAT Credit Entitlement	3.59	-
MAT Credit Utilization	-	-

26. The company has neither proposed nor declared any Dividend during the Financial Year 2016-17 (Previous Year – NIL).

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Additional KMP (Pursuant to Ind AS 24)

Shri B.V. Bhargava	Independent & Non-Executive Director
Shri N.G. Khaitan	Independent & Non-Executive Director
Shri 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

KMP of Subsidiary Company (As per Companies Act 2013)

Shri Ram Ratan Gupta	Director
Shri Ashok Gupta	Director
Shri Chiranjiv Kumar Bagga	Director
Smt Manshu Agnihotri	Company Secretary

* The Company Ram Kanta Properties Private Limited became the subsidiary from 10th Feb'2017.

(₹ in Lacs)

Nature of Transaction	2016-17		2015-16	
	JK Lakshmi Cement Ltd.	**Udaipur Cement Works Ltd.**	**JK Lakshmi Cement Ltd.**	**Udaipur Cement Works Ltd.**
Receipts :				
Clinker Sale		5,119.27		4,096.36
Cement Sale	2,564.49			
Interest on Inter Corporate Loan		5,404.19		1,784.06
Processing Fees				199.81
Reimbursement of Expenses				1,254.00
Issue of Shares	11,500.00			
Payments :				
For Purchase of Clinker & Related Expenses	8,278.18			
For Purchase of Cement & Related Expenses		2,613.55	4,128.03	
Office rent	1.86		1.73	
Inter Corporate Loan Given		17,500.00		35,000.00
Receivable/(Payable)	(262.93)	55,081.13	(100.62)	36,669.07

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A. Reconciliation of Balance Sheet as at 01st April 2015 on transition to IND AS as at 01st April 2015

(₹ Lacs)

Sl. No.	Particulars	IGAAP As at 1st April, 2015	Remeasurement	Reclassification	1st April'2015
	ASSETS				
(1)	**Non-current Assets**				
(a)	Property, Plant and Equipment	90.97	-	-	90.97
(b)	Capital Work-in-Progress	-	-	-	-
(c)	Investment Property	-	-	-	-
(d)	Other Intangible Assets	-	-	-	-
(e)	Financial Assets				
(i)	Investments	-	-	-	-
(ii)	Long-Term Loans and Advances	-	-	-	-
(iii)	Other Financial Assets	-	-	-	-
(f)	Deferred Tax Assets (Net)	-	-	-	-
(g)	Other Non-Current Assets	-	-	-	-
		90.97	-	-	90.97
(2)	**Current Assets**				
(a)	Inventories				
(b)	Financial Assets				
(i)	Investments	13.49	0.34	-	13.83
(ii)	Trade Receivables	-	-	-	-
(iii)	Cash And Cash Equivalents	1.43	-	-	1.43
(iv)	Other Financial Assets	-	-	-	-
(c)	Current Tax Assets (Net)	-	-	-	-
(d)	Other Current Assets	-	-	-	-
		14.92	0.34	-	15.26
	TOTAL ASSETS	105.89	0.34	-	106.23
	EQUITY AND LIABILITIES				
	EQUITY				
(a)	Equity Share Capital	105.00	-	-	105.00
(b)	Other Equity	0.69	0.34	-	1.03
		105.69	0.34	-	106.03
	LIABILITIES				
(1)	**Non-current Liabilities**				
(a)	Financial Liabilities				
(i)	Long-Term Borrowings	-	-	-	-
(ii)	Other Financial Liabilities	-	-	-	-
(b)	Long-Term Provisions	-	-	-	-
(c)	Deferred Tax Liabilities (Net)	-	-	-	-
(d)	Other Non-Current Liabilities	-	-	-	-
		-	-	-	-
(2)	**Current Liabilities**				
(a)	Financial Liabilities				
(i)	Short-Term Borrowings	-	-	-	-
(ii)	Trade Payables	-	-	-	-
(iii)	Other Financial Liabilities	0.19	-	-	0.19
(b)	Other Current Liabilities	-	-	-	-
(c)	Short-Term Provisions	0.01	-	-	0.01
(d)	Current Tax Liabilities (Net)				
		0.20	-	-	0.20
	TOTAL EQUITY AND LIABILITIES	105.89	0.34	-	106.23

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C. Reconciliation of Balance Sheet as at 31st March 2016 on transition to IND AS as at 31st March 2016

Sl. No.	Particulars	IGAAP as at 31st March, 2016	Remeasurement	Reclassification	31st March'2016
	ASSETS				
	(1) Non-current Assets				
(a)	Property, Plant and Equipment	89.32	-	-	89.32
(b)	Capital Work-in-Progress	-	-	-	-
(c)	Investment Property	-	-	-	-
(d)	Other Intangible Assets	-	-	-	-
(e)	Financial Assets				
(i)	Investments	-	2,461.13	-	2,461.13
(ii)	Long-Term Loans and Advances	35,000.00	-	-	35,000.00
(iii)	Other Financial Assets	-	-	-	-
(f)	Deferred Tax Assets (Net)	-	-	-	-
(g)	Other Non-Current Assets	-	-	-	-
		35,089.32	**2,461.13**	-	**37,550.45**
	(2) Current Assets				
(a)	Inventories	-	-	-	-
(b)	Financial Assets				
(i)	Investments	712.98	18.08	-	731.06
(ii)	Trade Receivables	-	-	-	-
(iii)	Cash And Cash Equivalents	27.28	-	-	27.28
(iv)	Other Financial Assets	-	-	-	-
(c)	Current Tax Assets (Net)	30.74	-	-	30.74
(d)	Other Current Assets	1,773.05	-	-	1,773.05
		2,544.05	**18.08**	-	**2,562.13**
	TOTAL ASSETS	**37,633.37**	**2,479.21**	-	**40,112.58**
	EQUITY AND LIABILITIES				
	EQUITY				
(a)	Equity Share Capital	105.00	-	-	105.00
(b)	Other Equity	3.89	2,479.21	-	2,483.10
		108.89	**2,479.21**	-	**2,588.10**
	LIABILITIES				
	(1) Non-current Liabilities				
(a)	Financial Liabilities				
(i)	Long-Term Borrowings	35,000.00	(2,461.13)	-	32,538.87
(ii)	Other Financial Liabilities	-	2,461.13	-	2,461.13
(b)	Long-Term Provisions	-	-	-	-
(c)	Deferred Tax Liabilities (Net)	-	-	-	-
(d)	Other Non-Current Liabilities		-	-	
		35,000.00	**0.00**	-	**35,000.00**
	(2) Current Liabilities				
(a)	Financial Liabilities				
(i)	Short-Term Borrowings				
(ii)	Trade Payables	100.32	-	-	100.32
(iii)	Other Financial Liabilities	-	-	-	-
(b)	Other Current Liabilities	2,424.16	-	-	2,424.16
(c)	Short-Term Provisions	-	-	-	-
(d)	Current Tax Liabilities (Net)	-	-	-	-
		2,524.48	-	-	**2,524.48**
	TOTAL EQUITY AND LIABILITIES	**37,633.37**	**2,479.21**	-	**40,112.58**

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E. Reconciliation of Statement of profit and loss for the year ended 31st March'2016 on transition to IND AS as at 31st March'2016

(₹ Lacs)

Sl. No Particulars	IGAAP 2015-2016	Remeasurement	Reclassification	2015-2016
I. Revenue From Operations	3,424.33	-	454.96	3,879.29
II. Other Income	2,373.69	17.74	-	2,391.43
III. Total Income (I+II)	5,798.02	17.74	454.96	6,270.72
IV. Expenses :				
a) Cost of Materials Consumed	-	-	-	-
b) Purchases of Stock-in-Trade	3,389.18	-	-	3,389.18
c) Change in inventories of finished goods, work-in-progress and traded goods	-	-	-	-
d) Employee Benefits Expense	36.63	-	-	36.63
e) Finance Costs	2,319.17	-	-	2,319.17
f) Depreciation And Amortization Expense (Net)	3.19	-	-	3.19
g) Excise Duty	-	-	454.96	454.96
h) Other Expenses	46.27	-	-	46.27
Total Expenses (IV)	5,794.44	-	454.96	6,249.41
V. Profit Before Exceptional Items and Tax (III-IV)	3.58	17.74	-	21.32
VI. Exceptional Items	-	-	-	-
VII. Profit/(Loss) before Tax (V-VI)	3.58	17.74	-	21.32
VIII. Tax Expense				
(1) Current Tax	0.38	-	-	0.38
(2) MAT Credit Entitlements	-	-	-	-
(3) Deferred Tax	-	-	-	-
(4) Tax Adjustments for Earlier Years	-	-	-	-
Total Tax Expense (VIII)	0.38			0.38
IX. Profit / (Loss) for the Year	3.20	17.74	-	20.94
X. Other Comprehensive Income	-	-	-	-
XI. Total Comprehensive Income For The Year (IX+ X)	3.20	17.74	-	20.94
XII. Earnings Per Share: Basic & Diluted				1.99

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 16th May, 2017

(WTD, CFO & Company Secretary)