



JKLC/SECTL/REG. 34/16  
19<sup>th</sup> September 2016

BSE Limited  
DCS-Listing Department  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Security Code No. 500380

National Stock Exchange of India Ltd.  
"Exchange Plaza"  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai – 400 051  
Symbol: JK LAKSHMI, Series EQ

Dear Sir,

**Re: Annual Report for the Financial Year 2015-16**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith Annual Report for the Financial Year 2015-16 ending 31<sup>st</sup> March 2016, as approved and adopted by the shareholders of the Company in the Annual General Meeting held on Wednesday, 7<sup>th</sup> September 2016 at the Registered Office of the Company at Jaykaypuram- 30179, Basantgarh, Dist. Sirohi, Rajasthan.

Kindly take the above on record.

Thanking you and assuring you of our best cooperation at all times.

Encl:a.a.

Yours faithfully  
For JK Lakshmi Cement Ltd.

(B.K.Daga)  
Vice President &  
Company Secretary



Admn. Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi 110 002; Phone: 33001142 / 33001112; Fax: 91-011-23722251/ 23722021;

E-Mail: jklc.customercare@jkmail.com; Website: www.jklakshmi.com, C I N L74999RJ1938PLC019511

Regd. & Works Office: Jaykaypuram, Distt. Sirohi, Rajasthan; Phone: 02971-244409/ 244410; Fax: 02971-244417; E-Mail: lakshmi\_cement@lc.jkmail.com



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ANNUAL REPORT 2015-16

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## CONSTRUCTING THE FUTURE

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Future is not something that is bestowed on us,  
but it is a dream that we fructify.  
Future is not a place where we are going to be...  
Future is what we construct it to be!



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## TODAY'S HARD WORK WILL REFLECT TOMORROW

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At JK Lakshmi Cement, we believe in putting immense efforts in present moments so to make every next moment gratifying. This year we redefined some of our fundamentals with a fresh perspective. We take pride in being the imperative part of every erected column, set cornerstone and laid foundation.

It thus becomes our responsibility to be strong enough to deliver the finest quality offerings to the customers by fine tuning the systems & processes that are self-sufficient to construct their own future.



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## ACCELERATING BUSINESS COMPETENCIES

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Constructing the future is complex. Hence, this year we prepared ourselves with operative strategies leading towards positive business outcomes. Tougher got the external environment, the more passionate our response became. Our passion towards continuous improvement became our driving force as we had proactively enhanced capacities and invested in creating cutting edge plant and grinding units. We focused on spreading our geographical reach by successful expansion in eastern markets and simultaneously tightening the grip in our existing markets.

JK Lakshmi Cement has always looked ahead at innovative trends and indicators. We reached out to our customers with traditional face to face approach and also leveraged digitisation for reaching out to new customers. This year, we re-visited our plans and processes and re-defined success parameters based on them. Increased engagement of sales team through various marketing initiatives effectively supported by operational efficiency and innovative manufacturing practices has made us future ready.

With all this and its pursuit of constant value creation, JK Lakshmi Cement is all set to construct the future.

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# CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



*Bharat Hari Singhania*

**Bharat Hari Singhania**  
Chairman & Managing Director

By the time you will be reading this message to the stakeholders of JK Lakshmi Cement, the monsoon would have sufficiently progressed all over the country. Much of the economy as well of the industry's hopes are pinned on a good, above normal monsoon, after two successive years of drought, which has seen large parts of the country battling severe water scarcity, adversely impacting construction and agriculture both. A good monsoon will provide the necessary trigger for the nation and economy to take off on the path of sustained growth.

At more than 7% rate of annual GDP growth, India is already amongst the fastest growing large (more than a trillion \$) economy in the world. Inflation rates are under control and so are the consumer as well as wholesale prices. Government priority projects such as Housing for All, Smart Cities, Inter-linking of Rivers, AMRUT, Swachh Bharat, development of inland water ways for transportation, highway & port development, etc. are steps in right direction.

As of now your company is well on its way to complete all major growth related capital investments, as planned, by end of FY 2017. Integrated cement plant at Durg started commercial production in FY 2016 and has reached almost full capacity utilisation in less than a year. The 1.35 Million Tonnes PA grinding unit at Surat, Gujarat has just been commissioned towards the end of FY 2016 and is in the process of stabilisation. Another major capital expenditure at our subsidiary, Udaipur Cement Works Ltd. at Udaipur is well progressing and shall be operational in this year. With the completion of these major projects and with some small investments to enhance productivity in other locations, our present growth journey involving a total capital investment of almost Rs. 3000 Crores shall be completed. It shall take the combined cement capacity at all locations to almost above 13 Million Tons PA. It is going to be a new milestone for all of us and I congratulate and thank all my colleagues for bringing your company in this elite league.

In last few years the growth in demand has been subdued and the pace of new capacity additions has also slowed down. Yet at the aggregate level the industry capacities are still 25% – 30% more than the demand as of now. In the short run, such excess capacities have created pressure on prices and have eroded the margins across the industry including that of your company. At the same time it has also challenged the industry to consolidate, cut costs, improve efficiencies, be more productive, innovate, and learn to get going against all odds. Your company has already been doing well on all of these fronts; even though the financial results of FY-16 do not reflect its true potential due to subdued market conditions, which have prevailed in most parts of the markets in which we operate. Additionally the company has to bear the increased financial costs associated with a new Greenfield capacity and the pangs of stabilisation for a new plant.

Due to conditions as mentioned above, the year has seen a number of consolidations and mergers taking place in the industry. I feel, consolidation is good for such highly fragmented industry and we will see more of this in coming years. Your company has strategically chosen path of organic growth and I am sure this will stand us in good stead in times to come.

It is now time for us to consolidate and plug the gaps, if there are any, in our strategies; which are largely centered around further improving operational efficiencies and creating more value for our customers through innovation, and embracing latest technologies. Time has come, now to reap the benefits of the seeds of growth that your company has painstakingly sown in last few years and extract full benefits to optimize maximum returns for our stakeholders and prepare ourselves for the next phase of quantum growth.

Returning back from where I began my message, a good monsoon is expected to revive rural demand for housing as well as demand in urban centers and create more jobs. The Indian economy which is already growing at 7-8% PA could reach even higher growth rate and sustain the momentum for next few years. As India rises and is being recognised globally; your company too is on the path of marching ahead to be amongst the best in the industry. With this leap of faith in our future, I thank all my stakeholders for their continued support.

# BOARD OF DIRECTORS

## BHARAT HARI SINGHANIA

Chairman & Managing Director

## VINITA SINGHANIA

Vice Chairman & Managing Director

B. V. BHARGAVA	DR. RAGHUPATI SINGHANIA
N. G. KHAITAN	RAVI JHUNJHUNWALA
K. N. MEMANI	PRADEEP DINODIA
DR. S. CHOUKSEY Whole-Time Director	S. K. WALI Whole-Time Director

## COMPANY SECRETARY

BRIJESH K. DAGA

### REGISTERED OFFICE

Basantgarh, Jaykaypuram,  
District Sirohi, - 307019 (Rajasthan)

### ADMINISTRATIVE OFFICE

Nehru House, 4, Bahadur  
Shah Zafar Marg, New Delhi-110002

### CEMENT PLANTS

- I. Basantgarh, Jaykaypuram, District Sirohi - 307019 (Rajasthan)
- II. Malpuri Khurd, Ahiwara, District Durg - 491001 (Chhattisgarh)
- III. Motibhoyan, Kalol, District Gandhinagar - 382010 (Gujarat)
- IV. Village Bajitpur, P.O. Jhamri, District Jhajjar - 124507 (Haryana)
- V. Village Dastan, Taluka Palsana, District Surat - 394310 (Gujarat)

### AUDITORS

Lodha & Co.,  
Chartered Accountants

### BANKERS

State Bank of India  
Punjab National Bank,  
IDBI Bank Ltd.,  
Central Bank of India,  
Axis Bank Ltd.,  
Indian Bank

### TRANSFER AGENTS

MCS Share Transfer Agent Ltd.,  
F-65, First Floor, Okhla Indl. Area,  
Phase 1, New Delhi-110020  
Ph: (011) 41406149-52  
Fax No: (011) 41709881  
E-mail: admin@mcsdel.com

# VICE CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



*Vinita Singhania*

**Vinita Singhania**  
Vice Chairman & Managing Director

The year gone-by could very well be counted as one amongst the most challenging years the industry has faced in nearly one decade, especially so in the company's operating space.

For the major part of the year, the industry witnessed either stagnant or at best sluggish demand growth. It was only in the fourth quarter when the demand began to look up. The adverse supply demand situation had its impact on the cement prices and consequently on the profitability.

Your company which has shown its resilience and ability to rise to the occasion in the past, took these adverse situation as an opportunity to further enhance its overall capabilities and after three difficult consecutive quarters, it bounced back by the fourth.

Team JKLC worked relentlessly in the areas of cost reduction, rapid optimization of the new capacities and bringing in new products to shore up its brand positioning further. As a result of these measures, company could achieve an impressive growth of 23% in its volumes and could achieve almost 100% capacity utilisation of the Phase I of its Greenfield project at Durg in fourth quarter of the very first complete year of the operation. It is a matter of satisfaction that company has been able to reach a decent market share in its home markets in a short span of time based on the quality of its products, service levels and innovative marketing techniques.

Company's efforts were not just confined only to the newer markets which it entered last year consequent to commissioning of its Greenfield capacity in Chhattisgarh, it made further progress even in its existing markets through bringing in newer products and newer initiatives of consumer connect. In these markets too, company could curtail its logistic costs and better its market share in the profitable segments.

Be it the success in the operational spheres or in its branding efforts or in adoption of latest IT tools, I ascribe these to the commitment and dedicated involvement of people. I am a strong believer in people, their capabilities, and their motivation to accomplish even seemingly very difficult goals. The company therefore continues to lay strong emphasis on the development of its human resource, irrespective of the situation on the ground. Your company also continues to equally lay considerable focus on the development and upliftment of the eco system where we operate. Its social responsibility initiatives have yielded significant benefits to the society nearby and company continues to tread the path.

I continue to be greatly optimistic that the growth oriented programs & policies of the government in general and more specifically in the areas of infrastructure, housing, agriculture, water supply & sanitation, urban development etc. would all lead to quantum growth in cement demand. The industry has sufficient capacity to meet the surge in the demand arising out of the increasing momentum in these activities. Company's expansions too have been timed to meet the possible burgeoning of demand. We, in fact, would not be shying away from creating further capacities in a short span of time if the needs of the nation so demands.

I thank all our stakeholders and especially our team members, our customers, our vendors, our distribution channel partners, etc. – all our people for their continued faith in us.



**A solid foundation  
for strong future**



**Inauguration of Durg plant by CMD**



**Dr. S. Chouksey (WTD) elected as  
the President of CMA**

**Recognition of  
leadership**

**Symbol of strong  
bonding with customers**



**JK Lakshmi PRO+ chosen as Most Trusted  
Cement Brand in Chhattisgarh**



A view of Surat grinding unit

**Futuristic and technologically advanced manufacturing facilities**

**Exemplifying the leadership**



First ever National Conference on Cementitious Materials organised by JK Lakshmi Cement



Health check up camps "Sanjeevani" for masons and their families

**Serving to the society for a healthy future**

## FUTURE READINESS BY EXCEEDING EXPECTATIONS

**The approach this year was focused towards the completion and consolidation of all our new and existing projects. The frantic pace and enhanced operational efficiency is helping us to maintain our competitive positioning and to meet the emerging demand of cement for building the nation.**

JK Lakshmi Cement takes pride in announcing the completion of its yet another project - a 1.35 Million MT grinding unit at Surat. The project was developed keeping in mind the Lowest Carbon Footprints during the planning stage. The new plant has been installed with multi-compartment silos to cater customised cement requirements of the customers.

To minimise the carbon footprint, various bold initiatives have been taken; use of materials like Cement Precast or Profiled Sheets to cover plant buildings, Cement Concrete Roads were replaced by Paver Blocks, and only Waste Derived Construction material like Bricks, AAC Blocks, etc. were used.

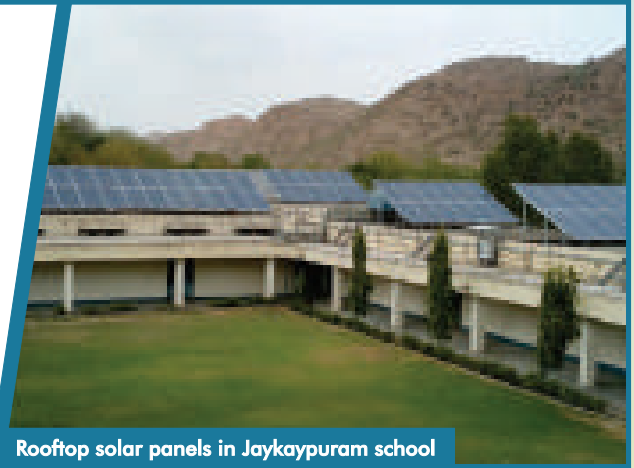
Other project works at Udaipur and Odisha are also running as per schedule. Engineers at JK Lakshmi Cement, achieved yet another milestone by taking the newly commissioned Durg plant to its targeted capacity within a month's time. Within no time the mill capacity was also increased by around 20% on sustainable basis.



Modifications done at Durg plant

## LOWERING CARBON FOOTPRINTS

Concerned with the deteriorating environment, the Company has started giving special emphasis on reducing carbon footprints. To minimise carbon footprints, the Surat unit was constructed using only the Waste Derived Construction Material like fly ash bricks/paver block, AAC Blocks, etc. Similarly, to meet out the electricity requirement of the school (within factory premises), organisation has decided to resort on clean & renewable energy source i.e. rooftop solar panel system. This system will reduce 25 Tons of carbon footprints per year.



Rooftop solar panels in Jaykaypuram school



Automatic bag placer

## ENHANCING EFFICIENCY THROUGH INNOVATIVE MEASURES

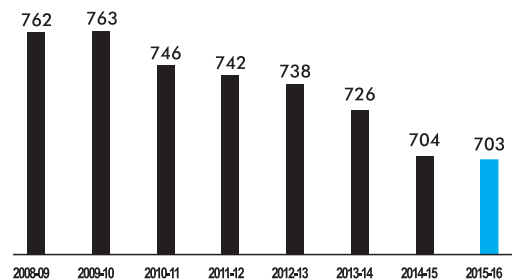
Enthusiastic team of engineers at Kalol have increased their plant capacity by 20% at marginal expenditure.

Along with increasing capacity, Kalol team also developed fully automatic unmanned weigh-bridge, auto truck loader & automatic bag placer. All these projects with meagre expenditure have increased the loading capacity by around 25%. Jharli plant also increased the capacity of its AAC block manufacturing plant by 25% beyond the rated capacity, with marginal expenditure.

## IMPROVING OPERATING PARAMETERS AT OUR OLDEST PLANT

The oldest plant at our Jaykaypuram has been embedded with innovative solutions to increase the productivity while conserving power. Modification in VRM & Coal mill has increased the productivity by 4% and 6% respectively. Improvement of process and proper utilisation or recycling of the spares have been helping the old plant to remain cost competitive in comparison to the newer plants.

Major Performance Indicators  
Fuel Consumption (K.Cal./Kg. of Clinker)



Surat plant constructed with green materials

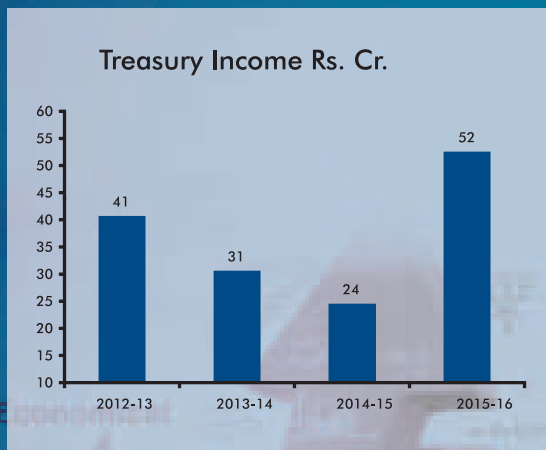
# PLANNING TOWARDS PROSPERITY

We believe financial management is an essential ingredient of business success. It not only helps maximise the value of the firm but also enable firm to supply better product to its customers at competitive prices and provide greater return to investors. Our financial planning for this year has been facilitated among all these functional areas of the firm and generated better outcomes.

## FINANCIAL MANAGEMENT

Finance is the life blood of any business organisation and efficient financial management is a key driver to success for any growing business organisation.

Efficient financial management not only means that finances are raised at the lowest possible rates, but also connotes the available treasury corpus is deployed in instruments to get high returns.



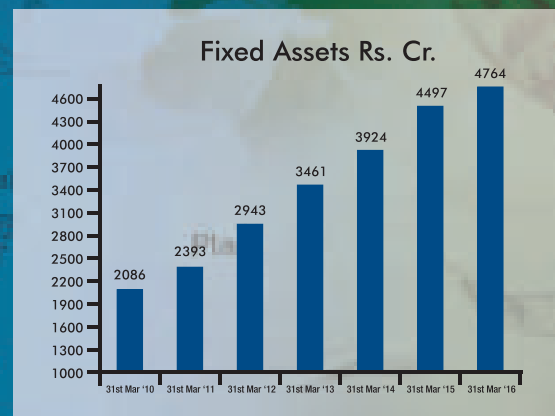
The Company has been able to consistently bring down its cost of borrowing over the years. Today company's long term loans are carrying interest rates close to the average base rates of the banks. The treasury funds are judiciously been deployed in tax efficient instruments in a manner that the pre-tax returns from these instruments are higher than the cost of borrowings. During the Financial Year 2015-16, the treasury income was Rs. 52.47 Crore on which the tax out-go was only Rs. 4.26 Crore.

## FINANCIAL LEVERAGE

The Company has embarked upon a journey of doubling its cement capacity from 6 Million tonnes in Financial Year 2014 to about 12 Million tonnes (excluding capacity of UCWL) by next Financial Year. This stupendous growth has been funded through a judicious blend of Company's own Internal Accruals and Long-term borrowings without diluting the equity.

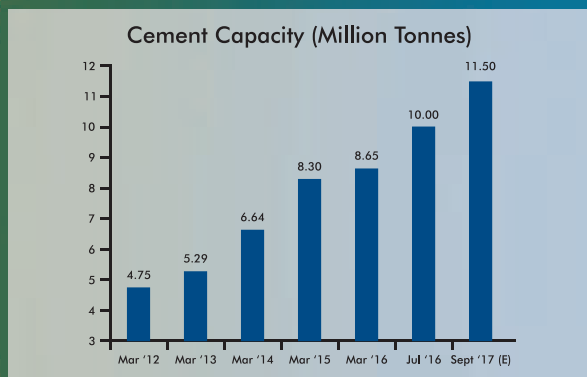
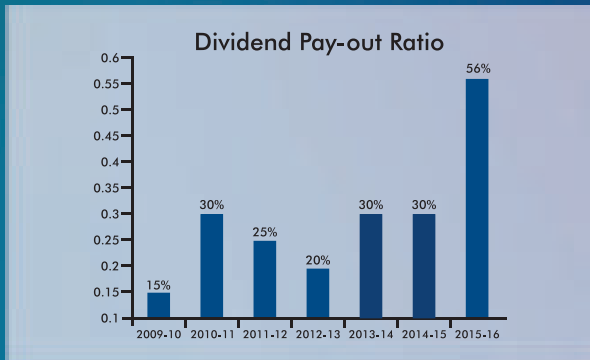
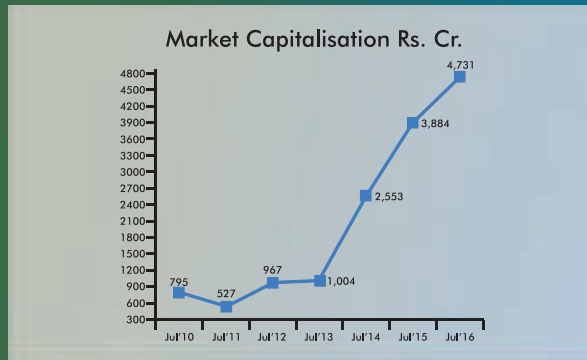
The Company having almost completed its journey of doubling the capacity to 12 Million tonnes, the Debt-Equity Ratio has peaked to 1.44 times as of March, 2016. Going forward the Company plans to consolidate the financial position and focus on deleveraging the Balance Sheet before embarking on fresh Brownfield expansions.

In this journey of the growth, the Company has created adequate scope for further expanding its capacity from 12 Million tonnes to about 20 Million tonnes over the next 4-5 years primarily through Brownfield expansions within the Company and also in its subsidiary company.



## SHAREHOLDERS WEALTH MAXIMISATION

Maximisation of Shareholders' Wealth has been one of the focused agenda of the Company. Over the years, the Returns to the Shareholders as measured by Total Shareholders Return (TSR) has been continuously growing through consistently high dividend payout as also Capital Market Appreciation. The Market Cap of the Company has grown by over 3.50 times from Rs. 1000 Crore Market Cap in July, 2013 to over Rs. 4500 Crore by July, 2016.



## COST COMPETITIVENESS

The Company's operating parameters in terms of Power & Fuel consumption continues to be one of the best in the industry. Even at the Greenfield Cement Plant set up by the Company at Durg in Chhattisgarh, the Company has been able to match efficiency parameters within the first full year of its operation. The capacity utilisation of the Company continues to be consistently better than the industry average as also than that of the other players operating in our marketing zones.



Mr. S.A. Bidkar (CFO) and Sr. executives are sharing company's strategic business goals with the team

## CUSTOMER FIRST. TODAY, TOMORROW, ALWAYS

In a country where customers are becoming increasingly discerning, loyal customers are the biggest asset of an organisation. To reach them in every possible way, satisfy them with superior product & services, gather their valuable feedback and take every step for retaining them is our philosophy. Our future readiness stems from our customer centric culture.

### CREATING CUSTOMER DELIGHT: PRODUCT PORTFOLIO EXPANSION

After the successful launch of JK Lakshmi PRO+, we raised the bar by launching a premium offering - JK LAKSHMI PLATINUM Portland Slag Cement with 10+ benefits. Positioned as "Platinum. Premium. Priceless.", product is nothing but an outcome of our obsession to provide superior and quality products.

In our endeavour to be a complete building solutions provider, we introduced a host of value added products in our range like Dry Mix Mortar and a new variant of one coat gypsum plaster (GypGold). We pioneered the concept of machine sprayable gypsum plaster in India. Under JK Lakshmi Powermix, a ready-mix concrete, we introduced few grades of special value added concrete like Self Compacting Concrete, Light Weight Concrete and Fibre Mix Concrete. These new-age products are result of our consistent efforts to cater to the smarter construction requisites of our customers.



PLATINUM launch in Odisha



PRO+ launch in Gujarat





Knowledge sharing session at Chandigarh



Motivation lecture for channel partners

### CHARTERING THE NEW TERRITORIES: GEOGRAPHICAL EXPANSION

It is indeed an achievement for which team JK Lakshmi is feeling proud that within a year of commissioning of the Durg Plant, we not only have spread our reach in the Eastern markets like Chhattisgarh, Odisha, West Bengal, Vidarbha, Bihar & Jharkhand but also have achieved 100% capacity utilisation by the last quarter. Chhattisgarh particularly is a success story, where JK Lakshmi PRO+ got established as second best brand with premium brand image in a short span of time. A combination of innovative branding, consumer engagement practices and proactive service to trade customers made this possible.

Footprints of JK Lakshmi PRO+ were also expanded in our existing markets of Rajasthan, Gujarat & M.P. and within a matter of no time, it has gained both mind and market share in premium cement brand category.



Consumer campaign during Rath Yatra



Technical van at the site

### GOING CLOSER TO CUSTOMERS: CHANNEL EXPANSION

We constantly aim to adapt innovative measures to ensure ease of access for our customers. E-commerce medium has proven to be one of the most effective ways to reach out to potential customers. Keeping pace with changing times, JK Lakshmi Cement tied up with Snapdeal and became the first in the industry to foray in online selling of a multiple basket of products across various geographical states while others were restricted to particular state or city.

In addition to this, customer service methods were revolutionised by Techno-marketing team which has spared no efforts in reaching out to end users. With the help of road shows and large scale on-site demonstration, Team JK Lakshmi Cement, is able to educate the end users about the proven superior benefits over competitors. These drives resulted in immediate site conversions, deeper penetration and superior brand awareness.



Consumer connect campaign at Gujarat





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## THE CARING CULTURE FOR CONSTRUCTING THE FUTURE

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Our core HR values permeate every nook & corner of the Company. At every level of the organisation we promote care, trust, teamwork, mutuality and meritocracy. Indeed, these values form “the caring culture” within our organisation. Our sustained focus and best-of-the class HR practices have strengthened a culture, in which caring for each other is inbuilt.

### AN ORGANISATION ITSELF IS A PLACE OF PERSONNEL GROWTH

We recognise that over the course of employment, it is important to provide employees with ongoing education through various types of training be it in-bound or out-bound.

Many Out-bound Training programs were organised for better bonding among the officers. These programs comprised of psychometric assessments like Thematics Apperception Test, Situation Reaction Test, Word Association Test, Behavioural Event Interview, Case Study, Two Minute Speech & Team Building Games.

Along with this, participation in quality circles too brought laurels. Employees from various plants have won gold medals and par excellent awards at national quality levels.

### EQUIPPING TODAY'S EXECUTIVES TO BECOME FUTURE LEADERS

Specific employee training requirements are identified and the building process of employees' competencies begins, to help them increase their knowledge and heighten their awareness of the managerial skills. We have implemented fast track process of identifying internal talent through specific programs like SPARK for plants and SAMEEKSHA for marketing, where lower level managers are identified from various departments and selected for a training & examination to empower them grow to senior levels. The participants were facilitated for being a part of the initiative which comprised of developmental inputs followed by in house assessment of the participants.



Training program in action

**ENGAGEMENT WITH OUR PEOPLE**

Employees accredited with quality awards



Family get-together function



Employees celebrating Independence Day



Employees enhancing physical skills



Celebrations in office



Indoor activities



Fruitful workshops



# ENVISIONING HAPPY SOCIETIES

**An organisation breathes in a society and draws on societal resources. It is our belief that an organisation should not let any criteria dwarf its social responsibility and instead create a multiplier impact on the society it dwells.**

## EMPOWERING RIGHT TO BE HEALTHY

A healthy mother bears a healthy child. The organisation contributed to a great extent for mother and newborn's health through its initiative - Naya Savera. It is an integrated family welfare program which has brought tremendous results this year as well. Mother/infant mortality rate has substantially decreased, the institutional deliveries and full immunisation of mother and child also kept a good pace. This continued to be in 35 villages and 55 hamlets covering population of around 1 lakh.

The organisation initiated around 700 health camps covering around 15,000 number of people. In addition to this, more than 5000 camps focusing diabetes awareness, cardiac care, gynaecological problems, eye care, blood donation, AIDS awareness and care for differently-abled students, were organised. These camps have benefited more than 94,000 patients.

As there is no dearth of health issues in our country, JK Lakshmi Cement too has no dearth of

effective solutions. For the well being of people, the company undertook more than 30 HIV/AIDS awareness workshops covering 1622 people. Also, a dental check-up for school children in 10 government schools benefiting 3500 students was undertaken last year.

Recognising the deep rooted issues crawling in the villages causing health hazards, the organisation provided 1100 smokeless cooking stoves at subsidised rates to villagers near Jaykaypuram, Kalol & Jharli plants replacing the traditional dangerous mouth blowing Chulhas.

For the healthcare of girls, the organisation primarily took to its call for the maintenance of toilets in schools. More than 500 IHHLs were constructed this year and 21 girls toilet equipped with sanitary napkin vending machine & incinerator in govt. schools were renovated & constructed. Going forward with the aim of girl's health care, Sanitary Napkin Machines have been installed in nearby villages at Durg, Jharli & Jaykaypuram Plant.



Organising blood donation camp



Demo of smokeless chulha



Dental check-up camp



## EDUCATION, BUILDING BLOCKS OF FUTURE NATION

The organisation recognises education as one of the building blocks of any nation and consider it as its priority. Young minds contribute to the nation's development and we believe in nurturing them. Realising this, a number of initiatives have been undertaken like 43 Adult Literacy centres were started with 885 admissions of nearby villagers. We have provided supplementary teachers in govt. schools and assisted over 120 dropout students last year to get re-admissions in various govt. schools. We also helped tribal students in getting hostel accommodation for pursuing higher studies.



Literacy centre in action



Sewing training centre

## SUSTAINABLE LIVELIHOOD FOR SUSTAINABLE TOMORROWS

We believe in actively contributing to the social and economic development of the communities in which we operate. We aim to equip each member of these communities to be self-sustained and get a livelihood. In line with this, 263 females were provided with sewing training and 180 SHG were formed & company helped them to generate additional income by providing them training in the areas like stitching & embroidery, broom, paper plate/dona, cushion making, etc.

## EQUIPPING THE MASONS WITH SKILLSET

Masons are integral part of our business and therefore we ensure their well-being and other requisites. We initiated 126 Medical health check-up camps for masons & their spouses benefiting over 5000 people covering 11 states. We encouraged masons for individual entrepreneurship, and organised Mason Skill Upgradation Training conducted at Chhattisgarh, Odisha and Rajasthan through renowned institutions specialising in this area, benefiting more than 500 Masons.



Training program for Masons



Piau



Pratibha Samman Samaroh at Jaykaypuram



Zhola library



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# AWARDS & RECOGNITIONS GALORE

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With many milestones achieved, JK Lakshmi Cement, over the years has kept its path of success growing. Be it corporate excellence where the company engages in best practices, its quality driven products or its CSR endeavours, the organisation has always been at the forefront.

These recognitions reinforces our well established reputation and more importantly encourages us to continue with similar poise in the future.

**Jaykaypuram Plant:  
International  
Safety Award 2015**



**Kalol Plant:  
Green Co Silver  
Award and  
Certification 2015**

**Durg Plant:  
Global CSR Excellence  
& Leadership Award**



**Jharli Plant:  
National Safety  
Award 2015**



**PC Quest Best  
IT Implementation  
Award 2016**



**"Make in India"  
Award for Excellence**



**NCCBM Energy  
Excellence Award**

**GreenPro Certification  
for JK Smartblox**



**CII Industrial  
Innovation Award**



# INDIA, AB SOCH KARO BULAND.



**JK LAKSHMIPLAST**  
PLASTER OF PARIS

**PLASTER OF PARIS**

- SUPERFINE PLUS
- CRACK FREE
- EXCELLENT ADHESIVENESS
- SNOW WHITE

Quality Products from the House of JK Organisation

- JK LAKSHMI CEMENT
- JK LAKSHMI READY MIX CONCRETE
- JK FIBRE • JK PAPER • JK



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

The Directors have pleasure in presenting the 76th Annual Report together with the Audited financial statements of the Company for the financial year ended 31st March 2016.

### FINANCIAL RESULTS

	₹ in Crore	
	2015-16	2014-15
Sales & Other Income	<b>2999.63</b>	2596.69
Profit before Interest & Depreciation	<b>330.41</b>	377.66
Profit before Depreciation	<b>138.11</b>	286.92
Profit after Tax	<b>6.28</b>	95.60
Transfer from Debenture Redemption Reserve (Net)	<b>1.91</b>	7.19
Surplus brought forward	<b>179.81</b>	130.46
<b>Amount available for appropriation</b>	<b>188.00</b>	233.25
Appropriations		
- Dividend (incl. tax on Dividend)	<b>3.54</b>	28.32
- General Reserve	-	25.12
Surplus carried to Balance Sheet	<b>184.46</b>	179.81
	<b>188.00</b>	233.25

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.25 per Equity Share of ₹ 5 each (5%) for the year ended 31st March 2016. The Dividend outgo would amount to ₹ 3.54 crores (inclusive of Dividend Distribution Tax of ₹ 0.60 crores). The Dividend subject to approval at the AGM on 7th September 2016 will be paid to those Shareholders whose names are borne on the Register of Members of the Company as on the date of book closure for the AGM.

### PERFORMANCE

The Company's performance during the Financial Year 2015-16 has been satisfactory in terms of better capacity utilization at 82% as against the Industry average of 66%.

The Company has been able to increase its Production and Sales by 26% and 23% respectively. The Company continues to be one of the least cost producers and has laid great emphasis on cost optimization at all levels. Its fuel consumption was at 76 Kg/Tonne in FY 2015-16 as against 81 Kg/Tonne in the previous FY 2014-15.

The Durg Plant has performed satisfactorily in the very first full year of its operations and achieved 104% capacity utilization in the last quarter of FY 2015-16. Company has become a third largest player in Chhattisgarh market in a short span of time.

During the year, the Company witnessed a sharp fall in the cement prices in most of its markets. Consequently, its sales realisation too registered a steep decline. As a result, despite a good volume growth of 23%, turnover of the Company rose by only 16% from ₹ 2596.69 Crore to ₹ 2999.63 Crore. The Company's Operating Profit was lower at ₹ 330.41 Crore as against ₹ 377.66 Crore in the previous year. Besides substantially lower prices, the Company's profitability got impacted due to the additional burden of interest and depreciation relating to commissioning of the first phase of the integrated Greenfield Cement plant at Durg. After recognizing Deferred Tax Assets, the Company's Net Profit stood at ₹ 6.28 Crore as against ₹ 95.60 Crore achieved in FY 2014-15.

### PROGRESS OF THE PROJECTS & EXPANSIONS

Durg plant, commissioned last year, has been fully operational. Work of split grinding unit at Surat got completed in March 2016 and trials are going on. This will add 1.35 million tonnes to the total capacity of your Company. Work at Orissa Grinding Unit is also progressing gradually. Project related to setting up clinkerization facility at the Company's Subsidiary, Udaipur Cement Works Ltd. (UCWL) is expected to be completed by Q4 of FY 2016-17. Company's total capacity which stood at 8.6 million tonnes as at end of March 2016 is expected to grow to about 11 million tonnes besides 1.6 million tonnes of UCWL by March 2017.

### INDUSTRY SCENARIO

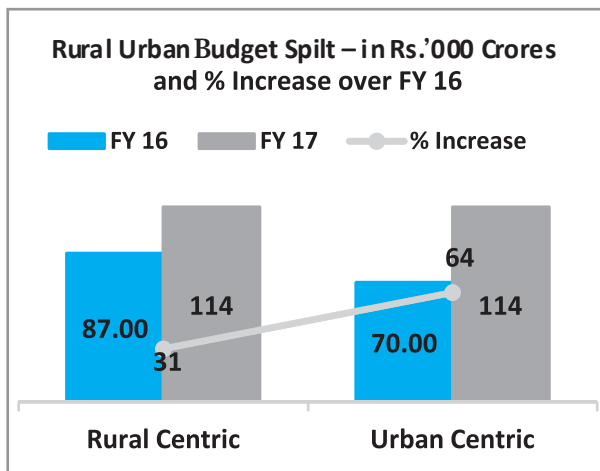
The Cement Industry, currently having a capacity of more than 400 million tonnes per annum is gradually moving towards consolidation. The leading 4 players on all India basis as well as on regional basis account for about 50% of the total capacity as also the market share. Cement business being capital intensive with longer gestation period and investment cycles, consolidation helps the industry to meet Nation's emerging needs in orderly fashion and in time.

We expect that the new capacity additions shall be considerably lower, may be, less than 5% per annum, over the next few years thereby narrowing the existing large supply-demand imbalance.

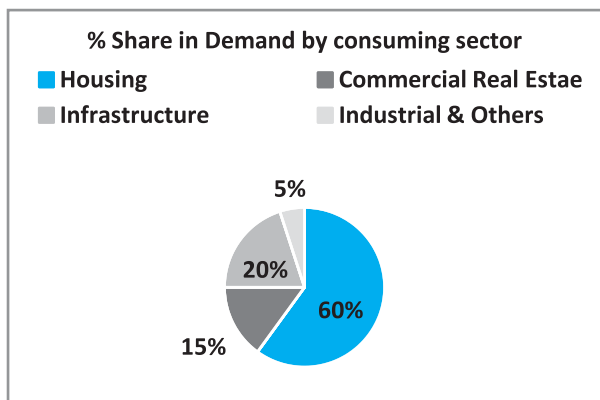


## OPPORTUNITIES

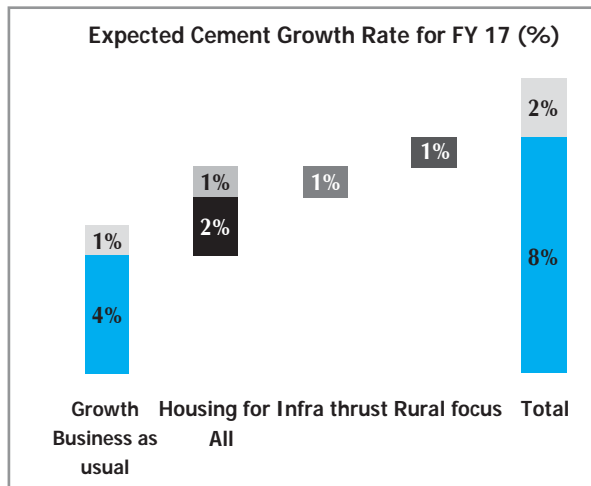
In the year 2015, India for the first time in its recent history, surpassed China to emerge as top FDI destination in the world. It attracted more than 40 Billion US \$ of investment during April to December 2015. With the Indian economy growing at current pace and with other favorable micro indicators such as inflation, budget & trade deficit, exchange & interest rates, growth of non-food credit etc., there are huge expectations of significant turn-around in the industry fortunes in FY 2016-17.



The Prime Minister in the recent past has laid considerable emphasis on the schemes and policies such as 'Smart Cities', 'Swacch Bharat', 'AMRUT' and most ambitiously 'Housing for All by 2022'. These schemes when fully implemented are expected to revive the cement consumption all over the country. Further, increase of 46% in the budget allocations for infrastructure segment in the Union Budget for FY 17 and the emphasis being laid by the present Government on the Highway Projects and Concrete Roads Construction augurs well for cement consumption in all 4 key segments viz. Housing, Infrastructure, Commercial Real Estate and Industry, on a sustainable basis.



These initiatives will help to absorb the excess capacity to the extent of 40 to 50% in certain regions and above 25% for the country on the whole.



The last quarter of FY 2015-16 has seen some upsurge in cement demand in certain pockets of the country with corresponding improvement in prices and margins. With the expectations of overall GDP growth of above 7.5%, the Industry is hopeful of seeing at least 8% growth in cement demand in the FY 2016-17 with a possible 2% upside on account of the policies and schemes announced by the Government.

## THREATS & CHALLENGES

The continued imbalance in the cement demand and supply has led to considerably lower sales realization. Fresh increase in the cost by way of mandatory contribution of 30% of royalty on limestone to District Mineral Foundation (DMF) and the rising cost of power, has resulted in substantial shrinking of EBITDA margins. The capital cost of the new capacities additions, is also expected to go up due to higher cost of acquisition of new mining leases and land. With current capital cost of approx. ₹ 750 Crores required to create a fresh 1 million tonne per annum cement capacity, the industry needs considerably higher EBITDA margins for a sustained growth of the industry.

## STRATEGIC IMPERATIVES & OUTLOOK

With the industry experiencing a certain structural changes in terms of consolidation, cost economics, demand patterns and increasing barriers for new capacity additions, etc., the strategy can no longer be singularly focused on investing to create more capacities for growth. It is imperative for the Company to adopt a short term, a medium term and a long term vision to remain relevant and competitive in the industry.

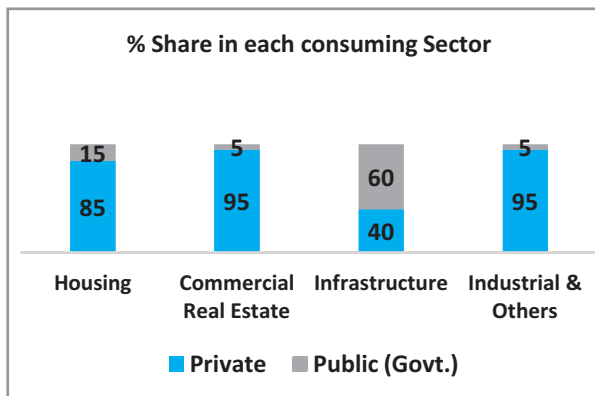
The Company having already made substantial investments in building capacities, the immediate short term focus now shall be on meaningful absorption of such capacities and

further improving all round operational efficiencies. With the expected improvement in the cement prices, it is hoped that the Company will achieve better operating margins and profitability on a sustainable basis over the next few years.

In the medium term, the Company shall strive to consolidate on market share and to further raise brand positioning through introduction of premium and differentiated value added products, among others.

Our premium Cement Brand Pro+, which was introduced in October 2014 in existing market, has been well accepted and achieved stable and sustainable volumes. Another premium Cement brand, namely, "Platinum" was launched in the East last year which has also evoked satisfactory response.

Keeping in mind changing construction practices, efforts are being made to create more value added products and services which can increase the pace of construction and improve the quality of construction.



Your directors are fairly optimistic about the future of the industry in general and the Company in particular. The cement demand is highly dependent on private consumption. The success of 'Make in India', 'Skill India', 'Stand up India' is likely to be largely driven by private investments and entrepreneurship. India due to its vast pool of young population is in unique position to harvest much talked about demographic dividend. On the whole, with the silver linings already on the horizon, the hopes of a brighter future are far stronger than the gloom at the dawn.

## HUMAN RESOURCES

Our sustained focus and best-of-the class HR practices have strengthened a culture, where commitment towards results are very high. The contributions of our human capital during the year were amply demonstrated through numerous efficiency parameters and effective outcomes besides continued accomplishments in soft metrics such as motivation, satisfaction and engagement scores. Notable achievements were made in capacity utilization and cost

optimization. Stabilisation of the Company's Greenfield cement plant at Durg in a record time as compared to industry standards is a manifestation of our people's high level of ownership and personal motivation at work.

In the area of marketing excellence, against an industry average growth of 2% in our existing market, the Company grew by 5% in cement sales for the year under report. Our in-house R&D has helped to achieve edge in market through initiation, development and production of premium cement and value added products. Our empowered human capital has played a significant role in all above achievements. Utilizing the in-house talents, nurturing and developing expertise over the years through sustained processes and systems with emphasis on learning, development, competency assessments, improvement projects, cross-functional teams, coaching and other HR interventions have proven to be real differentiators.

## NEW MARKETS

It is a matter of great pleasure that the planned strategy of your Company to enter into Eastern Market at a premium positioning has worked well and within a year, it has reached to top 3 positions in terms of volumes in the home market. A very strong dealer network has been developed and the same is expanding. It is heartening that the Company in its very first year of operations has bagged the "Most Trusted Brand Award" from Hon'ble Chief Minister of Chattishgarh.

## INTERNAL CONTROL SYSTEM

The Company has in place a robust Internal Control System under which its Independent Internal Audit Department carries out extensive audit covering all significant areas of Company's operations throughout the year. The Company has also appointed External Auditors to carry out Internal Audit for its key locations and marketing offices. The Internal Auditors regularly review the adequacy and effectiveness of Company's Internal Control Systems. Reports of the Internal Auditors are placed before the Audit Committee on Quarterly basis for review. The Audit Committee also monitors the implementation of the recommendations of the Auditors on Systems improvement as well as Process improvement.

The Company also has a robust Budgetary Control System & MIS System under which actual operational performance are mapped against the Budget and the variance are analyzed to take corrective actions. Further, an enterprise wide Legal Compliance Monitoring Software Tool has been implemented to monitor and ensure timely compliances of all applicable statutory requirements.

## INTERNAL FINANCIAL CONTROLS

The Company has established adequate Internal Financial Controls commensurate with its size, scale and complexity

## Annual Report 2015-16

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of its operations. These are designed to ensure adherence to the Company's policies, safeguarding of its assets and prevention & detection of frauds & errors, accuracy & completeness of financial records and timely preparation of reliable financial information.

The Controls & Systems of the Company have over the years have been further strengthened with the Implementation of ERP (SAP) which connects all the plants as well as offices & Marketing offices to ensure seamless data and information flow. The Company has also implemented Standard Operating Procedures (SOPs) for its various areas of operations.

With a view to ensure that such Controls & Systems are reinforced on an on-going basis, compliances thereto including SOPs are regularly monitored and also periodically reviewed by the Internal Auditors and exceptions reported.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2016 in the prescribed form MGT -9 is attached as Annexure 'A' to this Report and forms part of it.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The particulars of loans, guarantees or securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

### RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2016, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in form AOC-2 is not applicable.

The Related Party Transaction Policy approved by the Board is available on the website of the Company.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr. Raghupati Singhania retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

The Board of Directors of the Company has re-appointed

Shri Bharat Hari Singhania and Smt. Vinita Singhania as Managing Directors, for a term of 5 years each w.e.f. 1st October 2016 and 1st August 2016, respectively. The Board has also re-appointed Dr. Shailendra Chouksey and Shri Sushil Kumar Wali as Whole-time Directors of the Company, for a term of 3 years each w.e.f. 1st August 2016. These are subject to requisite approval of members of the Company at the ensuing AGM. The Board recommends their re-appointments.

There has been no change in the Key Managerial Personnel of the Company, during the year under review.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### CONSERVATION OF ENERGY ETC.

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

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

A report on the performance and financial position of each of the subsidiaries and associates included in the consolidated financial statements is presented in a separate section in this Annual Report. Please refer AOC-1 annexed to the financial statements in the Annual Report.

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

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

### DEPOSITS

Pursuant to the approval of members by means of a Special Resolution at the Annual General Meeting held on 4th September 2014, the Company has continued to accept deposits from the public, in accordance with the provisions of the Companies Act, 2013 (Act) and the Rules made thereunder.

The Particulars in respect of the deposits covered under

Chapter V of the said Act, for the financial year ended 31st March 2016 are- (a) Accepted during the year- ₹ 4.59 crores; (b) Remained unclaimed as at the end of the year- ₹ 0.18 crores; (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year- NIL and (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act- NIL.

## AUDITORS

### (a) Statutory Auditors and their Report

M/s Lodha & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 74th Annual General Meeting held on 4th September 2014 until the conclusion of the 77th Annual General Meeting to be held in the Year 2017, subject to ratification of their appointment by the members at the respective AGMs to be held in the years 2015 and 2016. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting. The observations of the Auditors in their report on Accounts and the financial statements, read with the relevant notes are self explanatory.

### (b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2015-16. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure 'C'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### (c) Cost Auditor and Cost Audit Report

The Cost Audit for the financial year ended 31st March 2015 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the financial year ended 31st March 2016, is being conducted by the said Firm and their Report will also be filed.

## CORPORATE SOCIAL RESPONSIBILITY

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

The Company has undertaken lots of activities for empowering women especially tribal women in the areas

of Adult Literacy, Formation of Self Help Groups for income generation through providing them trainings on various trades. During the Financial Year, the Company has also focused on activities related to Swachh Bharat Mission by constructing IHHLs in the villages, providing Sanitary Napkins especially to adolescent girls by installing Napkin making machines near our Plant locations.

The Company has requisite Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made thereunder. The contents of the CSR Policy are disclosed on the website of the Company.

The annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure 'D'.

## PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 (Act) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed to this Report as Annexure 'E'. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report. However, in terms of provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is available for inspection at the Registered Office of the Company during working hours.

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

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

**CORPORATE GOVERNANCE** - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism.

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report. The Corporate Governance Report also covers the following:

## Annual Report 2015-16

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- (a) Particulars of the four Board Meetings held during the financial year under review.
  - (b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
  - (c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
  - (d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
  - (e) Details regarding Risk Management.
- accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (d) the annual accounts have been prepared on a going concern basis;
  - (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
  - (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in

### ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge the Financial Institutions, Banks, Government authorities, Shareholders, suppliers, dealers, business associates and the Company's esteemed customers for their continued trust and support.

Your Directors also wish to place on record their appreciation of the contribution made by the Company's employees at all levels but for whose hard work, solidarity and support the Company's consistent growth would not have been possible.

On behalf of the Board of Directors

New Delhi  
Date: 11th July 2016

Bharat Hari Singhania  
Chairman & Managing Director

## ANNEXURE 'A' TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- |  |   |   |
|--|---|---|
| (i) CIN  | : | L74999RJ1938PLC019511   |
| (ii) Registration Date   | : | 6th August 1938   |
| (iii) Name of the Company  | : | JK Lakshmi Cement Ltd.  |
| (iv) Category/Sub-Category of the Company  | : | Public Company/Limited by Shares  |
| (v) Address of the Registered Office<br>and Contact Details                        | : | Jaykaypuram, Basantgarh,<br>Distt. : Sirohi- 307 019, Rajasthan<br>Ph. No. : 02971-244409/244410<br>Fax No. : 02971-244417<br>Email id : lakshmi_cement@lc.jkmail.com<br>Website : www.jklakshmi.com                                  |
| (vi) Whether Listed Company<br>Yes/ No   | : | Yes   |
| (vii) Name, Address and Contact Details of<br>Registrar and Transfer Agent, if any | : | M/s. MCS Share Transfer Agent Ltd.<br>F-65, First Floor<br>Okhla Industrial Area, Phase -I<br>New Delhi- 110 020<br>Ph. No. : 91-11-41406149-52<br>Fax No : 91-11-41709881<br>Email id : admin@mcsdel.com<br>Website : www.mcsdel.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Cement	3242	85.50

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

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Hansdeep Industries & Trading Company Limited Patriot House, 4th Floor, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U74899DL1993PLC054817	Subsidiary	100.00	2(87)
2	Udaipur Cement Works Ltd. Shripati Nagar, P.O. CFA, Udaipur- 313021, Rajasthan	L26943RJ1993PLC007267	Subsidiary	72.45	2(87)
3	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002	U31200DL2005PLC278945	Associate	Equity -35 OCCRPS^ - 33.33	2(6)

^ OCCRPS- Optionally Convertible Cumulative Redeemable Preference Shares.

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

### (i) Category-wise Share Holding

(Equity Share of ₹ 5/- each)

	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters**</b>									
	<b>(1) Indian</b>									
	a) Individual/HUF	10,03,260	-	10,03,260	0.85	8,65,542	-	8,65,542	0.74	(0.12)
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	5,30,53,699	-	5,30,53,699	45.09	5,31,93,217	-	5,31,93,217	45.21	0.12
	e) Banks/FI	-	-	-	-	-	-	-	-	-
	f) Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1):-</b>	<b>5,40,56,959</b>	<b>-</b>	<b>5,40,56,959</b>	<b>45.94</b>	<b>5,40,58,759</b>	<b>-</b>	<b>5,40,58,759</b>	<b>45.94</b>	<b>0.00</b>
	<b>(2) Foreign</b>									
	a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
	b) Other-Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks/ FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Share holding of Promoter (A)= (A)(1) + (A)(2)**</b>	<b>5,40,56,959</b>	<b>-</b>	<b>5,40,56,959</b>	<b>45.94</b>	<b>5,40,58,759</b>	<b>-</b>	<b>5,40,58,759</b>	<b>45.94</b>	<b>0.00</b>

\*\*The total shareholding of Promoters at (A) above includes 2,61,35,504 Equity Shares (22.21%) as on 1st April 2015, 2,61,37,304 Equity Shares (22.21%) as on 31st March 2016 and a change of 0.002% during the year, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B.</b>	<b>Public Share holding</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds/ UTI	94,66,002	5,040	94,71,042	8.05	1,40,10,569	5,040	1,40,15,609	11.91	3.86
b)	Banks/FI	37,02,347	13,454	37,15,801	3.16	9,002	25,398	34,400	0.03	(3.13)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt. (s)	2,29,672	-	2,29,672	0.20	1,22,101	-	1,22,101	0.10	(0.10)
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	78,27,776	5,804	78,33,580	6.65	91,52,771	7,604	91,60,375	7.79	1.14
g)	FIs	1,43,66,776	-	1,43,66,776	12.21	1,54,53,263	-	1,54,53,263	13.13	0.92
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others – Foreign Banks	-	4,726	4,726	0.00	-	-	-	-	0.00
	<b>Sub-Total (B) (1):-</b>	<b>3,55,92,573</b>	<b>29,024</b>	<b>3,56,21,597</b>	<b>30.27</b>	<b>3,87,47,706</b>	<b>38,042</b>	<b>3,87,85,748</b>	<b>32.96</b>	<b>2.69</b>
(2)	<b>Non-Institutions</b>									
a)	Bodies Corp.									
i)	Indian	51,63,275	1,30,932	52,94,207	4.50	37,30,224	1,25,972	38,56,196	3.28	(1.22)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,06,29,068	19,01,905	1,25,30,973	10.65	1,00,61,125	17,79,592	1,18,40,717	10.06	(0.59)
ii)	Individual Shareholders holding nominal share capital in excess of ₹1 lakh	95,16,816	27,600	95,44,416	8.11	86,06,506	27,600	86,34,106	7.34	(0.77)



	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others (specify)									
i)	Non-Resident Indians	5,33,449	47,474	5,80,923	0.50	4,39,836	46,976	4,86,812	0.41	(0.09)
(ii)	Trust & Foundation	40,507	484	40,991	0.03	6,410	484	6,894	0.01	(0.02)
(iii)	Cooperative Societies	-	-	-	-	12	822	834	0.00	0.00
	<b>Sub-Total (B) (2):-</b>	<b>2,58,83,115</b>	<b>21,08,395</b>	<b>2,79,91,510</b>	<b>23.79</b>	<b>2,28,44,113</b>	<b>19,81,446</b>	<b>248,25,559</b>	<b>21.10</b>	<b>(2.69)</b>
	<b>Total Public shareholding (B) = (B)(1) + (B)(2)</b>	<b>6,14,75,688</b>	<b>21,37,419</b>	<b>6,36,13,107</b>	<b>54.06</b>	<b>6,15,91,819</b>	<b>20,19,488</b>	<b>6,36,11,307</b>	<b>54.06</b>	<b>0.00</b>
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A + B + C)</b>	<b>11,55,32,647</b>	<b>21,37,419</b>	<b>11,76,70,066</b>	<b>100.00</b>	<b>11,56,50,578</b>	<b>20,19,488</b>	<b>11,76,70,066</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoter**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2015)			Shareholding at the end of the year (as on 31st March 2016)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Bengal & Assam Company Ltd.	2,79,21,455	23.73	-	2,79,21,455	23.73	-	No Change
	<b>Total</b>	<b>2,79,21,455</b>	<b>23.73</b>	<b>-</b>	<b>2,79,21,455</b>	<b>23.73</b>	<b>-</b>	<b>No Change</b>

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

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Bengal &amp; Assam Company Ltd.</b>				
	At the beginning of the year	2,79,21,455	23.73	2,79,21,455	23.73
	Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
	At the end of the year i.e. 31st March 2016			2,79,21,455	23.73

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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2015)		Shareholding at the end of the year (31st March 2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Florence Investech Ltd.^	1,36,45,040	11.60	1,36,45,040	11.60
2	J.K. Fenner (India) Limited^	1,02,59,400	8.72	1,02,59,400	8.72
3	HDFC Standard Life Insurance Company Ltd.^	55,86,299	4.75	43,00,052	3.65
4	Goldman Sachs India Fund Limited ^	22,05,303	1.87	29,04,340	2.47
5	Life Insurance Corporation of India Ltd.^	36,93,126	3.14	28,93,126	2.46
6	Government Pension Fund Global@	-	-	27,11,865	2.30
7	Sachin Bansal & Vivek Bansal^	29,32,000	2.49	25,08,000	2.13
8	Vivek Bansal & Seema Bansal@	-	-	20,00,000	1.70
9	UTI Mid Cap Fund@	7,07,000	0.60	17,91,451	1.52
10	Ashoka PTE Ltd.^	23,14,531	1.97	17,27,654	1.47
11	Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund **	7,25,000	0.62	12,00,000	1.02
12	DNB Fund A/C DNB Fund- Asian Small Cap**	9,12,000	0.78	8,37,200	0.71
13	The New India Assurance Company Limited**	7,54,414	0.64	6,04,414	0.51
14	Parveen Kumar Bansal & Vivek Bansal**	20,00,000	1.70	-	-
15	Sachin Bansal & Vivek Bansal**	14,42,000	1.23	13,00,000	1.10
16	GMO Emerging Domestic Opportunities Fund**	16,02,459	1.36	-	-

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

^ Common Top ten Shareholders as on 1st April 2015 and 31st March 2016.

\*\* Top Ten Shareholders only as on 1st April 2015.

@ Top ten Shareholders only as on 31st March 2016.

**(v) Shareholding of Directors and Key Managerial Personnel holding shares in the Company:**

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1st April 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Shri Bharat Hari Singhania, Chairman &amp; Managing Director</b>				
	At the beginning of the year	1,00,970	0.09	1,00,970	0.09
	Date wise Increase in Shareholding during the year (Transmission of shares on 6.10.2015)	27,000*	0.02	1,27,970	0.11
	At the end of the year i.e., 31.3.2016			1,27,970	0.11
2.	<b>Smt. Vinita Singhania, Vice Chairman &amp; Managing Director</b>				
	At the beginning of the year	88,758	0.08	88,758	0.08
	Date wise Increase/Decrease in Shareholding during the year	<b>No Change</b>			
	At the end of the year i.e., 31.3.2016			88,758	0.08

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Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1st April 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	<b>Shri Bhupendranath Vidyanath Bhargava, Director</b>				
	At the beginning of the year	6,660	0.01	6,660	0.01
	Date wise Increase/Decrease in Shareholding during the year	<b>No Change</b>			
	At the end of the year i.e., 31.3.2016			6,660	0.01
4.	<b>Dr. Raghupati Singhania, Director</b>				
	At the beginning of the year	1,77,948	0.15	1,77,948	0.15
	Date wise Increase/Decrease in Shareholding during the year	<b>No Change</b>			
	At the end of the year i.e., 31.3.2016			1,77,948	0.15
5.	<b>Shri Nand Gopal Khaitan, Director</b>				
	At the beginning of the year	20,924	0.02	20,924	0.02
	Date wise Decrease in Shareholding during the year (Market sale on 21.8.2015)	(5,000)	0.00	15,924	0.01
	At the end of the year i.e., 31.3.2016			15,924	0.01
6.	<b>Shri Brijesh Kumar Daga, Vice President &amp; Company Secretary</b>				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase/Decrease in Shareholding during the year	<b>No Change</b>			
	At the end of the year i.e., 31.3.2016			1	0.00
7.	<b>Shri Sudhir Anna Bidkar, Chief Financial Officer</b>				
	At the beginning of the year	180	0.00	180	0.00
	Date wise Increase/Decrease in Shareholding during the year	<b>No Change</b>			
	At the end of the year i.e., 31.3.2016			180	0.00

\* 27,000 equity Shares (0.02%) held as Partner of M/s. Juggilal Kamlatpat Lakshmiapat.

Note: Shri Pradeep Dinodia, Shri Ravi Jhunjhunwala, Shri Kashi Nath Memani, Dr. Shailendra Chouksey and Shri S.K.Wali, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on 1st April 2015 and at the end of the year i.e., as on 31st March 2016. Also, there was no increase/decrease in their shareholding during the financial year.

## V. INDEBTEDNESS

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

(in ₹ Crore)

Particulars		Secured Loans Excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year (as on 1st April 2015)</b>					
(i)	Principal Amount	1838.26	50.00	10.96	1899.22
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	3.28	-	1.98	5.26
<b>Total (i + ii + iii)</b>		<b>1841.54</b>	<b>50.00</b>	<b>12.94</b>	<b>1904.48</b>
<b>Change in indebtedness during the Financial Year</b>					
•	Addition	248.34	55.00	-	303.34
•	Reduction	(275.54)	(5.00)	(5.79)	(286.33)

Particulars		Secured Loans Excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
	Net Change	(27.20)	50.00	(5.79)	17.01
<b>Indebtedness at the end of the Financial Year (As on 31st March 2016)</b>					
(i)	Principal Amount	1811.07	100.00	6.81	1917.88
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	3.27	-	0.34	3.61
Total (i + ii + iii)		1814.34	100.00	7.15	1921.49

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹ Crore)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Bharat Hari Singhania (Chairman & Managing Director)	Smt. Vinita Singhania (Vice Chairman & Managing Director)	Dr. Shailendra Chouksey (Whole-time Director)	Shri Sushil Kumar Wali (Whole-time Director)	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.31	3.37	2.26	2.27	11.21
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	0.46	0.62	0.15	0.14	1.37
2.	Others (mainly contribution to Provident Fund)	0.36	0.36	0.12	0.12	0.96
	Total (A)	4.13#	4.35#	2.53#	2.53#	13.54
	Ceiling as per the Act	1.62^	1.62^	1.62^	1.62^	6.48

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

# Minimum Remuneration-pending approval of the Central Government.

^ Based on effective capital of the Company as on 31st March 2015, as per Schedule V to the Companies Act, 2013.

### B. Remuneration to other Directors

(in ₹ Crore)

Sl. No	Particulars of Remuneration	Name of Directors						Total Amount
		Shri B. V. Bhargava	Shri N. G. Khaitan	Shri Ravi Jhunjunwala	Shri K.N. Memani	Shri Pradeep Dinodia	Dr. Raghupati Singhania	
1	Independent Directors							
	• Fee for attending Board/ Committee Meetings	0.04	0.06	0.05	0.03	0.03	-	0.21
	• Commission (Amount)	-	-	-	-	-	-	-
	Total (1)	0.04	0.06	0.05	0.03	0.03	-	0.21

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Sl. No	Particulars of Remuneration	Name of Directors						Total Amount
		Shri B. V. Bhargava	Shri N. G. Khaitan	Shri Ravi Jhunjunwala	Shri K.N. Memani	Shri Pradeep Dinodia	Dr. Raghupati Singhania	
2	Other Non-executive Directors							
	• Fee for attending Board/ Committee Meetings	-	-	-	-	-	0.05	0.05
	• Commission (Amount)	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	0.05	0.05
	Total (B) = (1 + 2)	0.04	0.06	0.05	0.03	0.03	0.05	0.26
	Total Managerial Remuneration (A) + (B)							13.80**
	Overall Ceiling as per the Act	₹ 6.48 Crore (excluding Sitting Fee)						

\*\* Total Remuneration to Managing Directors, Whole-time Directors and other Directors (being the total of A and B), includes sitting fees of ₹ 0.26 crores.

### C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(in ₹ Crore)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri S.A. Bidkar, Chief Financial Officer	Shri B.K.Daga, Vice President & Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.062	0.698	2.760
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.082	0.055	0.137
2.	Others(mainly contribution to provident fund)	0.054	0.029	0.083
	Total	2.198	0.782	2.980

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

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2016.

## ANNEXURE 'B' TO DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

### A. Conservation Of Energy

#### (I) Steps Taken for Conservation of Energy:-

Energy conservation dictates how efficiently a company can conduct its operations. Energy conservation has always been in the top priority of JKLC and has recognised the importance of energy conservation in decreasing the harmful effects of Global Warming and Climate Change.

#### Major energy conservation initiatives/steps taken:-

- Optimization of VRM by modification of Nozzle ring and optimization of mill bed height.
- Optimization of Coal Mill by grinding media and modification of intermediate diaphragm.
- Optimization of Kiln-3 Compressors Operation by reducing the operating pressure of Compressor.
- Modification in discharge circuit of Ball mill and TCDRI VRM.
- Installation of 75 KW VFD's in all critical Fans.
- Installation of 650 KW SPRS in Fly Ash Drier Fan.
- Modification in 465 KW Kiln-2 CV Fan SPRS system.
- Replacement of CFL/Others to LED lamp at all plants and offices .

- Replacement of screw conveyors with chain conveyors.
- Replacement of 18 KW Analyzer water pump with 5.5 KW water pump.
- MCCs installed enabled easy diagnostic thereby improving run factor of the plant and helped reduction in overall heat and energy consumption.
- Installation of lighting transformers in all load centers.

#### (II) Steps taken by the Company for utilising alternate sources of energy:-

- Installation of available 30KW solar power plant for generation of Power in Company's school premises.
- Replacement of conventional lamps with LED and Solar lights is being done in phases for plant and colony lighting across JKLC Plants.
- Increased Power generation from process of Waste Heat Recovery plant (unit produced 783.75 Lacs), which has resulted in reducing CO<sub>2</sub> by about 100000 tones.
- The Company has used 2% of total energy requirement in form of Biomass energy, RDF etc.
- The Company has installed 6MW Solar Plant & produced 114.64 lacs units and Renewable energy obligation is met and which has resulted in reducing CO<sub>2</sub> by about 7200 tones.
- Modification of VRM resulting in improved capacity and power saving.
- Installation of Pre-crushers ahead of the cement mills which have enabled to raise capacities of the mills, thus achieving electrical consumption saving.

#### (III) The Capital Investment on energy conservation equipments:-

(in ₹ Lacs)

Sr. No.	Particulars/Equipment Names	Amount	Saving/Year
1	Installation of VFD in Pre Crusher Bag Filter Fan	5.00	6.30
2	Installation of SPSR in Fly Ash Driver Fan	10.50	9.50
3	Modification in Kiln-2 CV Fan SPRS system	8.00	19.80
4	Installation of LED Lights (7W, 77 Nos.)	0.05	0.10
5	Replacement of 18 KW Analyzer water pump with 5.5 KW water pump	1.00	2.85
6	Cement Mill- Process optimization( PPC grinding rate increase by 15%) reduce PPC grinding Power by 3 Unit/Ton	NA	50.00
7	VFD of Main Dust collector and blower of Packing plant close looped with Bucket elevator load	NA	2.50
8	Plant lighting- Start replacing faulty 45 watt CFL with 20 watt LED (20 faulty/fused CFL replaced with LED lamp)	0.17	0.15
	Total	24.72	91.20

## B. Technology Absorption

### (I) The efforts made towards technology absorption:-

- Installation of Mid Frequency Power Supply (MFPS) ESP controllers in kiln-3 cooler circuit for the reduction of stack dust emission.
- Installation of Low NOx burner in Kiln-2 resulting reduction in NOx.
- Up gradation of AAC Block Plant from 400 Cubic Meter to 500 Cubic Meter.

### (II) The benefits derived like product improvement, cost reduction, product development or import substitution:-

- Redesigning of Pre crusher hammers by change in metallurgy, from mono metal to sinter cast design resulting in enhancement of hammer life by 3times, thus saving of ₹ 4.75 Lacs per year.
- Installation of cross belt analyzer (CBA) in crusher 2 circuit for improvement in overall clinker quality.
- Stabilised operation of AAC Plant at higher production.

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

#### a. The Detail of Technology Imported

1. Autoclave Aerated Concrete Blocks (AAC Blocks Plant)
2. Auto Truck loading and bagging.

#### b. The Year of Import.

Particulars	Year of Import
AAC Block	2012-2013
Packing Plant	2014-2015

#### c. Whether the technology has been fully observed :- Yes

#### d. If not fully observed areas where absorption has not taken place and the reason thereof :- NA

### (IV) The Expenditure incurred on Research and Development :-

Sr. No	Particulars	Amount (₹ in Crore)
1.	Capital Expense	0.05
2.	Revenue Expense	7.88
	<b>Total</b>	<b>7.93</b>

### C. Foreign exchange Earning and Outgo

Sr. No	Particulars	Amount (₹ in Crore)
1.	Foreign Exchange Earned.	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, Capital Goods, Constancy Charges, Know-How Fee etc.	138.27
	<b>Total</b>	<b>138.27</b>

## ANNEXURE 'C' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
JK Lakshmi Cement Limited,  
Jaykaypuram-307019  
Basantgarh, District Sirohi  
(Rajasthan)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JK Lakshmi Cement Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999- (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the company and complied with:-
- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 and Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973
  - Mines Act, 1952 and Mines Rules, 1955
  - Mines Vocational Training Rules, 1966
  - Metalliferous Mines Regulations, 1961, Mineral Conservation and Development Rules, 1988
  - Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960
  - Bureau of Indian Standards Act, 1986 and Cement (Quality Control) Order, 2003

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

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,
- (ii) The Listing Agreement(s) entered into by the Company with the Stock Exchanges.

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

#### I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive



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Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

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

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

**I further report that**, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, during the audit period, the Company has -

To,  
The Members,  
JK Lakshmi Cement Limited,  
Jaykaypuram-307019  
Basantgarh, District Sirohi  
(Rajasthan)

My report of even date on Secretarial audit for the financial year ended 31st March, 2016 is to be read along with this letter stating that -

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi  
Date : 11 May, 2016

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

- (i) Obtained Members' approval pursuant to Sections 186, 180(1)(a) and 188 of the Companies Act, 2013 by means of Special Resolution passed at Annual General Meeting of the Company held on 26th September, 2015 for creating mortgage in favour of the Debenture Trustee of Non-convertible Debentures upto ₹ 475 crores issued / being issued by Hansdeep Industries and Trading Company Limited, a wholly owned subsidiary,
- (ii) Obtained Members' approval pursuant to Sections 42 and 71 of the Companies Act, 2013 by means of Special Resolution passed at Annual General Meeting of the Company held on 26th September, 2015 for issue of Secured, Rated, Listed, Redeemable Non-Convertible Debentures upto Rs. 1000 crores on private placement basis, and
- (iii) Sold 13,77,587 (0.47%) shares in Udaipur Cement Works Limited, a subsidiary, through offers for sale, pursuant to Clause 40A of the (then) Listing Agreement, to achieve Minimum Public Shareholding of 25%.

Place : New Delhi  
Date : 11 May, 2016

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

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure 'A'

## ANNEXURE 'D' TO DIRECTORS' REPORT

### ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

Since inception, the Company has been undertaking various initiatives for the welfare of underprivileged sections of the society in and around our Plant locations. For the Company, the business priorities co-exists with the commitment for extending help to the poor with an aim for enhancing their quality of life. Broadly, the CSR interventions encompasses activities relating to Health & Hygiene, Water & Sanitation, Education, Livelihood, etc.

Last year, the Company has initiated various new activities in the areas of Vocational Skills and Livelihood solely for the purpose of creating employability for unemployed youth through courses on Mobile Repairing, Beautician Training, Embroidery Training, etc.

The Company constructed over 400 IHHLs last year and has been successful in making one village ODF (Open Defecation Free). Attempts shall be made by the Company to extend this achievement to other villages too. The initiatives undertaken also include providing over 500 eco friendly Chulhas to villagers, installing Sanitary Napkin machines in 3 Plant locations, Skill Upgradation of Masons, Blood Donation Camps, Medical Camps for Mason community and their family members, to name a few.

Last year, more Self Help Groups were formed comprising of village women and the Company is helping them in generating additional income by their producing Stitched Clothes, Sanitary Napkins, Brooms, Paper Plates, Phenyl, to name a few.

As required under the provisions of Section 135 of the Companies Act 2013, the Company has framed a CSR Policy. The details of the CSR Policy have been posted on the website of the Company and the web-link for the same is <http://www.jklakshmi.com/wp-content/uploads/2015/06/CSR-Policy-contents.pdf>.

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

The CSR Committee comprises of the following Members:

- Smt. Vinita Singhania, Chairperson
- Shri Pradeep Dinodia
- Shri S.K. Wali
- Dr. S. Chouksey

3. **Average Net Profit of the Company for last three financial years:** ₹ 15430 lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 309 lakhs

5. Details of CSR spent during the financial year

- a. **Total amount to be spent for financial year 2015-16 :** ₹ 312.14 lakhs

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

- c. **Manner in which the amount spent during the financial year is detailed below:**

1	2	3	4	5	6	7	8
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
1	Welfare activities for Senior Citizens	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Jaykaypuram, Rajasthan	0.72	0.32	0.32	Direct

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1	2	3	4	5	6	7	8
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
2	Medical Camps & Aids to patients under Health Care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	41.75	49.20	49.20	Direct/NGO
3	Naya Savera Project (Integrated Family Welfare Programme)		Jaykaypuram, Rajasthan	40.27	28.03	28.03	Direct
4	Project Uday covering Child Malnutrition & Mental Health Programme		Jaykaypuram, Rajasthan	13.05	5.55	5.55	Direct
5	Activities related to sanitation		Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	32.84	43.52	43.52	Direct
6	Clean & Drinking Water Facilities to rural areas		Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	25.57	24.92	24.92	Direct/NGO
7	Educational & Extra-curricular support to students		Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	38.63	38.51	38.51	Direct/NGO
8	Support to Govt. Schools	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	15.81	17.50	17.50	Direct/NGO
9	Adult Literacy Project		Jaykaypuram, Rajasthan, Durg, Chattisgarh, Jharli, Haryana	9.94	2.78	2.78	Direct/NGO
10	Vocational Skills & Livelihood Intervention		Jaykaypuram, Rajasthan/Durg, Chattisgarh/Jharli, Haryana	14.02	10.02	10.02	Direct/NGO
11	Skill Development		Odisha	9.00	9.20	9.20	Implementing Agency
12	Special Education & Support to Differently Aabled		Kalol, Gujarat/Jharli, Haryana	1.30	0.73	0.73	Direct

1	2	3	4	5	6	7	8
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
13	Environment protection & plantation	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga fund set up by the central govt. for rejuvenation of river Ganga	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	3.60	7.48	7.48	Direct/NGO
14	Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga fund set up by the central govt. for rejuvenation of river Ganga	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Jharli, Haryana	20.00	26.50	26.50	Direct/NGO
15	Promoting sports & games activities	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	7.10	7.36	7.36	Direct/NGO
16	Public Library Facilities in rural areas	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Kalol, Gujarat	0.35	0.02	0.02	Direct
17	Infrastructure support to villages	Rural Development Projects	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat	20.05	28.70	28.70	Direct/NGO
18	CSR Activities at HO & other CSR Expenditure		HO	15.00	11.80	11.80	Direct/NGO
	<b>TOTAL</b>			<b>309.00</b>	<b>312.14</b>	<b>312.14</b>	

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

Shri S.K.Wali  
 Whole-time Director

Vinita Singhania  
 Chairman, CSR Committee

Date : 13th May, 2016

### ANNEXURE 'E' TO DIRECTORS' REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide MCA Notification dated 30<sup>th</sup> June, 2016, for the FY 2015-16 ended 31st March, 2016:

The ratio of the remuneration of each director to the median remuneration of the employees of the Company - (a) Non-Executive Directors: Shri N.G. Khaitan, 0.87; Shri Ravi Jhunjunwala, 0.66 ; Shri Pradeep Dinodia, 0.48; Shri Kashi Nath Memani, 0.34; Dr. Raghupati Singhania, 0.58; and Shri B.V. Bhargava, 0.58 (b) Executive Directors: Shri Bharat Hari Singhania, CMD, 58.58; Smt. Vinita Singhania, VC & MD, 61.84; Shri S.K. Wali and Dr. S. Chouksey, WTDs, 35.89 each.

The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary - Due to inadequacy of profits for FY 2015-16, no commission was paid to the Directors. However, the KMPs received normal annual increment in the Salary. Executive Directors & KMPs - Shri Bharat Hari Singhania, CMD, 13.56 %; Smt. Vinita Singhania, VC & MD, 12.73 %;

Dr. S. Chouksey, WTD, 12.30% ; Shri S.K. Wali, WTD, 12.11 %; Shri S.A. Bidkar, CFO, 12.46% and Shri B.K. Daga, VP & CS, 11.67%. Non-executive Directors - Dr. Raghupati Singhania (59.40%); Shri B.V. Bhargava (58.14%); Shri Kashi Nath Memani (72.09%); Shri Pradeep Dinodia (63.44%); Shri Ravi Jhunjunwala (56.85%); and Shri N.G. Khaitan (48.02%).

The percentage increase in the median remuneration of employees - 7.05 %. The number of permanent employees on the rolls of Company - 1,384.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - On an average employee received an annual increment of 10% with individual increment varying from 6 to 17.5%. There was an increase of 12.69% in managerial remuneration during the current financial year.

We affirm that the remuneration paid during the year 2015-16 is as per the Remuneration Policy of the Company.

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment

to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

### 2. BOARD OF DIRECTORS

As at 31<sup>st</sup> March 2016, the Board of Directors of the Company, consists of Ten Directors comprising of four Executive Directors and six Non-executive Directors (NED); out of six NED five are independent Directors. Four Board Meetings were held during the Financial Year 2015-16 ended 31<sup>st</sup> March 2016, on 15<sup>th</sup> May 2015, 11<sup>th</sup> August 2015, 4<sup>th</sup> November 2015 and 4<sup>th</sup> February 2016. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings Attended	Whether last AGM attended (26.9.2015)	No. of other Directorships and Committee Memberships/Chairmanships		
				Directorships \$	Committee Memberships@	Committee Chairmanships@
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Bharat Hari Singhania, Chairman & Managing Director	Executive	4	Yes	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	Executive	4	Yes	4	-	-
Shri B.V. Bhargava*	IND	3	Yes	6	6	4
Shri Kashi Nath Memani*	IND	4	No	7	6	3
Shri Nand Gopal Khaitan*	IND	4	No	6	6	2
Shri Pradeep Dinodia*	IND	4	No	5	7	4
Dr. Raghupati Singhania	NED	3	No	7	4	2
Shri Ravi Jhunjunwala *	IND	4	No	8	3	1
Dr. Shailendra Chouksey, Whole-time Director	Executive	4	Yes	1	-	-
Shri Sushil Kumar Wali, Whole-time Director	Executive	4	Yes	1	-	-

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

\$ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

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

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

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

None of the Directors except Shri Bharat Hari Singhania and Dr. Raghupati Singhania are related to each other within the meaning of Companies Act 2013.

The number of Equity Shares of Rs. 5/- each held by the Non-executive Directors as on 31<sup>st</sup> March 2016 are: Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan – 15,948 shares and Dr. Raghupati Singhania – 1,77,948 shares. Shri Kashi Nath Memani, Shri Pradeep Dinodia and Shri Ravi Jhunjhunwala do not hold any shares. The Company does not have any outstanding convertible instruments.

### 3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 4<sup>th</sup> February 2016. Shri Nand Gopal Khaitan was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting except Shri K.N.Memani to whom leave of absence was granted.

### 4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25(7) of

the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://www.jklakshmi.com/wp-content/uploads/2015/06/company-policy.pdf>

### 5. PERFORMANCE EVALUATION

The Board of Directors has made formal annual evaluation of its own performance and that of its committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

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

### 6. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 1987. The composition and the ‘Terms of Reference’ of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee consists of four Directors, out of which three are Independent Directors and one is Non-executive Director. Four meetings of the Audit Committee were held

during the financial year ended 31<sup>st</sup> March 2016.

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
15 <sup>th</sup> May 2015	3
11 <sup>th</sup> August 2015	4
4 <sup>th</sup> November 2015	2
4 <sup>th</sup> February 2016	4

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

Name	Status	No. of Meetings attended
Shri B.V. Bhargava	Chairman	3
Dr. Raghupati Singhania	Member	3
Shri Nand Gopal Khaitan	Member	4
Shri Ravi Jhunjunwala	Member	3

All the Committee Meetings were attended by the Head of Finance Function, the Head of Internal Audit, Company Secretary and the Statutory Auditor. The Company Secretary acts as the Secretary of the Committee.

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors out of which two are Non-executive Directors of which one is Independent. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Dates of the meetings and the number of Members attended :

Dates of meetings	Number of members attended
15 <sup>th</sup> May 2015	3
11 <sup>th</sup> August 2015	3
4 <sup>th</sup> November 2015	2
4 <sup>th</sup> February 2016	3

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

Name	Status	No. of Meetings attended
Dr. Raghupati Singhania	Chairman (NED)	3
Shri Nand Gopal Khaitan	Member	4
Shri Bharat Hari Singhania	Member	4

Shri B.K. Daga, Vice President & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to Transfer of shares, Non-receipt of balance sheet and dividends etc. During the financial year ended 31<sup>st</sup> March 2016, the Company received only 7 complaints from the investors and the same have since been resolved to the satisfaction of shareholders. Also, there are no complaints pending in respect of previous period.

The Board of Directors constituted a 'Share Transfer Committee' w.e.f. 11<sup>th</sup> August 2015, to consider and approve transfer of shares and related matters. Before this, such powers were with the Committee of Directors. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31<sup>st</sup> March 2016, 9 Meetings of the Committee of Directors and 17 Meetings of the Share Transfer Committee were held.

## 8. NOMINATION AND REMUNERATION COMMITTEE

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Dates of the meetings and the number of the Members attended are:

Date of the Meeting	Number of Members attended
11 <sup>th</sup> August 2015	3
4 <sup>th</sup> February 2016	3

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman	2
Shri B.V. Bhargava	Member	2
Shri Ravi Jhunjunwala	Member	2

## 9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act 2013 and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, independence of a



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Director as well as a policy on Board Diversity. The policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Agreement with Stock Exchanges and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which

shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 10. REMUNERATION PAID TO DIRECTORS

- (i) **Executive Directors:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Funds for the financial year ended 31st March 2016 to the following Executive Directors is as follows: Shri Bharat Hari Singhania - Rs.412.89 lacs, Smt. Vinita Singhania - Rs.435.56 lacs, Shri Sushil Kumar Wali - Rs. 253.62 lacs and Dr. Shailendra Chouksey - Rs. 253.17 lacs .

The Company does not have any Stock Option Scheme. In the case of Whole-time Directors, notice period is six months. Severance fee for the Managing Directors is remuneration for the unexpired residue terms or for three years, whichever is shorter.

- (ii) **Non-executive Directors:** During the financial year 2015-16, the Company paid sitting fees aggregating to Rs. 24,73,925 to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of Directors of the Company. The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

### 11. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2012-13	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	2 <sup>nd</sup> August 2013	2.30 P.M.
2013-14	Same as above	4 <sup>th</sup> September 2014	11:00 A.M.
2014-15	Same as above	26 <sup>th</sup> September 2015	11:00 A.M.

Special Resolutions regarding re-appointment of the whole-time Directors and amendment to Articles of Association of the Company were approved at the AGM held in 2013, Special Resolutions regarding Appointment of Independent Directors (5 Nos.), Borrowing monies and creation of security pursuant to Section 180 (1) (c) and (a) of the

Companies Act 2013 and Acceptance of Public Deposits were passed at the AGM held on 4<sup>th</sup> September 2014 and Special Resolutions regarding Authorisation to the Board of Directors to provide security by way of creation of mortgage and/or charge on the immovable and movable properties of the Company to support the obligations in respect of upto 4,750 NCDs aggregating up to Rs. 475 crores issued/ to be issued by Hansdeep Industries & Trading Company Limited and Authorisation to the Board of Directors to issue NCDs upto Rs. 1,000 crores on private placement basis, in one or more tranches/series were passed in the last AGM held on 26<sup>th</sup> September 2015. No special resolutions were required to be put through postal ballot last year.

## 12. DISCLOSURES

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

Suitable disclosures as required by Accounting Standard(AS-18) – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.jklakshmi.com/wp-content/uploads/2016/06/RPT-Policy-18.5.2016.pdf>

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital market, during the last three years: *There were no cases of non-compliance of any matter related to capital markets during the last three years.*
- (iii) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 25<sup>th</sup> July 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed

envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

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

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

- (v) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by a Whole-time Director meets on quarterly basis and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee. Board Members are accordingly informed.

- (vi) **Disclosure of commodity price risks and commodity hedging activities:** The Company manages fluctuations in raw material prices through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material availability and prices under check.

- (vii) **Subsidiary Companies:** The financial statements, in particular, the investments made by the unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

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

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link is <http://www.jklakshmi.com/wp-content/uploads/2015/12/Policy-for-Determining-Material-Subsidiary.pdf>

## Annual Report 2015-16

The Company does not have any material unlisted subsidiary as defined in regulation 16 of the Listing Regulations.

### 13. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are normally published in the leading English newspapers, namely, The Financial Express, Business Standard, Hindustan Times, Hindu Business Line and one regional daily "Dainik Bhaskar (Pali)", having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial results are also displayed on the Company's website – www.jklakshmicement.com. Official news releases are also available on the Company's website.

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

### 14. GENERAL SHAREHOLDERS' INFORMATION

#### (i) Registered Office

Jaykaypuram-307 019, Basantgarh, Dist. Sirohi, Rajasthan

#### (ii) Annual General Meeting (AGM)

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

Venue : Regd. Office: Jaykaypuram - 307019, Basantgarh, Dist. Sirohi, (Rajasthan).

(b) A brief resume and other particulars of Director(s) seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said AGM.

#### (iii) Financial Calendar (Tentative)

##### Financial Reporting

- for the quarter ending 30.06.2016
  - for the half-year ending 30.09.2016
  - for the quarter ending 31.12.2016
  - for the year ending 31.03.2017 (Audited)
  - Annual General Meeting for the Financial Year ending 2016-17
- } Within 45 days of the end of the quarter
- } Within 60 days of the end of the financial year
- } :Between July and September 2017

(iv) **Dividend Payment Date:** within three weeks of conclusion of AGM

#### (v) Date of Book Closure: As in the AGM Notice

(vi) **Names and address of Stock Exchanges where equity shares of the Company are listed:** The Equity Shares of the Company (Face Value: Rs. 5/-each) are listed on:

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

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

The annual listing fee for the financial year 2016-17 has been paid to both the aforesaid Stock Exchanges.

The securities of the Company are not suspended from trading.

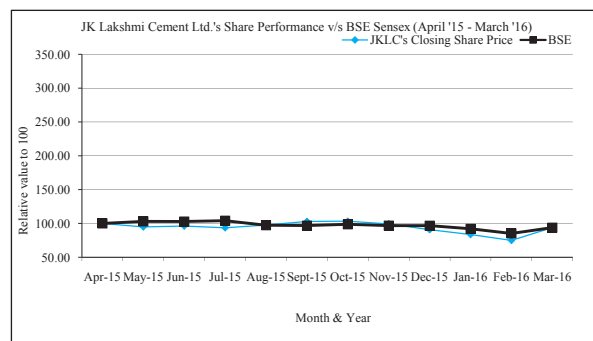
(vii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.

BSE – 500380 and NSE – JKLAKSHMI, ISIN No. INE786A01032.

#### (viii) Stock Market Price Data

Months (2015-2016)	BSE Ltd. (₹)		National Stock Exchange, (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2015	381.70	344.25	381.80	342.80
May 2015	363.15	307.70	364.80	305.60
June 2015	409.80	301.95	352.80	301.65
July 2015	356.00	318.70	355.80	318.90
August 2015	375.00	320.20	374.80	315.00
September 2015	379.00	343.50	380.00	344.00
October 2015	387.00	360.30	387.80	360.10
November 2015	381.85	341.00	381.85	333.00
December 2015	363.60	321.00	364.00	322.00
January 2016	338.30	269.00	338.50	262.65
February 2016	310.00	253.00	312.40	253.95
March 2016	351.90	273.50	352.00	264.95

#### JK Lakshmi Cement Ltd.'s Share Performance v/s BSE Sensex (April'15 - March'16)



**(ix) Distribution of Shareholdings as on 31st March, 2016**

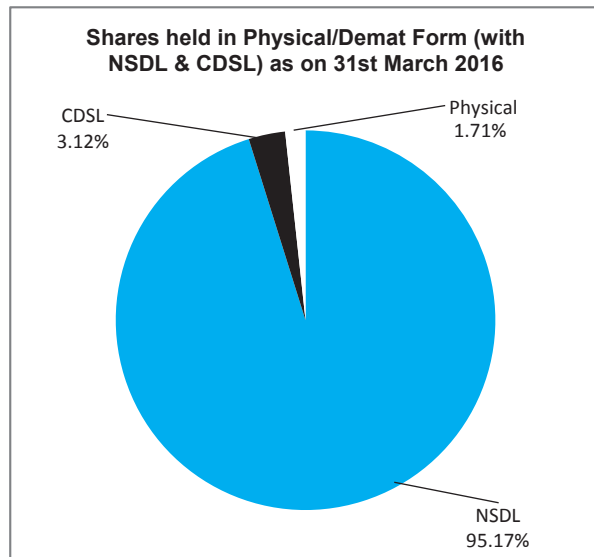
Category (No. of Shares)	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	56,02,330	4.76	71,760	93.72
501-1000	20,63,907	1.75	2,810	3.67
1001-5000	32,24,987	2.74	1,536	2.01
5001-10000	14,57,211	1.25	197	0.25
10001 & above	10,53,21,631	89.50	269	0.35
<b>TOTAL</b>	<b>11,76,70,066</b>	<b>100.00</b>	<b>76,572</b>	<b>100.00</b>

**(x) Share Transfer System**

All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt thereof and the Share Certificates duly transferred are immediately returned to the transferee/lodger. Transaction in the dematerialized Shares are processed by NSDL/CDSL through the Depository Participants with whom the shareholders have opened their demat account.

**(xi) Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are actively traded on BSE and NSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The ISIN No. for Equity Shares of the Company for both the depositories is INE786A01032. As on 31st March 2016, 98.29% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.



**(xii) Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31<sup>st</sup> March 2016 – NIL.

**(xiii) Commodity price risk or foreign Exchange risk and hedging activities:** During the financial year ended 31st March 2016, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contracts.

- (xiv) Plant Locations:**
- (1) JK Lakshmi Cement  
Jaykappuram-307 019,  
Basantgarh,  
Dist. Sirohi Rajasthan
  - (2) JK Lakshmi Cement  
Village Motibhoyan,  
Taluka Kalol (N.G.),  
Distt. Gandhi Nagar-382 721  
Gujarat
  - (3) JK Lakshmi Cement  
Village Bajitpur  
PO Jhamri, Jhajjar-123 305,  
Haryana
  - (4) JK Lakshmi Cement  
Village Malpuri, Khurd  
Khasodih, P.O. Ahiwara  
Tehsil Dhandha,  
District Durg-490036  
Chhattisgarh

**(xv) Address for correspondence regarding share transfers and related matters**

**1. JK Lakshmi Cement Limited**

**Secretarial Department,**  
Gulab Bhawan (Rear Block)  
6A, Bahadur Shah Zafar Marg,  
New Delhi- 110 002.  
Ph:(011) 30179860  
Fax Nos. 91-11-2373 9475  
Contact Person: Mr. B.K.Daga  
(E-mail: [bkdaga@jkm.com](mailto:bkdaga@jkm.com)).

**2. Registrar & Share Transfer Agents – MCS Share Transfer Agent Ltd. (RTA)**

F-65, First Floor, Okhla Indl. Area,  
Phase – I, New Delhi – 110 020,  
Ph. (011) 41406149-52,  
Fax No. 91-11-41709881  
(E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)).  
Contact Person: Mr S. Biswas  
(E-mail: [s.biswas@mcsdel.com](mailto:s.biswas@mcsdel.com))

**(xvi) Debenture Trustee**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R.Kamani Marg, Ballard Estate,  
Mumbai – 400 001  
Tel No.: (91) (22) 40807000  
Fax No. (91) (22) 66311776  
Email:itsl@idbitrustee.com  
Website: <http://www.idbitrustee.com>

**(xvii)** This Corporate Governance Report of the Company for the financial year ended 31<sup>st</sup> March 2016 is in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges and also with the Listing Regulations, as applicable.

**(xviii)** Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Executive; (b) Shareholder Rights: Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website [www.jklakshmicement.com](http://www.jklakshmicement.com). At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: Shri Bharat Hari Singhania is the Chairman & Managing Director of the Company; and (e) Reporting of Internal Auditor: The internal Auditor of the Company submits his Internal Audit Report to the Audit committee on quarterly basis.

**(xix)** The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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

As on 1st April 2015, the Company had 5,97,430 Equity Shares, which were unclaimed by 14,292 Equity Shareholders. These were lying in dematerialized mode in the suspense account.

Out of the above the Company received 91 requests for 6,424 Equity Shares for crediting to the Demat Account of the Shareholders/dispatch of physical Share Certificate on rematerialisation during the year. As on 31st March 2016, the Company has 5,91,006 Equity Shares which remain unclaimed by 14,201 Equity Shareholders.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

### 15. DECLARATION

This is to confirm that for the financial year ended 31<sup>st</sup> March 2016, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Vinita Singhania  
Vice Chairman & Managing Director

## 16. AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of JK LAKSHMI CEMENT LIMITED**

We have examined the compliance of regulations of Corporate Governance by JK LAKSHMI CEMENT LIMITED ("Company") for the year ended 31st March 2016, as stipulated in regulations Part C of Schedule V (E) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LODHA & CO,  
Chartered Accountants  
Firm's Registration No. 301051E

Place : New Delhi  
Dated : 18<sup>th</sup> May 2016

N.K.Lodha  
Partner  
Membership No. 85155

### Independent Auditor's Report

#### To the Members of JK LAKSHMI CEMENT LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **JK LAKSHMI CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures 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 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 financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

#### 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 Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.
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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) As required by section 143(3)(i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our separate report with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is as per 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer Note no. 32, 33, 34 & 37 to the standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For LODHA & CO,  
Chartered Accountants  
Firm's Registration No. 301051E

Place : New Delhi  
Dated : 18<sup>th</sup> May 2016

N.K.Lodha  
Partner  
Membership No. 85155



### **Annexure “A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the Standalone Financial Statements of JK LAKSHMI CEMENT LIMITED for the year ended 31st March 2016**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of Physical Verification of its Fixed assets by which fixed asset have been verified by the management according to the progame of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except as stated in footnote (b) of Note No. 12 of the standalone financial statement.
2. The inventories of the Company (except stock lying with the third parties and in transit for which confirmations have been received / materials received) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, We are not offering any comment on the provisions of Clause 3(iii) (a), (b) & (c) of the Order. Read with Note No. 44 of the Standalone Financial Statements.
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposits accepted from public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2016.  
  
(b) According to the records and information & explanations given to us, there are no dues in respect of income tax that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending are given below: -

Name of The Statute	Nature of the Dues	Period (Financial Year)	Amount (Rs. In Lacs)	Forum where dispute is pending
Sale Tax Act	Sale Tax	2006-2014	370.76	High Court
		1997-2001	239.06	
		1995 -1998	63.12	
		1992-1994	45.80	
		2005-2006	473.85	
		1995-2000	42.14	Joint Commissioner (Appeals)
		1997-1998	5.21	
		2007-2008	201.85	
				2008-2009
		2003-2009	11949.02	Rajasthan Tax Board
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2002-2016	6906.06	Supreme Court
		2012-2015	71.41	High Court
		2007-2008	228.47	Dy. Comm. (App.)
		2013-2014	38.84	CTO (AE)
		2012-2013	39.31	
The Uttar Pradesh Tax on Entry of Goods Act, 2000		2007-2010	267.84	Supreme Court
West Bengal Entry Tax		2015-2016	29.96	High Court
Central Excise Act	Excise Duty	1996-1998	186.52	CESTAT
		2009-2015	109.29	
		2007-2008	9.86	
		2005-2010	4.92	
		2012-2014	9.52	Comm. (App.)
Custom Act	Custom Duty	2011-2012	111.26	CESTAT
Finance Act, 1994	Service Tax	2012-2013	505.90	CESTAT
		2013-2014	522.63	
		2004-2008	19.72	
		2012-2014	404.63	
		2007-2008	117.82	Excise Commissioner
		2012-2013	7.06	Comm. (App.)

8. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks, government and dues to debenture holders.
9. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained. No moneys have been raised during the year by way of initial public offer or further public offer.

10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act. Read with Note no. 54(ii)(a)&(iii) of the standalone financial statement.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records, details of related party transactions have been disclosed in the standalone financial statements as per the applicable Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, we are not offering any comment with respect to compliance of requirement of Section 42 of the Act and utilisation of the money.
15. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, we are not offering comment with respect to compliance of Section 192 of the Act.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO,  
 Chartered Accountants  
 Firm's Registration No. 301051E

Place : New Delhi  
 Dated : 18<sup>th</sup> May 2016

N.K.Lodha  
 Partner  
 Membership No. 85155

### **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JK LAKSHMI CEMENT LIMITED**

#### **Report on the Internal Financial Controls over Financial Reporting 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 **JK LAKSHMI CEMENT LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **Auditor's 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, 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, 2016, 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 LODHA & CO,  
Chartered Accountants  
Firm's Registration No. 301051E

Place : New Delhi  
Dated : 18<sup>th</sup> May 2016

N.K.Lodha  
Partner  
Membership No. 85155

## BALANCE SHEET As at 31st March 2016

₹ in Crores (10 Million)

Particulars	Note	31st March 2016	31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	58.85	58.85
(b) Reserves and Surplus	3	1274.59	1271.85
		<b>1333.44</b>	1330.70
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	4	1396.25	1437.08
(b) Deferred Tax Liabilities (Net)	5	86.65	128.44
(c) Other Long-Term Liabilities	6	158.71	66.16
(d) Long Term Provisions	7	9.31	7.87
		<b>1650.92</b>	1639.55
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-Term Borrowings	8	297.79	233.13
(b) Trade Payables	9	198.69	218.33
(c) Other Current Liabilities	10	749.06	679.23
(d) Short-Term Provisions	11	12.02	39.45
		<b>1257.56</b>	1170.14
<b>Total</b>		<b>4241.92</b>	<b>4140.39</b>
<b>II. ASSETS</b>			
<b>(1) NON -CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	2782.35	2580.92
(ii) Intangible Assets	12	0.94	1.58
(iii) Capital Work-in-Progress		283.49	361.46
(b) Non-Current Investments	13	166.25	168.81
(c) Long term Loans and Advances	14	185.03	203.62
		<b>3418.06</b>	3316.39
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	234.26	253.99
(b) Inventories	16	240.55	223.47
(c) Trade Receivables	17	96.49	70.49
(d) Cash and Bank Balances	18	11.76	15.29
(e) Short-term Loans and Advances	19	98.09	135.37
(f) Other Current Assets	20	142.71	125.39
		<b>823.86</b>	824.00
<b>Total</b>		<b>4241.92</b>	<b>4140.39</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2-59		

As per our report of even date

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No. : 85155  
New Delhi, the 18th May, 2016

B.K. DAGA  
Vice President & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
KASHI NATH MEMANI  
N.G. KHAITAN  
PRADEEP DINODIA  
RAVI JHUNJHUNWALA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K WALLI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

## STATEMENT OF PROFIT AND LOSS

### For the Year Ended 31st March 2016

₹ in Crores(10 Million)

Particulars	Note	2015-16	2014-15
<b>I. Revenue from Operations</b>	21	<b>2939.35</b>	2568.49
Less : Excise Duty		<b>319.50</b>	261.43
Revenue from Operations(Net)		<b>2619.85</b>	2307.06
<b>II. Other Income</b>	22	<b>60.28</b>	28.20
<b>III. Total Revenue ( I + II )</b>		<b>2680.13</b>	2335.26
<b>IV. EXPENSES</b>			
a) Cost of Materials consumed	23	<b>497.72</b>	398.69
b) Purchase of Stock -in -Trade	24	<b>212.47</b>	228.87
c) Changes in Inventories of Finished goods, Work-in- progress and Stock- in- trade	25	<b>(17.56)</b>	(42.51)
d) Employee benefit expense	26	<b>196.97</b>	146.11
e) Other expenses	27	<b>1460.12</b>	1226.44
<b>Total Expenses</b>		<b>2349.72</b>	1957.60
<b>V. Profit before Interest, Depreciation &amp; Tax (PBIDT) (III - IV)</b>		<b>330.41</b>	377.66
Finance Costs	28	<b>192.30</b>	90.74
Depreciation and Amortization Expense	29	<b>162.88</b>	111.90
<b>VI. Profit/(Loss) before Exceptional Items and Tax</b>		<b>(24.77)</b>	175.02
<b>VII. Exceptional Items</b>		<b>10.73</b>	63.25
<b>VIII. Profit/(Loss) before Tax (VI - VII)</b>		<b>(35.50)</b>	111.77
<b>IX. Tax Expense:</b>			
1) Current Tax		-	27.24
Less: MAT credit entitlements		-	(27.24)
Net Current Tax		-	-
2) Deferred Tax		<b>(41.79)</b>	7.47
3) Tax Adjustments for Earlier Years		<b>0.01</b>	8.70
<b>X. Profit for the period</b>		<b>6.28</b>	95.60
<b>XI. Earning per Equity Share ( ₹):</b>	30		
Cash		<b>10.82</b>	18.27
Basic and Diluted		<b>0.53</b>	8.12
Notes on Financial Statements	2-59		

As per our report of even date

 For LODHA & CO.  
 Chartered Accountants

 N.K.Lodha  
 Partner  
 Firm Registration No.: 301051E  
 Membership No. : 85155  
 New Delhi, the 18th May, 2016

 B.K. DAGA  
 Vice President & Company Secretary

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For and on behalf of the Board

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 Dr. R.P. SINGHANIA  
 Dr. S. CHOUKSEY  
 S.K WALI

 Chairman & Managing Director  
 Vice Chairman & Managing Director

Directors

### NOTE 1

#### Significant Accounting Policies 31st March, 2016

- 1.1. The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention (except for certain fixed assets which were revalued) on the accrual basis. GAAP comprises mandatory accounting standards specified under section 133 of the Companies Act 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rule 2014 and the relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- 1.2. Fixed Assets are stated at cost adjusted by revaluation of certain fixed assets.
- 1.3. Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective fixed assets on completion of construction/erection.
- 1.4. Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to Statement of Profit & Loss. Premium in respect of forward contracts is recognized over the life of the contract.
- 1.5. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost and quoted / fair value computed category wise.
- 1.6. Inventories are valued at lower of cost and net realizable value (except scrap/ waste which are valued at net realizable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- 1.7. 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.
- 1.8. Revenue expenditure on Research and Development is charged to Statement of Profit and Loss and capital expenditure is added to Fixed Assets.
- 1.9. Borrowing cost is charged to Statement of Profit and Loss except cost of borrowing for acquisition of qualifying assets which is capitalized till the date of commercial use of the asset.
- 1.10 (i) Depreciation on Buildings, Plant & Machinery {except for Power Plants, Split Grinding Units and Ready Mix Concrete Plants (RMC)} and Railway Siding is provided as per Straight Line Method (SLM), as per useful life specified in Schedule II to the Act (Schedule II). Depreciation on Captive Power Plants, Split Grinding units & Other Assets is provided on Written Down Value (WDV) method as per the said Schedule. Depreciation on Aircraft and RMC is provided considering estimated useful life of 6 years on SLM basis. Depreciation on impaired assets is provided on the basis of their residual useful life.
  - (ii) Leasehold Land is being amortized over the lease period.

- 1.11. The carrying amounts of Assets are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years.
- 1.12. Intangible Assets are being recognized if the future economic benefits attributable to the Assets are expected to flow to the Company and cost of the Asset can be measured reliably. The same are being amortised over the expected duration of benefits.
- 1.13. Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognized in respect of current year and prospective years. Deferred Tax Assets is recognized on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realized.
- 1.14. Employee Benefits:
- (i) Defined Contribution Plan  
  
Contributions to the Employees' Regional Provident Fund, Superannuation Fund and Pension Fund are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.
  - (ii) Defined Benefit Plan  
  
Retirement benefits in the form of Gratuity and Leave Encashment are considered as Defined Benefit Plan and determined on actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial Gains / Losses, if any, are immediately recognized in the Statement of Profit and Loss.  
  
The Provident Fund Contribution other than Employees' Regional Provident Fund, is made to Trust administered by the Trustees. The interest payable on Fund to the members of the Trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. Shortfall, if any, shall be made good by the Company.
  - (iii) Short Term Employee Benefits  
  
Short term compensated absences are provided based on past experience of the leave availed.
- 1.15. Provision in respect of present obligation arising out of past events are made in Accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed by way of Notes to Accounts. Contingent Assets are not recognized or disclosed in Financial Statements.



₹ in Crores(10 Million)

## NOTE 2

### SHARE CAPITAL

#### Authorised :

	31st March 2016	31st March 2015
Equity Shares - 250,000,000 of ₹ 5 each (Previous year 250,000,000 of ₹ 5 each)	125.00	125.00
Preference Shares - 5,000,000 ( Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	<u>200.00</u>	<u>200.00</u>

#### Issued, Subscribed and Paid up :

Equity Shares (with equal rights) 117,670,066 of ₹ 5 each (Previous year 117,670,066 of ₹ 5 each) fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	<u>58.85</u>	<u>58.85</u>

#### a. Reconciliation of number of Share Outstanding :

Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Outstanding at the end of the year	<u>117,670,066</u>	<u>117,670,066</u>

#### b. List of shareholders holding more than 5% of the equity share capital of the Company:

##### Shareholder name

	Number	Number
Bengal & Assam Company Ltd.	27,921,455	27,921,455
Florence Investech Ltd.	13,645,040	13,645,040
JK Fenner ( India ) Ltd.	10,259,400	10,259,400

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

- The Company has only one class of Equity Shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

- The Company bought back and extinguished 7,000 and 46,81,858 equity Shares in 2011-12 and 2012-13 respectively.

₹ in Crores(10 Million)

**NOTE 3**
**RESERVE AND SURPLUS**
**Capital Reserve**

Balance as per last Financial Statement

**0.74**

0.74

0.74
0.74
**Capital Redemption Reserve**

Balance as per last Financial Statement

**25.64**

25.64

25.64
25.64
**Securities Premium Reserve**

Balance as per last Financial Statement

**88.65**

88.65

88.65
88.65
**Debenture Redemption Reserve**

Balance as per last Financial Statement

**27.01**

34.20

Add: Provision made during the year

**2.39**

3.23

Less: transferred to Statement of Profit and Loss

**4.30**

10.42

25.10
27.01
**Revaluation Reserve**

Balance as per last financial statement

-

14.13

Less: amount transferred #

-

14.13

-
-
**General Reserve**

Balance as per last Financial Statement

**950.00**

950.55

Less: amount transferred #

-

25.67

Add: transferred from surplus balance in the Statement of Profit and Loss

-

25.12

950.00
950.00
**Surplus in Statement of Profit & Loss**

Balance as per last Financial Statement

**179.81**

130.46

Add: Statement of Profit and Loss

**6.28**

95.60

Transfer from Debenture Redemption Reserve

**4.30**

10.42

Less: Appropriations

Transfer to General Reserve

-

25.12

Transfer to Debenture Redemption Reserve

**2.39**

3.23

Proposed Dividend

**2.94**

23.53

Corporate Dividend tax

**0.60**

4.79

184.46
179.81
1274.59
1271.85

# (in the previous year ₹ 14.13 crore transferred from Revaluation Reserve to General Reserve being Depreciation on revalued amount. Further ₹ 39.79 crore adjusted pursuant to adoption of Schedule II of Companies Act 2013 towards Written Down Value in respect of certain fixed assets (net of deferred tax ₹1.62 crore) whose lives had expired on 31st March 2014.)

## NOTE 4

### LONG TERM BORROWINGS

	Non- current		Current *	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
<b>SECURED LOANS</b>				
<b>Bonds/Debentures</b>				
Redeemable Non- Convertible Debentures	<b>109.79</b>	129.79	<b>20.00</b>	20.00
<b>Term Loans</b>				
From Banks	<b>1267.54</b>	1304.87	<b>191.76</b>	200.88
	<b>1377.33</b>	1434.66	<b>211.76</b>	220.88
<b>UNSECURED LOANS</b>				
From Bank	<b>15.00</b>	-	<b>10.00</b>	-
Fixed Deposits	<b>3.92</b>	2.42	<b>2.07</b>	8.12
	<b>18.92</b>	2.42	<b>12.07</b>	8.12
	<b>1396.25</b>	1437.08	<b>223.83</b>	229.00
Amount disclosed under the head "other current liabilities" (refer Note 10)	-	-	<b>223.83</b>	229.00
	<b>1396.25</b>	1437.08	<b>-</b>	-

\* Due and payable within one year.

1 Secured Redeemable Non-Convertible Debentures ( NCDs) are privately placed and consists of :

- i) 10.05% NCDs Series B-1 balance of ₹ 20 crore is redeemable in an annual installment at the end of 7th year from the date of allotment i.e. 4th Feb, 2010.
- ii) 10.35% NCDs Series B-2 of ₹ 60 crore are redeemable in three equal annual installments at the end of 8th, 9th and 10th year from the date of allotment i.e. 4th Feb, 2010.

1a. 9% Secured Redeemable Non Convertible Debentures ( NCDs) of ₹ 49.79 crore are redeemable in 3 equal annual installments, at the end of 6th, 7th and 8th year from the date of allotment, i.e. 20th July 2012.

2 All the NCDs are secured by a mortgage on the Company's immovable properties located in the State of Gujarat and are also secured by way of a first charge on all the immovable and movable fixed assets pertaining to the Company's Cement Unit situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan, ranking pari-passu with the charges created on the said fixed assets, subject to the prior charges in favour of Banks on specified assets.

3 Term Loans from Banks aggregating to ₹ 195.38 crore are secured by way of a first charge on all the immovable and movable properties pertaining to the Company's Cement Unit situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for working capital on specified movables assets. These Term Loans are /shall be repayable as under:

- a) Term Loan of ₹ 21.88 crore are repayable in 20 equal quarterly installments.
- b) Term Loan of ₹ 21.00 crore is repayable in 7 equal quarterly installments.

- c) Term Loan of ₹ 52.50 crore is repayable in 24 equal quarterly installments.
  - d) Term Loan of ₹ 100.00 crore shall be repayable in 32 equal quarterly installments commencing from 30th June 2016.
- 4 Term Loans from Banks aggregating to ₹ 43.75 crore are secured by way of an exclusive charge on certain specified assets of the Company situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan. These Term Loans are repayable as under:
    - a) Term Loan of ₹ 12.50 crore are repayable in 4 equal quarterly installments.
    - b) Term Loan of ₹ 31.25 crore is repayable in 20 equal quarterly installments.
  - 5 Term Loan from a Bank of ₹ 52.50 crore is secured by way of an exclusive first charge on immovable & movable fixed assets of the Company's Split Grinding Unit situated at Jhajjar, in the State of Haryana, except charge on the Current Assets. This Term Loan is repayable in 24 equal quarterly installments .
  - 6 Term Loan from a Bank of ₹ 35.00 crore is secured by way of an exclusive first charge on movable assets of the Company's AAC Block Unit situated at Jhajjar, in the State of Haryana, except charge on current assets. This Term Loan is repayable in 28 equal quarterly installments.
  - 7 Term Loan from a Bank of ₹ 67.81 crore is secured by way of an exclusive first charge on movable and immovable assets of the Company's 2nd Split Grinding Unit situated at Jhajjar, in the State of Haryana, except charge on current assets. This Term Loan is repayable in 31 equal quarterly installments.
  - 8 Term Loan from a Bank of ₹ 40.00 Crore is secured by way of an exclusive first charge on immovable & movable assets of the Company's 6 MW Solar Power Project in the State of Rajasthan, except charge on the Current Assets. This Term Loan shall be repayable in 32 equal quarterly installments commencing from 30th June 2016.
  - 9 Term Loans from Banks aggregating to ₹ 1024.86 crore are secured / to be secured by way of first pari passu charge on all the immovable and movable fixed assets of the Company's Greenfield Cement Plant at Durg in the State of Chattisgarh. These Term Loans from Banks are repayable in 38 equal quarterly installments.
  - 10 The Company has created an exclusive charge on the Movable Assets of its Split Grinding Unit being set up at Surat for which the Term Loan of ₹ 112.30 Crore has since been drawn.
  - 11 Unsecured loan from a Bank of ₹ 25.00 crore is repayable in 5 equal half yearly installments.
  - 12 Fixed Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 2 & 3 years from the date of deposits.

## Annual Report 2015-16

	₹ in Crores(10 Million)	
	31st March 2016	31st March 2015
<b>NOTE 5</b>		
<b>DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	292.16	238.01
<b>Less: Deferred Tax Assets</b>		
Expenses / Provisions allowable	68.24	52.76
Unabsorbed Depreciation	137.27	56.81
Deferred Tax Liability / (Assets) - Net	<u>86.65</u>	<u>128.44</u>
<b>NOTE 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade and other deposits	82.73	64.16
Deposits from related party	2.00	2.00
Other Liabilities	73.98	-
	<u>158.71</u>	<u>66.16</u>
<b>NOTE 7</b>		
<b>LONG -TERM PROVISIONS</b>		
Provision for Employees' Benefits	9.31	7.87
	<u>9.31</u>	<u>7.87</u>
<b>NOTE 8</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Working Capital Borrowing from Banks	71.04	92.60
Buyer's Credit from Banks	70.93	90.11
<b>Unsecured Loans</b>		
Fixed Deposits	0.82	0.42
Commercial Papers	155.00	50.00
	<u>297.79</u>	<u>233.13</u>
a. Working Capital Borrowing from Banks are secured/ to be secured by hypothecation of Stores, Raw Materials, Finished Goods, Stock-in-Process and Book Debts etc. and are further secured by mortgage by way of a second charge on the moveable and immovable assets pertaining to the Cement Unit of the Company situated at Jaykaypuram, Basantgarh, Distt.Sirohi, in the State of Rajasthan.		
b. Buyer's Credit is secured by a charge on the underlying assets and by a second and subservient charge on the moveable assets of the Company situated at Jaykaypuram, Basantgarh. Distt. Sirohi, in the State of Rajasthan.		
<b>NOTE 9</b>		
<b>TRADE PAYABLES</b>		
Micro Enterprises and Small Enterprises	0.27	0.46
Others	198.42	217.87
	<u>198.69</u>	<u>218.33</u>
<b>NOTE 10</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (refer Note 4)	223.83	229.00
Interest Accrued but not due on borrowings	3.61	5.27
Unclaimed dividends #	2.33	2.14
Unclaimed matured Deposits and interest #	0.29	0.29
Advance from Customers	52.15	35.00
Govt. and other dues	321.07	267.57
Capital Creditors	26.88	58.32
Other liabilities	118.90	81.64
	<u>749.06</u>	<u>679.23</u>

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

₹ in Crores(10 Million)

**NOTE 11**
**SHORT-TERM PROVISIONS**

Provision for Employees' Benefit	
Proposed Dividend	
Corporate Dividend Tax	
Provision for Taxation (Net of Taxes paid)	

31st March 2016	31st March 2015
8.48	8.32
2.94	23.53
0.60	4.79
-	2.81
<b>12.02</b>	<b>39.45</b>

**NOTE 12**
**TANGIBLE ASSETS**

	Description	Gross Block				Depreciation/Amortisation				Net Block	
		1st April 2015	Additions/ Adjustments	Sales/ Adjustments	31st March 2016	Upto Last Year	During the year	On Sales/ Adjustments	To date	31st March 2016	31st March 2015
1	Freehold Land	200.06	a) 81.89	-	b) 281.95	-	-	-	-	281.95	200.06
2	Leasehold Land	47.95	2.27	-	b) 50.22	0.77	0.44	-	1.21	49.01	47.18
3	Buildings	209.12	5.89	-	215.01	34.78	10.65	-	45.43	169.58	174.34
4	Plant & Machinery	3501.55	266.22	-	3767.77	1378.22	139.84	-	1518.06	2249.71	2123.33
5	Furniture & Fixtures	7.58	0.32	0.02	7.88	4.30	1.00	₹26467	5.30	2.58	3.28
6	Office Equipments	9.21	1.09	0.02	10.28	5.97	1.13	0.02	7.08	3.20	3.24
7	Vehicles, Aircraft and Locomotives	61.03	5.26	3.23	63.06	40.81	8.19	2.45	46.55	16.51	20.22
8	Railway Siding	51.69	1.17	-	52.86	42.42	0.63	-	43.05	9.81	9.27
9	Total	4088.19	364.11	3.27	4449.03	1507.27	161.88	2.47	1666.68	2782.35	2580.92
	Previous year	2924.95	1166.42	3.18	4088.19	1355.37	153.68	1.78	1507.27	2580.92	

a) Includes compensation of ₹ 80.64 crore paid/payable to land owners.

b) Includes Rs. 1.82 crore pending transfer of title in the name of the Company.

**INTANGIBLE ASSETS**

10	Computer Software c)	6.37	0.36	-	6.73	4.79	1.00	-	5.79	0.94	1.58
	Previous year	5.58	0.79	-	6.37	3.62	1.17	-	4.79	1.58	

c) Being amortised over a period of 5 years.

Factory & Service Buildings and Plant & Machinery of Lakshmi Cement Plant, Jaykaypuram Rajasthan were revalued as at 1st April 1990. Certain fixed assets of aforesaid Plant were revalued and updated as at 1st April, 1997 and certain Buildings, Plant & Machinery and other assets of aforesaid Plant were revalued and / or updated as at 31st March, 2000. Based on report of the valuers on business valuation of Cement business, fixed assets value was re-determined at net replacement cost basis on 1st April 2005. Certain Plant and Machinery and Railway siding of aforesaid plant were revalued and up dated as at 1st April 2008 and 1st April 2011. The Gross Block as at 31st March 2016 includes aggregate revaluation / business valuation of ₹ 396.71 crore (Previous year ₹ 396.71 crore).

## Annual Report 2015-16

### NOTE 13

#### NON- CURRENT INVESTMENTS

₹ in Crores(10 Million)

(At cost)

	31st March, 2016		31st March, 2015	
	Numbers	Amount	Numbers	Amount
Long Term ( trade)				
<b>Investment in Subsidiary - Equity Shares</b>				
Udaipur Cement works Limited (₹ 4 each)	213,888,244	85.55	222,775,000	89.11
<b>Preference Shares</b>				
Udaipur Cement works Limited OCCRPS (5.0 %) (₹ 100000 each)	6000	60.00	6,000.00	60.00
<b>Long Term (Other than trade)</b>				
<b>Investment in Subsidiary - Equity Shares</b>				
Hansdeep Industries and Trading Co. Ltd.(₹ 10 each)	1,050,007	1.05	1,050,007	1.05
<b>Investment in Associate - Equity Shares</b>				
Dwarkesh Energy Ltd ( ₹ 10 each)	350,000	0.35	350,000	0.35
<b>Others - Equity Shares</b>				
V. S Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	4.40	4,396,136	4.40
<b>Investment in Preference Shares</b>				
VS Lignite Power Pvt. Ltd. (0.01%) (₹10 each) #	3,899,777	3.90	3,899,777	3.90
Dwarkesh Energy Ltd OCCRPS (7.0 %) (₹ 100 each)	1,100,000	11.00	1,000,000	10.00
		<b>166.25</b>		<b>168.81</b>
Aggregate book value of quoted investments		85.55		89.11
Aggregate market value of quoted investments		267.79		278.91
Aggregate book value of unquoted investments		80.70		79.70

# Under lien with Issuer

### Note 14

#### LONG - TERM LOANS AND ADVANCES

(Unsecured, considered good)

Capital Advances	24.64	40.62
Deposits / Balances with Govt. Authorities and Others	25.92	25.16
MAT Credit Entitlements	107.80	107.84
Other Advances (refer Note 44)	26.67	30.00
	<b>185.03</b>	<b>203.62</b>

**NOTE 15**
**CURRENT INVESTMENTS**

(valued at lower of cost and quoted / fair value)

(Other than trade)

₹ in crores(10 Million)

	31st March, 2016		31st March, 2015	
	Nos.	Amount	Nos.	Amount
<b>Investment in Bonds</b>				
Indian Railways Finance Corporation Ltd (8.10%,Tax free)	10,875.000	1.09	10,875.000	1.09
Power Finance Corporation Limited (8.30%,Tax free)	14,239.000	1.42	14,239.000	1.42
<b>Investment in NCDs</b>				
Edelweiss Finance & Investment Ltd. Market Linked NCD-L5B401	-	-	500.000	5.000
Edelweiss Finance & Investment Ltd. Market Linked NCD-F81501-D	2,500.000	25.00	-	-
Edelweiss Finance & Investment Ltd. Market Linked NCD-E7L501-B	1,000.000	10.00	-	-
India Infoline Finance Ltd. Principal Protected Secured Redeemable Non Convettible Market Linked Deb.SR-042	250.000	25.00	250.000	25.000
India Infoline Finance Ltd. Principal Protected Secured Redeemable Non Convettible Market Linked Deb.SR-045	2,500.000	25.00	-	-
Reliance Capital Ltd. Market Linked Deb. Series B/315 Type I	1,500.000	15.00	-	-
Reliance Capital Ltd. Market Linked Deb. Series B/227 Type I	-	-	1,000.000	10.00
<b>Investment in Preference Shares</b>				
India Infoline Finance Ltd. 9.25% Compulsory Redeemable Non Convertible	15,000,000.000	15.00	-	-
<b>Investment in Mutual Funds</b>				
Birla Sun Life Income Plus Gr Regular Plan	-	-	1,901,451.568	10.00
DSP BR Strategic Bond Fund Direct Plan Gr.	105,571.263	15.00	105,571.263	15.00
HDFC FMP- 1161 D Feb 2016(1) Regular Gr. Series 35	25,000,000.000	25.00	-	-
HDFC FMP- 1190 d March 2016(1)- Regular Gr. Series 36	15,000,000.000	15.00	-	-
HDFC FMP- 1167 D Jan 2016(1) - Direct Gr.Series 35	10,041,825.000	10.04	-	-
HDFC Income Fund - Gr.	-	-	3,733,753.505	10.00
HSBC Flexi Debt Fund - Gr.	-	-	1,542,048.581	2.50
ICICI Prudential FM P Series 73- 369 Days Plan S Direct Plan Cum	-	-	5,000,000.000	5.00
ICICI Prudential FM P Series 74- 368 Days Plan H Direct Plan Cum	-	-	5,000,000.000	5.00
ICICI Prudential Income Opportunities Fund Reg. Plan Gr.	-	-	3,121,527.000	5.00
IDFC Dynamic Bond Fund - Gr (Regular Plan)	3,524,750.800	5.00	10,745,384.483	15.00
JP Morgan India Govt. Securities Fund Regular Plan Gr.	4,433,803.316	5.00	4,433,803.316	5.00
Kotak Bond Fund Plan A - Growth	-	-	2,968,116.493	10.00
L&T Income Opportunities Fund - Gr	-	-	7,570,595.806	10.00
L&T Triple Ace Bond Fund Bonus Op Original.	2,681,856.703	3.33	2,681,856.703	3.34
Reliance Dynamic Bond Fund - Direct Plan Gr Plan	6,007,557.508	10.00	12,422,213.714	20.00
Reliance Dynamic Bond Fund - Gr Plan	-	-	1,593,188.799	2.50
Reliance Fixed Horizon Fund XXVI Series 8 Direct Plan Gr.	-	-	5,009,551.357	5.01
Reliance Income.Fund Gr Pl Bonus Op.	420,572.253	0.37	17,243,462.357	15.12
Reliance Income Fund - Gr Plan	771,107.095	3.01	771,107.095	3.01
Reliance Regular Saving Fund Debt Plan Gr.	14,185,604.449	25.00	14,185,604.449	25.00
Religare Invesco FMP - Sr. 22 – Plan F (15 Months) - Direct Plan Gr.	-	-	5,000,000.000	5.00
SBI Dynamic Bond Fund - Direct Plan - Gr.	-	-	6,863,276.666	10.00
Franklin India Short Term Income Retail Plan Gr.	-	-	94,717.305	25.00
UTI Bond Fund Direct Plan - Gr.	-	-	1,439,727.258	5.00
		<b>234.26</b>		<b>253.99</b>
Aggregate book value of quoted investments		<b>234.26</b>		<b>253.99</b>
Aggregate market value of quoted investments		<b>248.57</b>		<b>291.39</b>
Aggregate book value of unquoted investments		-		-

As the market value of the Bonds is not available, purchase value is considered as market value.



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	₹ in crores (10 Million)	
Note16	31st March 2016	31st March 2015
<b>INVENTORIES</b>		
(As certified by the management)		
Raw Materials (Including in transit - ₹ 5.01 crore; Previous year ₹ 6.62 crore)	<b>18.90</b>	20.86
Work -in -progress	<b>72.21</b>	61.53
Finished Goods	<b>36.94</b>	27.84
Stock-in -Trade	<b>0.30</b>	0.57
Stores and Spares (Including in transit - ₹ 31.72 crore; Previous year - ₹ 42.26 crore)	<b>112.20</b>	112.67
	<b><u>240.55</u></b>	<u>223.47</u>
<b>Note17</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
Outstanding for period exceeding Six months from the date they are due for payment		
Considered good	<b>2.63</b>	1.18
Doubtful	<b>1.51</b>	1.51
Less: Allowance for doubtful receivables	<b>(1.51)</b>	(1.51)
Other	<b>93.86</b>	69.31
	<b><u>96.49</u></b>	<u>70.49</u>
<b>Note18</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
On Current Accounts	<b>2.45</b>	0.82
Cheques, DD on hand/transit	<b>0.13</b>	1.62
Cash on hand	<b>0.22</b>	0.20
	<b><u>2.80</u></b>	<u>2.64</u>
Deposits with maturity for more than 3 months but less than 12 months	<b>6.63</b>	9.30
Margin Money Deposits maturity less than 12 months	<b>-</b>	1.21
Unclaimed Dividend Accounts	<b>2.33</b>	2.14
	<b><u>8.96</u></b>	<u>12.65</u>
	<b><u>11.76</u></b>	<u>15.29</u>
<b>Note 19</b>		
<b>SHORT- TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advance Income tax (Net of Provision)	<b>1.92</b>	-
Prepaid expenses	<b>6.62</b>	7.13
Balance with Govt. Authorities	<b>54.97</b>	92.55
Other Advances (refer Note 44)	<b>34.58</b>	35.69
	<b><u>98.09</u></b>	<u>135.37</u>
<b>Note 20</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)	<b>146.93</b>	129.61
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)	<b>146.93</b>	129.61
Less: Provision for doubtful claims	<b>4.22</b>	4.22
	<b><u>142.71</u></b>	<u>125.39</u>

₹ in crores (10 Million)

	2015-16		2014-15
<b>Note 21</b>			
<b>REVENUE FROM OPERATION</b>			
Sale of products			
Cement	2513.26		2132.23
Others	421.60		430.34
Other Operating Revenues	4.49		5.92
Revenue from Operations (gross)	<u>2939.35</u>		<u>2568.49</u>
Less: Excise duty	319.50		261.43
Revenue from Operations (net)	<u>2619.85</u>		<u>2307.06</u>
<b>Note 22</b>			
<b>OTHER INCOME</b>			
Interest Income	2.17		2.38
Dividend Income	1.33		-
Profit on sale of			
Long Term Investments	8.48		-
Current Investments	40.49		22.09
Profit/(loss) on Sale of Assets (Net)	0.45		0.23
Other Non - Operating Income	7.36		3.50
	<u>60.28</u>		<u>28.20</u>
<b>Note 23</b>			
<b>COST OF MATERIAL CONSUMED *</b>			
Limestone	194.29		135.27
Gypsum	51.05		40.53
Fly ash	60.93		53.45
Packing material	96.40		89.10
Others	95.05		80.34
	<u>497.72</u>		<u>398.69</u>
*		% of Total	% of Total
Indigenous	463.82	93.19	372.46
Imported	33.90	6.81	26.23
Total	<u>497.72</u>	<u>100.00</u>	<u>398.69</u>
<b>Note 24</b>			
<b>PURCHASE OF STOCK-IN- TRADE</b>			
Cement	181.77		198.76
Others	30.70		30.11
	<u>212.47</u>		<u>228.87</u>

₹ in crores (10 Million)

	2015-16	2014-15
<b>Note 25</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN- PROGRESS AND STOCK- IN- TRADE</b>		
Opening Stocks		
Stock-in-progress		
Crushed limestone	5.46	2.63
Raw -meal	1.52	1.09
Clinker	54.55	4.42
	<u>61.53</u>	<u>8.14</u>
Finished Goods	27.84	25.29
Stock-in-Trade	0.57	0.63
	<u>89.94</u>	<u>34.06</u>
<b>Closing Stocks</b>		
Stock-in-progress		
Crushed limestone	5.49	5.46
Raw -meal	2.20	1.52
Clinker	64.52	54.55
	<u>72.21</u>	<u>61.53</u>
Finished Goods	36.94	27.84
Stock-in-Trade	0.30	0.57
	<u>109.45</u>	<u>89.94</u>
Add/(Less) : Excise Duty Variance on Stocks	1.95	(0.43)
Less : Preoperative period Stocks	-	(13.80)
(Increase) /Decrease in Stocks	<u>(17.56)</u>	<u>(42.51)</u>
<b>Note 26</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
Salaries and Wages	158.37	114.82
Contribution to Provident and Other Funds	15.96	13.76
Staff Welfare Expenses	22.64	17.53
	<u>196.97</u>	<u>146.11</u>
<b>Note 27</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spares *	70.57	64.15
Power & Fuel	546.29	494.76
Rent	15.42	12.41
(Net of realisation ₹ 0.46 crore, Previous year ₹ 0.31 crore )		
Repairs to Buildings	7.28	6.10
Repairs to Machinery	47.42	39.43
Insurance	4.00	3.36
Rates and Taxes	2.38	1.72
Transport, Clearing and Forwarding Charges	657.54	516.15
Commission on Sales	28.94	26.81
Directors' Fee & Commission	0.25	0.64
Advertisement, Bank Charges, Travelling, Consultancy etc.	80.03	60.91
	<u>1460.12</u>	<u>1226.44</u>
	<b>% of Total</b>	<b>% of Total</b>
*		
Indigenous	59.62	84.48
Imported	10.95	15.52
Total	<u>70.57</u>	<u>100.00</u>
		54.78
		9.37
		<u>64.15</u>
		<u>85.39</u>
		<u>14.61</u>
		<u>100.00</u>

₹ in crores (10 Million)

**Note 28**
**FINANCE COSTS**

	2015-16	2014-15
Interest expenses (refer Note 46 )	191.63	89.64
Other borrowing cost	0.67	1.10
	<u>192.30</u>	<u>90.74</u>

**Note 29**
**DEPRECIATION AND AMORTISATION EXPENSE**

	2015-16	2014-15
Depreciation on Tangible Assets	161.88	153.68
Amortisation on Intangible Assets	1.00	1.17
Less: Amount transferred	-	41.41
Less: Charged to Capital work in progress	-	1.54
	<u>162.88</u>	<u>111.90</u>

**Note 30**
**EARNING PER SHARE**

	2015-16	2014-15
Profit after tax available for Equity Shareholders	6.28	95.60
Weighted average number of equity shares	11.77	11.77
Earning per Equity Share ( ₹)( face value ₹ 5 each)		
-Cash	10.82	18.27
-Basic and diluted	0.53	8.12

**NOTES TO ACCOUNT**

31. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 29.80 crore (Previous year ₹ 124.11 crore).
32. Contingent liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows :

₹ in Crore (10 Million)

	31st March, 2016	31st March, 2015
a) Service Tax	16.55	2.45
b) Sales Tax and Interest	135.84	129.04
c) Income Tax	0.32	0.32
d) Land Tax	-	1.31
e) Renewable Energy Obligation	20.21	-
f) Excise Duty @	2.96	-
g) Other matters	5.43	7.62
<b>Total</b>	<u>181.31</u>	<u>140.74</u>

@ excluding show cause notices of ₹ 98.60 crore.(previous year ₹ Nil)

33. In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.
34. Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

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35. The Company has componentized its fixed assets and separately assessed the life of the major components, forming part of the main assets. Consequently, the depreciation charge for the year is higher by ₹ 3.14 crore.
36. Maximum balance due for Commercial Paper issued during the year was ₹ 270 crore and the year end balance is ₹ 155 crore (Previous year Maximum balance ₹ 120 crore and at the year end ₹ 50 crore).
37. Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated 28.4.2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. During the FY 2014-15 the Company had received Demand Notices of ₹ 225.25 crore (previous year ₹ 222.54 crore) consisting of Sales Tax Exemption of ₹ 49.19 crore availed upto March 2006, balance of Sales Tax Deferment of ₹ 56.57 crore from April 2006 to May 2009 and interest of ₹ 119.49 crore thereon. The Demand had arisen consequent to Supreme Court's adverse judgment in case of another cement company.

In order to avoid any coercive measure against the Company by the Department, the Company had paid under protest the full principal demand, toward Sales Tax Exemption and Sales Tax Deferment of ₹ 105.77 crore during the Previous Year, pending judgment from the judicial authorities.

Based on the fact that the grounds under which the Company has been granted this benefit is different from the grounds on which the other cement company availed the benefit and as also based on the opinion of senior legal counsels, the Company believes it has sufficient strong ground eventually to get favorable judgment in its favour.

However out of abundant caution the Company had made provision and shown as Exceptional Item for ₹ 49.19 crore during Previous FY against the Sales Tax Exemption and interest of ₹ 119.49 crore is being considered as a contingent liability.

38. a) Sales include own consumption at cost ₹ 1.76 crore (Previous years ₹ 0.94 crore).  
b) Consumption of Stores and Spares is net of scrap sale ₹ 0.90 crore (Previous year ₹ 5.69 crore.)  
c) Interest expenses include ₹ 5.24 crore (Previous year ₹ 4.81 crore) being interest on entry tax.
39. Exceptional Items of ₹ 10.73 crore includes ₹ 5.45 crore towards additional expenditure on stabilization of green field Plant at Durg, Chhattisgarh, ₹ 4.28 crore contribution made to District Mines Foundation vide Govt. Notification issued in Sep 15 with retrospective effect from January 2015 and ₹1.00 crore cement wages award for previous year (previous year ₹ 49.19 crore (refer note 37) towards provision for Sales Tax Exemption ₹12.61 crore being one time expenditure incurred on the launch of new Product & setting up of new Marketing Network in Eastern Market and ₹ 1.45 crore being claims against fire loss due to fire & arson at Durg in 2013, not accepted by the insurer).
40. a) Other-Non-Operating Income includes receipts from aircraft flying ₹ 3.78 crore, (previous year ₹ 2.34 crore) net of expenses of ₹ 4.95 crore (previous year ₹ 5.94 crore).  
b) Miscellaneous expenses include contribution ₹ Nil (Previous year to Satya Electrol Trust ₹ 1.10 crore) for political purpose, CSR expenses amounting to ₹ 3.12 crore (previous year ₹ 3.36 crore) and Foreign exchange fluctuation of loss (net) ₹ 1.64 crore (previous year loss (net) ₹ 2.38 crore).
41. a) Forward contracts of ₹ 72.57 crore – USD 10.47 Mn (Previous year ₹ 132.52 crore – USD 20.71 Mn,.) taken for the purpose of hedging of payables and ₹ 13.24 crore -USD 1.98 Mn (previous year Nil) against letter of credit.  
b) Un-hedged ₹ 1.39 crore –Euro 0.18 Mn, (previous year ₹ 5.58 crore – USD 0.09 Mn) against letter of credit outstanding as at 31<sup>st</sup> March, 2016.

42. Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under :
- i) Principal and Interest amount due and remaining unpaid as at 31st March 2016 – Nil (Previous year Nil).
  - ii) Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).
  - iii) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (Previous year - Nil).
  - iv) Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
  - v) Interest Accrued and unpaid as at 31st March 2016- Nil (Previous year - Nil).

43. The Company has only one business segment namely Cementitious Materials.

44. Other advances include an amount of ₹ 30.00 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 33.33 crore) (Maximum balance due ₹ 33.33 crore, previous year ₹ 36.67 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

45. The Company is implementing the Revival & Rehabilitation Scheme of Udaipur Cement Works Limited (UCWL) after its approval by BIFR in 2012. With the induction of funds of ₹ 149.11 Crore upto 31st March, 2015 by the Company in UCWL, the Net Worth of UCWL has become positive. UCWL has since come out of the purview of BIFR in January, 2016.

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 475 Crore issued on private placement basis by the wholly owned Subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of these NCDs issued are being utilized by HITCL for part financing UCWL's Revival & Rehabilitation Project.

46. During the year the Company has received subsidy of ₹ 0.15 crore (Previous year ₹ 0.30 crore) in terms of State Investment Promotion Scheme, the same is netted from interest.

47. Pending assessment of actual damage to Plant & Machinery and Other Equipments due to incidence of fire and arson at Durg Cement Plant in the year 2013-14, the Company had filed provisional claim of ₹ 83.95 Crore with the Insurance Company.

The claim has since been finally settled in April, 2016 at ₹ 72.12 Crore, with equipment worth ₹ 10.38 Crore found usable & claim of ₹ 1.45 Crore not accepted by Insurance Company (already charged as Exceptional Item in Previous Year).

48. Disclosure pursuant to Clause 32 of the Listing Agreement :  
(Loans / Advances to employees as per Company's policy are not considered.)

49. Some of the Balances of debtors and creditors are in process of confirmation.

50. During the Current Financial Year, the Company availed Short Term Bridge Loans to part finance ongoing Projects pending disbursement/tie-up of long term loans from Banks/Markets.

₹ in Crores(10 Million)

## Note 51

### Expenditure on Research and Development ( R & D) activities During the year :

	2015-16	2014-15
i) Revenue Expenditure		
1 Employees Cost	4.51	4.24
2 Cost of Material and Testing Charges	1.61	0.38
3 Other R & D Expenses	1.31	1.22
4 R & D Cess	0.45	0.35
Sub Total (i)	7.88	6.19
ii) Capital Expenditures	0.05	0.10
Total (i + ii)	7.93	6.29

## Note 52

### Amount paid to Auditors :

(i) Statutory Auditors		
Audit Fee	0.14	0.11
For Taxation matters	0.02	0.02
For Other Services	0.04	0.04
Reimbursement of Expenses (₹ 45,151) (previous year ₹ 48,145)		
	0.20	0.17
(ii) Cost Auditors		
Cost Audit Fee	0.01	0.01
	0.01	0.01

## Note 53

### Expenses charged to Raw Material ( Limestone) account includes :

Salaries & Wages	6.41	5.06
Contribution to Provident and Other Funds	0.47	0.40
Employees' Welfare Expenses	1.03	0.58
Consumption of Stores and Spares	33.64	36.28
Power & Fuel	5.74	4.02
Repairs to Machinery	4.36	3.60
Material Handling	45.58	27.55
Insurance	0.21	0.09
Rates and Taxes	24.26	0.19
Royalty	72.07	57.06
Miscellaneous Expenses	0.52	0.44
	194.29	135.27

## Note 54

### Related Party Disclosure

#### List of Related Parties :

- a) Subsidiaries
  - Hansdeep Industries & Trading Co. Ltd. (HITCL)
  - Udaipur Cement Works Ltd.(UCWL)
- b) Associates
  - Dwarkesh Energy Ltd
- c) Key Management Personnel (KMP) :
  - Shri Bharat Hari Singhania
  - Smt. Vinita Singhania #
  - Shri S.K. Wali
  - Dr. S. Chouksey
  - Shri Sudhir A Bidkar
  - Shri Brijesh K Daga

Chairman & Managing Director  
 Vice Chairman & Managing Director  
 Whole-time Director  
 Whole-time Director  
 Chief Financial Officer  
 VP & Company Secretary

d) Enterprise over which KMP is able to exercise significant influence :

JK Tyre & Industries Ltd. (JKTIL)  
 Rockwood Properties Pvt. Ltd. (RPPL)

e) Other related parties with whom Company has transactions

Entities where director is interested  
 Rajasthan Spinners & Weaving Mills Ltd.(RSWM)  
 Khaitan & Co.  
 Ernst & Young LLP  
 Bengal & Assam Company Ltd. (BACL)  
 Nav Bharat Vanija Ltd.(NBVL)  
 Pushpawati Singhania Research Institute(PSRI)

The following transactions were carried out with related parties in the ordinary course of business :

i) ₹ in Crores (10 Million)

Nature of Transactions	Refer number from above list							
	a)	b)	d)	e)	a)	b)	d)	e)
	2015-16				2014-15			
- Sharing of Expenses received	1.10	0.07	0.84	0.89	-	0.22	0.76	0.70
- Sharing of Expenses/Expenses paid	0.02	-	0.60	6.22	-	-	0.63	4.13
- Purchase of Tyres	-	-	1.30	-	-	-	0.66	-
- Payment of Expenses #	-	-	0.48	1.70	-	-	0.44	0.09
- Sale of Clinker/Cement	53.18*	-	0.19	0.78	51.35	-	0.22	1.78
- Purchase of Cement	42.28	-	-	-	56.33	-	-	-
- Other Income	0.68	-	2.90	-	0.60	-	2.22	-
- Investments	-	1.00	-	-	60.00	-	-	-
- Sale of Assets	-	-	-	-	-	-	-	-
- NCD's issue	-	-	-	-	-	-	-	-
- Advances given	-	-	-	2.00	-	-	-	-
- Advances Received back	-	-	-	3.33	26.21	-	-	3.33
<b>Outstanding as at year end:</b>								
- Receivable/(Payable) :								
UCWL	(0.32)	-	-	-	13.70	-	-	-
HITCL	1.01	-	-	-	-	-	-	-
RPPL	-	-	0.51	-	-	-	0.42	-
BACL	-	-	-	30.42	-	-	-	33.77
NBVL	-	-	-	(0.22)	-	-	-	0.03
PSRI	-	-	-	1.99	-	-	-	₹5930
JKTIL	-	-	(2.03)	-	-	-	(2.00)	-
RSWM	-	-	-	-	-	-	-	(0.03)

\* Includes ₹10.56 crore to UCWL. # Interest paid on Fixed Deposits ₹ 0.01 crore ( previous year ₹ 0.02 crore)

ii) a)Details of remuneration to KMP : Chairman & Managing Director ₹ 4.13 crore (previous year ₹ 3.64 crore), Vice Chairman & Managing Director ₹ 4.36 crore (previous year ₹ 3.87 crore), Whole-time Directors ₹ 2.53 crore each (previous year ₹ 2.26 crore each).b) Chief Financial Officer ₹ 2.20 crore ( previous year ₹ 1.96 crore) and VP & Company Secretary ₹ 0.78 crore( previous year ₹ 0.70 crore). Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

iii) In Compliance with provision of section 197 read with Schedule V of the Companies Act 2013, in the respective General meeting, the shareholders have approved the payment of remuneration to the persons stated in para above ii(a).However in view of inadequate profit during the year, Company has applied to the Central Government for the approval which is pending.



## Annual Report 2015-16

Note 55

### EMPLOYEE DEFINED BENEFITS :

(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation on March 31, 2016.

₹ in Crores(10 Million)

		2015-16		2014-15	
		Gratuity Funded	Leave Encashment Non Funded	Gratuity Funded	Leave Encashment Non Funded
<b>I</b>	<b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended March 31, 2016</b>				
1	Current Service Cost	2.44	0.98	2.17	0.78
2	Interest Cost	2.93	0.54	2.55	0.48
3	Expected return on plan assets	(3.11)	-	(2.70)	-
4	Actuarial (Gains) / Losses	2.01	1.58	1.94	1.50
5	Total expense	4.27	3.10	3.96	2.76
<b>II</b>	<b>Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2016</b>				
1	Present Value of Defined Benefit Obligation as at March 31, 2016	47.68	9.25	41.81	7.77
2	Fair value of plan assets as at March 31, 2016	45.18	-	38.93	-
3	Funded status [Surplus/(Deficit)]	(2.50)	-	(2.88)	-
4	Net Asset / (Liability) as at March 31, 2016	(2.50)	(9.25)	(2.88)	(7.77)
<b>III</b>	<b>Change in obligation during the Year ended March 31, 2016</b>				
1	Present Value of Defined Benefit Obligation at the beginning of the year	41.81	7.77	36.39	6.80
2	Current Service Cost	2.44	0.98	2.17	0.78
3	Interest Cost	2.93	0.54	2.55	0.48
4	Actuarial (Gains) / Losses	2.27	1.58	3.56	1.50
5	Benefits Payments	(1.77)	(1.62)	(2.86)	(1.79)
6	Present Value of Defined Benefit Obligation at the end of the year	47.68	9.25	41.81	7.77
<b>IV</b>	<b>Change in Assets during the Year ended March 31, 2016</b>				
1	Fair value of plan assets at the beginning of the year	38.93	-	33.71	-
2	Expected return on plan assets	3.11	-	2.70	-
3	Contributions by employers	4.65	1.62	3.75	1.79
4	Actual benefits paid	(1.77)	(1.62)	(2.86)	(1.79)
5	Actuarial gains / (losses)	0.26	-	1.63	-
6	Fair value of plan assets at the end of the year	45.18	-	38.93	-
7	Actual return on plan assets	3.37	-	4.33	-
<b>V</b>	<b>The major categories of plan assets as % of total plan</b>				
	Mutual Fund	100%		100%	
<b>VI</b>	<b>Actuarial Assumptions :</b>				
1	Discount Rate	7.00%		7.00%	
2	Expected rate of return on plan assets	8.00%	-	8.00%	-
3	Mortality	LIC (1994-96) duly modified		LIC (1994-96) duly modified	
4	Turnover rate	age upto 30-3%, from 31 to 44 -2%, above 44 -1%			
5	Salary Escalation	5.00%		5.00%	

- a) Defined Benefit Plan  
 Amounts recognised as an expense and included in the Note 26 and Note 55 of herein above.  
 Item "Salaries and Wages" includes ₹ 3.10 crore (Previous year ₹ 2.76 crore) for Leave Encashment.  
 Item "Contributions to Provident and Other Funds" includes ₹ 4.27 crore (Previous year ₹ 3.96 crore) for Gratuity.
- (b) Defined Contribution Plans -  
 Amount recognised as an expense and included in Note 26 and Note 55 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹ 12.14 crore (Previous year ₹ 10.17 crore) and ₹ 0.80 crore (previous year ₹ 0.83 crore) refer note 56.
- (c) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.
- (d) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (e) Experience Adjustments

Particulars	₹ In crore(10 Million)				
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>I) Gratuity Funded</b>					
Defined Benefit Obligation	28.51	31.83	36.38	41.81	47.68
Fair Value of Plan Assets	29.39	31.84	33.71	38.93	45.18
Surplus/(Deficit)	0.88	₹ 9551	(2.67)	(2.88)	(2.50)
Expected Adjustments on Plan Liabilities	(2.57)	3.51	(1.42)	3.56	2.27
Expected Adjustments on Plan Assets	0.39	0.73	0.22	1.63	0.26
<b>II) Leave Encashment</b>					
Defined Benefit Obligation	4.98	6.01	6.80	7.77	9.25
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(4.98)	(6.01)	(6.80)	(7.77)	(9.25)
Expected Adjustments on Plan Liabilities	(0.95)	(0.57)	(0.59)	1.50	1.58

**Note 56**

Capital work in progress includes Machinery in stock, construction / erection materials and also include the following pre-operation expenses pending allocation.

	₹ in Crores(10 Million)	
	2015-16	2014-15
Raw Material Consumed (previous year includes imported ₹ 0.79 crore,10.81%)	<b>1.10</b>	7.31
Power & Fuel	<b>0.40</b>	21.72
Salaries and Wages	<b>3.13</b>	23.41
Contribution to Provident and Other Funds	<b>0.08</b>	0.83
Staff Welfare expenses	<b>0.49</b>	2.97
Insurance	<b>0.35</b>	6.13
Rates and Taxes	<b>0.17</b>	0.60
Rent	<b>0.07</b>	1.54
Travelling, Consultancy & Miscellaneous Expenses	<b>1.44</b>	20.69
Finance costs	<b>23.45</b>	119.59
Depreciation	-	1.54
	<b>30.68</b>	206.33
Less: Sales	-	12.53
Stock of Finished Goods transferred to Statement of Profit and Loss	-	3.35
Stock of Work-in-Process transferred to statement of Profit and Loss	-	10.45
	<b>30.68</b>	180.00
Add : Expenditure upto previous year	<b>65.74</b>	201.87
Less : Transferred to Fixed Assets (Includes interest ₹31.31 crore, previous. year ₹ 180.73 crore).	<b>45.45</b>	316.13
	<b>50.97</b>	65.74

## Annual Report 2015-16

	₹ in Crores(10 Million)	
	2015-16	2014-15
<b>Note 57</b>		
<b>Remittances in foreign currency</b>		
<b>Dividend</b>		
No of equity shares	732,554	732,554
No of Shareholders	1	1
Amount remitted ,net of tax	0.15	0.15
Year to which it pertains	2015	2014
<b>Note 58</b>		
<b>Other Particulars :</b>		
<b>a) Expenditure in Foreign Currency on account of</b>		
i) Consultancy and know-how fee	0.31	0.13
ii) Interest	0.64	0.50
iii) Others	0.70	0.87
	<u>1.65</u>	<u>1.50</u>
<b>b) Earning in Foreign Currency on account of FOB value of Exports</b>	-	-
<b>c) C.I.F. Value of Imports :</b>		
i) Raw Materials	10.43	15.36
ii) Power & Fuel	99.57	105.02
iii) Stores and Spares	17.70	9.93
iv) Capital Goods	8.92	2.45
	<u>136.62</u>	<u>132.76</u>

### Note 59

Previous year's figures have been re-grouped /re-classified wherever necessary and figures less than ₹50000 have been shown as actual in bracket.

As per our report of even date

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner

Firm Registration No.: 301051E  
Membership No. : 85155  
New Delhi, the 18th May, 2016

B.K. DAGA  
Vice President & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
KASHI NATH MEMANI  
N.G. KHAITAN  
PRADEEP DINODIA  
RAVI JHUNJHUNWALA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K.WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

## CASH FLOW STATEMENT

For the Year Ended 31st March 2016

	2015-16	₹ in Crore (10 Million) 2014-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Exceptional Items	(24.77)	175.02
Adjustments for:		
Depreciation and Amortisation	162.88	111.90
Interest & Dividend Income	(3.50)	(2.38)
Profit on sale of Assets & Current Investments (Net)	(49.42)	(22.32)
Finance Costs	192.30	90.74
Foreign Exchange Difference	(1.64)	-
Exceptional Items	(10.73)	(63.25)
Operating Profit before Working Capital changes	265.12	289.71
Adjustments for:		
Trade and Other Receivables	(1.35)	(63.40)
Inventories	(17.08)	(121.04)
Trade and Other Payables	102.30	271.18
Cash generated from Operations	348.99	376.45
Income Tax Payments (Net)	(1.89)	(24.93)
<b>Net Cash from Operating Activities</b>	<b>347.10</b>	<b>351.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(201.20)	(457.82)
Sale of Fixed Assets	1.25	1.63
(Purchase) / Sale of Investments (net)	71.26	47.02
Dividend Received	1.33	-
Interest Received	1.97	3.00
<b>Net Cash from / (used in ) Investing Activities</b>	<b>(125.39)</b>	<b>(406.17)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	183.80	335.00
Repayment of Long-term borrowings	(229.40)	(258.02)
Short-term borrowings (net)	65.90	190.95
Interest paid	(217.41)	(207.05)
Dividend paid (including Dividend Distribution Tax)	(28.13)	(27.36)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(225.24)</b>	<b>33.52</b>
<b>D. Increase / (Decrease) in</b>		
Cash and Cash Equivalents	(3.53)	(21.13)
<b>E. Cash and Cash Equivalents as at the beginning of the year</b>	<b>15.29</b>	<b>36.42</b>
<b>F. Cash and Cash Equivalents as at the close of the year (Note 18)</b>	<b>11.76</b>	<b>15.29</b>
<b>Notes:</b>		
<b>1. Cash and Cash Equivalents include:</b>		
- Cash, Cheques in hand and remittances in transit	0.35	1.82
- Balances with Scheduled Banks	11.41	13.47
	<b>11.76</b>	<b>15.29</b>
<b>2. Previous year's figures have been re-arranged and re-cast wherever necessary.</b>		

As per our report of even date

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No. : 85155  
New Delhi, the 18th May, 2016

B.K. DAGA  
Vice President & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

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Dr. S. CHOUKSEY  
S.K WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

**Financial Information of Subsidiaries and Associate Companies**

(Persuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014)

**Part “A”: Subsidiaries**

(₹ In Lacs)

Sl. No.	Particulars		
1	Name of Subsidiary	<b>HANSDEEP INDUSTRIES &amp; TRADING COMPANY LIMITED</b>	<b>UDAIPUR CEMENT WORKS LIMITED</b>
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3	Reporting Currency	INR	INR
4	Closing Exchange Rate	N.A.	N.A.
5	Share Capital	105.00	18317.73
6	Reserve & Surplus	3.90	(7739.76)
7	Total Assets	37633.78	50213.80
8	Total Liabilities	37633.78	50213.80
9	Investments	712.98	-
10	Turnover	3879.29	10016.16
11	Profit / (Loss) before taxation	3.59	15.52
12	Provision for taxation	0.38	(1186.85)
13	Profit / (Loss) after taxation	3.21	1202.37
14	Proposed Dividend	-	-
15	% of Shareholding	100	72.45

Note:-

1. Name of Subsidiaries which are yet to commence operations – Nil
2. Name of Subsidiaries which have been liquidated or sold during the year – Nil

## Part "B" : Associates

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

(₹ In Lacs)

Sl. No.	Name of Associates	Dwarakesh Energy Limited (DEL)
1	Latest audited Balance Sheet Date	31.03.2016
2	Share of Associates held by the Company at the year end :- No. of Shares (Equity)* Amount of Investment in Associates Extent of Holding (%)	350,000 35.00 35.00%
3	Description of how there is significant influence	Holding > 20%
4	Reason why the Associate is not consolidated	Consolidated
5	Net worth attributable to shareholding as per latest audited Balance Sheet	35.63
6	Profit / (Loss) for the year Considered in Consolidation Not Considered in Consolidation	(5.47) 5.98

\* JK Lakshmi Cement Ltd has 11,00,000 fully paid-up 7% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹ 11.00 Crore too.

Note:-

- Name of Associates which are yet to commence operations – DEL is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.
- Name of Associates which have been liquidated or sold during the year – Nil

*For and on behalf of the Board*

B.H. SINGHANIA  
VINITA SINGHANIA  
KASHI NATH MEMANI  
N.G. KHAITAN  
PRADEEP DINODIA  
RAVI JHUNJHUNWALA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K WALLI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

New Delhi  
18th May, 2016

B.K. DAGA  
Vice President & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

### Independent Auditors' Report

#### To the Members of JK LAKSHMI CEMENT LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **JK LAKSHMI CEMENT LIMITED** (herein after referred to as "the Holding Company") and its subsidiaries ("**the Holding Company & its subsidiaries**") together referred as "**the Group**") and its associate, comprising of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated statement of profit and loss, the Consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (herein after referred as "the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the 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 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the Consolidated state of affairs of the Group, as at 31 March 2016, and their Consolidated Profit and their Consolidated cash flows for the year ended on that date.

#### Other Matters

We did not audit the Financial Statements of the Two subsidiaries namely, Hansdeep Industries and Trading Company Limited and Udaipur Cement Works Limited; whose financial statements reflect total assets of ₹ 878.48 Crore as at 31st March, 2016, total revenues of ₹ 146.36 Crore and net cash inflows of ₹ 17.47 Crore for the year

ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated balance sheet, the Consolidated statement of profit and loss, and the Consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31

March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the Directors of the Group and its Associate incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group (Holding and Subsidiary Companies incorporated in India) the operating effectiveness of such controls, refer to our separate report in "Annexure - A"; and
- (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 Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group and its Associate- Refer Note 33,34,35 and 37 to the Consolidated Financial Statements.
  - ii. Provision has been made in the Consolidated Financial Statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiaries companies, Associate Company incorporated in India.

For LODHA & CO,  
Chartered Accountants  
Firm's Registration No. 301051E

Place : New Delhi  
Dated : 18<sup>th</sup> May 2016

N.K.Lodha  
Partner  
Membership No. 85155



### ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **JK LAKSHMI CEMENT LIMITED** ("the Holding Company") and its subsidiaries (**the Holding Company and its subsidiaries**) (incorporated in India) together referred to as "**the Group**") which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Group'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") issued by ICAI 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 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 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 Group's internal financial controls system over financial reporting.

We did not audit the financial statements of the two subsidiaries namely, Udaipur Cement Works Limited and Hansdeep Industries and Trading Company Limited; whose financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion, in respect of these subsidiaries under sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries as at 31st March 2016, is based solely on the report of the other auditors.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group'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 Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the companies are being made only in accordance with authorizations of management and directors of the Group (Holding Company and its subsidiary companies, which are companies incorporated in India); and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For LODHA & CO,  
Chartered Accountants  
Firm's Registration No. 301051E

Place : New Delhi  
Dated : 18<sup>th</sup> May 2016

N.K.Lodha  
Partner  
Membership No. 85155

## CONSOLIDATED BALANCE SHEET

### As at 31st March 2016

		₹ in Crores (10 Million)	
Particulars	Note	31st March 2016	31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	58.85	58.85
(b) Reserves and Surplus	3	1290.30	1279.01
		<b>1349.15</b>	1337.86
<b>(2) MINORITY INTEREST</b>			
		<b>16.30</b>	12.13
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	4	1746.25	1487.08
(b) Deferred Tax Liabilities (Net)	5	62.67	116.33
(c) Other Long-Term Liabilities	6	158.96	69.25
(d) Long Term Provisions	7	9.65	8.14
		<b>1977.53</b>	1680.80
<b>(4) CURRENT LIABILITIES</b>			
(a) Short-Term Borrowings	8	297.79	233.13
(b) Trade Payables	9	204.60	225.61
(c) Other Current Liabilities	10	794.14	693.37
(d) Short-Term Provisions	11	12.97	40.31
		<b>1309.50</b>	1192.42
<b>Total</b>		<b>4652.48</b>	4223.21
<b>II. ASSETS</b>			
<b>(1) NON -CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	2832.87	2631.17
(ii) Intangible Assets	12	1.05	1.74
(iii) Capital Work-in-Progress		641.75	454.93
(b) Goodwill on Consolidation		71.85	74.83
(c) Non-Current Investments	13	19.57	18.63
(d) Long term Loans and Advances	14	200.08	215.90
(e) Other Non-Current Assets	15	0.46	0.38
		<b>3767.63</b>	3397.58
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	16	241.39	254.12
(b) Inventories	17	246.94	227.68
(c) Trade Receivables	18	96.78	57.11
(d) Cash and Bank Balances	19	32.81	18.87
(e) Short-term Loans and Advances	20	120.89	138.35
(f) Other Current Assets	21	146.04	129.50
		<b>884.85</b>	825.63
<b>Total</b>		<b>4652.48</b>	4223.21
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No. : 85155  
New Delhi, the 18th May, 2016

B.K. DAGA  
Vice President & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
KASHI NATH MEMANI  
N.G. KHAITAN  
PRADEEP DINODIA  
RAVI JHUNJHUNWALA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K. WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### For the Year Ended 31st March 2016

		₹ in Crores(10 Million)	
Particulars	Note	2015-16	2014-15
<b>I. Revenue from Operations</b>	22	<b>2954.87</b>	2576.60
Less : Excise Duty		<b>319.63</b>	261.06
Revenue from Operations(Net)		<b>2635.24</b>	2315.54
<b>II. Other Income</b>	23	<b>65.99</b>	27.97
<b>III. Total Revenue ( I + II )</b>		<b>2701.23</b>	2343.51
<b>IV. EXPENSES</b>			
a) Cost of Materials consumed	24	<b>518.74</b>	421.93
b) Purchase of Stock -in -Trade	25	<b>182.61</b>	188.43
c) Changes in Inventories of Finished goods, Work-in-progress & Stock -in -Trade	26	<b>(18.36)</b>	(41.56)
d) Employee benefit expense	27	<b>200.20</b>	148.95
e) Other expenses	28	<b>1480.91</b>	1245.23
<b>Total Expenses</b>		<b>2364.10</b>	1962.98
<b>V. Profit before Interest, Depreciation &amp; Tax (PBITD) (III - IV)</b>		<b>337.13</b>	380.53
Finance Costs	29	<b>198.58</b>	94.48
Depreciation and Amortization Expense	30	<b>165.59</b>	114.59
<b>VI. Profit/(Loss) before Exceptional Items and Tax</b>		<b>(27.04)</b>	171.46
<b>VII. Exceptional Items</b>		<b>8.29</b>	61.99
<b>VIII. Profit/(Loss) before Tax (VI - VII)</b>		<b>(35.33)</b>	109.47
<b>IX. Tax Expense:</b>			
1) Current Tax		-	27.24
Less: MAT credit entitlements		-	(27.24)
Net Current Tax		-	-
2) Deferred Tax		<b>(53.66)</b>	(4.65)
3) Tax Adjustments for Earlier Years		<b>0.01</b>	8.70
<b>X. Profit for the year before minority interest / associates</b>		<b>18.32</b>	105.42
<b>XI. Minority Interest</b>		<b>3.32</b>	2.44
<b>XII. Share in Profit/(Loss) of Associate</b>		<b>(0.06)</b>	(0.04)
<b>XIII. Profit for the year</b>		<b>14.94</b>	102.94
<b>XIV. Earning per Equity Share ( ₹):</b>	31		
Cash		<b>10.78</b>	18.09
Basic and Diluted		<b>1.27</b>	8.75

The accompanying notes are an integral part of the financial statements

As per our report of even date

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No. : 85155  
New Delhi, the 18th May, 2016

B.K. DAGA  
Vice President & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
KASHI NATH MEMANI  
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RAVI JHUNJHUNWALA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

### NOTE – 1

#### Principles on Consolidation

- 1.1. The Accounts have been prepared to comply with the requirements of Accounting Standard – 21 and 23 to include all items.
- 1.2. a) The Consolidated Financial Statements comprises of audited Financial statements of JK Lakshmi Cement Limited (Parent Company) and the following as on 31.03.2016:

Name	Proportion of ownership interest	Financial statements as on	For the period
<b>Subsidiaries:</b>			
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	31/03/2016	12 months
Udaipur Cement Works Ltd. (UCWL)	72.45%	31/03/2016	12 months
<b>Associates:</b>			
Dwarkesh Energy Limited (DEL)	35.00%	31.03.2016	12 months

- b) The Consolidated Financial Statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions are eliminated in consolidation.
- c) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Accounting Standard (AS) 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”.
- d) Post acquisition, the Company accounts for its share in the change in net assets of the associate (after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share) through its Statement of Profit and Loss in respect of the change attributable to the associates’ Statement of Profit and Loss and through its reserves for the balance.
- e) The difference between the cost of investment and share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- f) The Accounting policies of the parent Company, its subsidiary and associate are largely similar.
- g) Significant Accounting policies and notes accompanying to financial statements of the Company and its subsidiaries are set out in their respective financial statements.

₹ in Crores(10 Million)

**NOTE 2**
**SHARE CAPITAL**
**Authorised :**

	31st March 2016	31st March 2015
Equity Shares - 250,000,000 of ₹ 5 each (Previous year 250,000,000 of ₹ 5 each)	125.00	125.00
Preference Shares - 5,000,000 ( Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	<u>200.00</u>	<u>200.00</u>

**Issued, Subscribed and Paid up :**

Equity Shares (with equal rights) 117,670,066 of ₹ 5 each (Previous year 117,670,066 of ₹ 5 each) fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	<u>58.85</u>	<u>58.85</u>

**a. Reconciliation of number of Share Outstanding :**

Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Outstanding at the end of the year	<u>117,670,066</u>	<u>117,670,066</u>

**b. List of shareholders holding more than 5% of the equity share capital of the Company:**
**Shareholder name**

	Number	Number
Bengal & Assam Company Ltd.	27,921,455	27,921,455
Florence Investech Ltd.	13,645,040	13,645,040
JK Fenner ( India ) Ltd.	10,259,400	10,259,400

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

- i) The Company has only one class of Equity Shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

- d. The Company bought back and extinguished 7,000 and 46,81,858 equity Shares in 2011-12 and 2012-13 respectively.

₹ in Crores(10 Million)

## NOTE 3

### RESERVE AND SURPLUS

#### Capital Reserve

Balance as per last Financial Statement

0.74 0.74

0.74 0.74

#### Capital Redemption Reserve

Balance as per last Financial Statement

25.64 25.64

25.64 25.64

#### Securities Premium Reserve

Balance as per last Financial Statement

88.65 88.65

88.65 88.65

#### Debenture Redemption Reserve

Balance as per last Financial Statement

27.01 34.20

Add: Provision made during the year

2.39 3.23

Less: transferred to Statement of Profit and Loss

4.30 10.42

25.10 27.01

#### Revaluation Reserve

Balance as per last financial statement

- 14.14

Less: amount transferred #

- 14.14

- -

#### General Reserve

Balance as per last Financial Statement

950.00 950.55

Less: amount transferred #

- 25.67

Add: transferred from surplus balance in the Statement of Profit and Loss

- 25.12

950.00 950.00

#### Surplus in Statement of Profit & Loss

Balance as per last Financial Statement

186.97 130.63

Add: Transfer from Statement of Profit and Loss

14.94 102.94

Transfer from Debenture Redemption Reserve

4.30 10.42

Adjustment of Profit in Subsidiary/Associate

(0.11) 0.02

Less: Appropriations

Transfer to General Reserve

- 25.12

Transfer to Debenture Redemption Reserve

2.39 3.23

FA Depreciation of earlier years of Subsidiary @

- 0.37

Proposed Dividend

2.94 23.53

Corporate Dividend tax

0.60 4.79

200.17 186.97

1290.30 1279.01

# (in the previous year ₹ 14.13 crore transferred from Revaluation Reserve to General Reserve being Depreciation on revalued amount. Further ₹ 39.79 crore adjusted pursuant to adoption of Schedule II of Companies Act 2013 towards Written Down Value in respect of certain fixed assets ( net of deferred tax ₹1.62 crore) whose lives had expired on 31st March 2014.)

@ (in the previous year ₹ 0.37 crore adjusted pursuant to adoption of Schedule II of Companies Act 2013 towards Written Down Value in respect of certain fixed assets of a subsidiary (net of minority interest) whose lives had expired on 31st March 2014.)

₹ in Crores(10 Million)

	Non- current		Current *	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
<b>NOTE 4</b>				
<b>LONG TERM BORROWINGS</b>				
<b>SECURED LOANS</b>				
<b>Bonds/Debentures</b>				
Redeemable Non- Convertible Debentures	459.79	129.79	20.00	20.00
<b>Term Loans</b>				
From Financial Institutions	-	-	-	-
From Banks	1267.54	1354.87	191.76	200.88
	<u>1727.33</u>	<u>1484.66</u>	<u>211.76</u>	<u>220.88</u>
<b>UNSECURED LOANS</b>				
From Bank	15.00	-	10.00	-
Fixed Deposits	3.92	2.42	2.07	8.12
	<u>18.92</u>	<u>2.42</u>	<u>12.07</u>	<u>8.12</u>
	<u>1746.25</u>	<u>1487.08</u>	<u>223.83</u>	<u>229.00</u>
Amount disclosed under the head "other current liabilities" (refer Note 10)	-	-	223.83	229.00
	<u>1746.25</u>	<u>1487.08</u>	<u>-</u>	<u>-</u>

\* Due and payable within one year.

Note in respect of Security clause, repayment are disclosed in separate respective financial statements of the Company and its subsidiaries.

₹ in Crores(10 Million)

	31st March 2016	31st March 2015
<b>NOTE 5</b>		
<b>DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	292.16	238.01
<b>Less: Deferred Tax Assets</b>		
Expenses / Provisions allowable	68.24	52.76
Unabsorbed Depreciation	161.25	68.92
Deferred Tax Liability / (Assets) - Net	<u>62.67</u>	<u>116.33</u>
<b>NOTE 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade and other deposits	82.98	64.46
Deposits from related party	2.00	2.00
Govt. and other dues	73.98	2.79
	<u>158.96</u>	<u>69.25</u>
<b>NOTE 7</b>		
<b>LONG -TERM PROVISIONS</b>		
Provision for Employees' Benefits	9.65	8.14
	<u>9.65</u>	<u>8.14</u>



₹ in Crores(10 Million)

## NOTE 8

### SHORT TERM BORROWINGS

#### Secured Loans

Working Capital Borrowing from Banks	71.04	92.60
Buyer's Credit from Banks	70.93	90.11

#### Unsecured Loans

Fixed Deposits	0.82	0.42
Commercial Papers	155.00	50.00
	<u>297.79</u>	<u>233.13</u>

Note in respect of Security clause are disclosed in separate respective financial statements of the Company and its subsidiaries.

## NOTE 9

### TRADE PAYABLES

Micro Enterprises and Small Enterprises	0.27	0.46
Others	204.33	225.15
	<u>204.60</u>	<u>225.61</u>

## NOTE 10

### OTHER CURRENT LIABILITIES

Current maturities of long-term debts (refer Note 4)	223.83	229.00
Interest Accrued but not due on borrowings	26.81	5.27
Unclaimed dividends #	2.33	2.14
Unclaimed matured Deposits and interest #	0.29	0.29
Advance from Customers	52.92	37.48
Govt. and other dues	325.67	272.89
Capital Creditors	41.57	63.39
Other liabilities	120.72	82.91
	<u>794.14</u>	<u>693.37</u>

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

## NOTE 11

### SHORT-TERM PROVISIONS

Provision for Employees' Benefit	9.43	9.18
Proposed Dividend	2.94	23.53
Corporate Dividend Tax	0.60	4.79
Provision for Taxation (Net of Taxes paid)	-	2.81
	<u>12.97</u>	<u>40.31</u>

**NOTE 12**

₹ in Crores(10 Million)

**TANGIBLE ASSETS**

	Description	Gross Block			Depreciation/Amortisation				Net Block		
		1st April 2015	Additions/ Adjustments	Sales/ Adjustments	31st March 2016	Upto Last Year	During the year	On Sales/ Adjustments	To date	31st March 2016	31st March 2015
1	Freehold Land	201.22	a) 81.91	-	b) 283.13	-	-	-	-	283.13	201.22
2	Leasehold Land	48.98	2.27	-	b) 51.25	1.43	0.44	-	1.87	49.38	47.55
3	Buildings	226.14	5.89	-	232.03	42.64	11.28	-	53.92	178.11	183.50
4	Plant & Machinery	3611.40	269.06	-	3880.46	1449.29	141.61	-	1590.90	2289.56	2162.11
5	Furniture & Fixtures	8.44	0.35	0.02	8.77	4.75	1.11	0.01	5.85	2.92	3.69
6	Office Equipments	9.72	1.12	0.02	10.82	6.20	1.24	0.02	7.42	3.40	3.52
7	Vehicles, Aircraft and Locomotives	61.22	5.26	3.23	63.25	40.91	8.23	2.45	46.69	16.56	20.31
8	Railway Siding	51.69	1.17	-	52.86	42.42	0.63	-	43.05	9.81	9.27
9	Total	4218.81	367.03	3.27	4582.57	1587.64	164.54	2.48	1749.70	2832.87	2631.17
	Previous year	3081.51	1167.01	29.71	4218.81	1457.79	156.81	26.96	1587.64	2631.17	

a) Includes compensation of ₹ 80.64 crore paid/payable to land owners.

b) Includes Rs. 1.82 crore pending transfer of title in the name of the Company.

**INTANGIBLE ASSETS**

10	Computer Software c)	6.64	0.36	-	7.00	4.90	1.05	-	5.95	1.05	1.74
	Previous year	5.85	0.79	-	6.64	3.68	1.22	-	4.90	1.74	

c) Being amortised over a period of 5 years.

₹ in Crores(10 Million)

## NOTE 13

### NON- CURRENT INVESTMENTS

#### Long Term (Other than trade)

#### Investment in Shares

	31st March 2016	31st March 2015
Equity Shares	4.40	4.40
Preference Shares	3.90	3.90
<b>Investment in Associates *</b>	<b>11.27</b>	<b>10.33</b>
	<u>19.57</u>	<u>18.63</u>

\* Share of Post acquisition loss has been adjusted in carrying amount of investments in associates.

## NOTE 14

### LONG - TERM LOANS AND ADVANCES

#### Unsecured, considered good

Capital Advances	34.51	48.92
Deposits / Balances with Govt. Authorities and Others	31.10	29.14
MAT Credit Entitlements	107.80	107.84
Other Advances	26.67	30.00
	<u>200.08</u>	<u>215.90</u>

## NOTE 15

### OTHER NON - CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Non-current Bank Balances	0.46	0.38
	<u>0.46</u>	<u>0.38</u>

## NOTE 16

### CURRENT INVESTMENTS

(valued at lower of cost and quoted / fair value)

(Other than trade)

<b>Investment in Bonds</b>	<b>2.51</b>	<b>42.51</b>
<b>Investment in NCDs</b>	<b>100.00</b>	<b>-</b>
<b>Investment in Preference Shares</b>	<b>15.00</b>	<b>-</b>
<b>Investment in Mutual Funds</b>	<b>123.88</b>	<b>211.61</b>
	<u>241.39</u>	<u>254.12</u>

## NOTE 17

### INVENTORIES

(As certified by the management)

Raw Materials (Including in transit - ₹ 5.01 crore; Previous year ₹ 6.62 crore)	21.47	22.21
Work -in -progress	72.20	61.53
Finished Goods	39.18	29.16
Stock-in -Trade	0.30	0.57
Stores and Spares (Including in transit - ₹ 31.72 crore; Previous year - ₹ 42.26)	113.79	114.21
	<u>246.94</u>	<u>227.68</u>

₹ in Crores(10 Million)

	31st March 2016	31st March 2015
<b>NOTE 18</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
Outstanding for period exceeding Six months from the date they are due for payment		
Considered good	2.63	1.18
Doubtful	1.51	1.51
Less: Allowance for doubtful receivables	(1.51)	(1.51)
Other	94.15	55.93
	<u>96.78</u>	<u>57.11</u>
<b>NOTE 19</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
On Current Accounts	4.34	3.89
Deposits with maturity of less than 3 months	9.04	0.49
Cheques, DD on hand/transit	0.13	1.63
Cash on hand	0.24	0.21
	<u>13.75</u>	<u>6.22</u>
<b>Other Bank Balances</b>		
Deposits with maturity for more than 3 months but less than 12 months	16.73	9.30
Deposits with maturity for more than 12 months	0.46	0.38
Margin Money Deposits	-	1.21
Unclaimed Dividend Accounts	2.33	2.14
	<u>19.52</u>	<u>13.03</u>
Less: Amount disclosed under non- current assets (refer Note 15)	(0.46)	(0.38)
	<u>32.81</u>	<u>18.87</u>
<b>NOTE 20</b>		
<b>SHORT- TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Advance Income tax (Net of Provision)	2.39	0.07
Prepaid expenses	6.70	7.27
Balance with Govt. Authorities	76.07	93.73
Other Advances	35.73	37.28
	<u>120.89</u>	<u>138.35</u>
<b>NOTE 21</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
Receivables (Railway/Insurance claims, Subsidy and other receivables)	146.93	129.61
Assets held for Sale	3.33	4.11
	<u>150.26</u>	<u>133.72</u>
Less: Provision for doubtful claims	4.22	4.22
	<u>146.04</u>	<u>129.50</u>

## Annual Report 2015-16

₹ in Crores(10 Million)

### NOTE 22

#### REVENUE FROM OPERATION

	2015-16	2014-15
Sale of products		
Cement	2574.67	2137.12
Others	373.14	430.33
Other Operating Revenues	7.06	9.15
Revenue from Operations (gross)	2954.87	2576.60
Less: Excise duty	319.63	261.06
Revenue from Operations (net)	2635.24	2315.54

### NOTE 23

#### OTHER INCOME

Interest Income	2.55	2.65
Dividend Income	1.33	-
Profit on sale of		
Long Term Investments	8.48	-
Current Investments	44.64	22.09
Profit/(loss) on Sale of Assets (Net)	0.45	0.23
Other Non - Operating Income	8.54	3.00
	65.99	27.97

### NOTE 24

#### COST OF MATERIAL CONSUMED

Limestone	194.30	135.27
Gypsum	54.04	43.20
Fly ash	68.99	60.89
Packing material	100.61	93.84
Others	100.80	88.73
	518.74	421.93

### NOTE 25

#### PURCHASE OF STOCK-IN- TRADE

Cement	151.91	158.33
Others	30.70	30.10
	182.61	188.43

₹ in Crores(10 Million)

**NOTE 26**
**CHANGE IN INVENTORIES OF FINISHED GOODS,  
 WORK -IN- PROGRESS AND STOCK- IN- TRADE**
**Opening Stocks**

Stock-in-progress

Crushed limestone

**5.45**

2.63

Raw -meal

**1.52**

1.09

Clinker

**54.55**

4.42

Stock-in-progress

**61.52**

8.14

Finished Goods

**29.16**

27.80

Stock-in-Trade

**0.57**

0.63

**91.25**

36.57

**Closing Stocks**

Stock-in-progress

Crushed limestone

**5.49**

5.45

Raw -meal

**2.20**

1.52

Clinker

**64.52**

54.55

Stock-in-progress

**72.21**

61.52

Finished Goods

**39.18**

29.16

Stock-in -Trade

**0.30**

0.57

**111.69**

91.25

Add/(Less) : Excise Duty Variance on Stock

**2.08**

(0.68)

Less: Preoperative period Stocks

-

(13.80)

(Increase) /Decrease in Stocks

**(18.36)**

(41.56)

**NOTE 27**
**EMPLOYEES BENEFIT EXPENSES**

Salaries and Wages

**160.88**

116.99

Contribution to Provident and Other Funds

**16.22**

13.99

Staff Welfare Expenses

**23.10**

17.97

**200.20**

148.95

₹ in Crores(10 Million)

## NOTE 28

### OTHER EXPENSES

	2015-16	2014-15		
Consumption of Stores and Spares*	72.17	65.96		
Power & Fuel	551.29	499.61		
Rent	15.43	12.42		
(Net of realisation ₹ 0.46 crore, Previous year ₹ 0.31 crore )				
Repairs to Buildings	7.48	6.28		
Repairs to Machinery	47.71	39.86		
Insurance	4.02	3.37		
Rates and Taxes	2.58	1.93		
Transport, Clearing and Forwarding Charges	668.93	525.91		
Commission on Sales	28.94	26.81		
Directors' Fee & Commission	0.25	0.64		
Advertisement, Bank Charges, Travelling, Consultancy etc.	82.11	62.44		
	<b>1480.91</b>	<b>1245.23</b>		
*	% of Total	% of Total		
Indigenous	61.22	84.83	56.59	85.79
Imported	10.95	15.17	9.37	14.21
Total	<b>72.17</b>	<b>100.00</b>	<b>65.96</b>	<b>100.00</b>

## Note 29

### FINANCE COSTS

Interest expenses	197.91	93.38
Other borrowing cost	0.67	1.10
	<b>198.58</b>	<b>94.48</b>

## Note 30

### DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible Assets	164.54	156.81
Amortisation on Intangible Assets	1.05	1.23
Less: Amount transferred (refer Note 3)	-	41.91
Less: Charged to Capital work in progress	-	1.54
	<b>165.59</b>	<b>114.59</b>

## Note 31

### EARNING PER SHARE

Profit after tax available for Equity Shareholders	14.94	102.94
Weighted average number of equity shares	11.77	11.77
Earning per Equity Share (₹)( face value ₹5 each)		
- Cash	10.78	18.09
- Basic and diluted	1.27	8.75

32. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 135.28 crore (Previous year ₹ 355.69 crore).
33. Contingent liabilities in respect of claims not accepted by the Company (matters in appeals) and not provided for are as follows :

	₹ in Crore (10 Million)	
	31st March, 2016	31st March, 2015
a) Service Tax	16.62	2.52
b) Sales Tax and Interest	136.93	130.13
c) Income Tax	0.32	0.32
d) Land Tax	10.29	11.61
e) Renewable Energy Obligation	20.21	-
f) Excise Duty @	2.96	-
g) Other matters	6.46	8.65
<b>Total</b>	<b>193.79</b>	<b>153.22</b>

@ Excludes show cause Notices of ₹ 98.60 crore (Previous year-Nil)

34. In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.
35. Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.
36. The Company has componentized its fixed assets and separately assessed the life of major components, forming the part of main assets. Consequently, the depreciation charge for the year is higher by ₹ 3.14 crore.
37. Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated 28.4.2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. During the FY 2014-15 the Company had received Demand Notices of ₹ 225.25 crore (previous year ₹ 222.54 crore) consisting of Sales Tax Exemption of ₹ 49.19 crore availed upto March 2006, balance of Sales Tax Deferment of ₹ 56.57 crore from April 2006 to May 2009 and interest of ₹ 119.49 crore thereon. The Demand had arisen consequent to Supreme Court's adverse judgment in case of another cement company.

In order to avoid any coercive measure against the Company by the Department, the Company had paid under protest the full principal demand, toward Sales Tax Exemption and Sales Tax Deferment of ₹ 105.77 crore during the Previous Year, pending judgment from the judicial authorities.

Based on the fact that the grounds under which the Company has been granted this benefit is different from the grounds on which the other cement company availed the benefit and as also based on the opinion of senior legal counsels, the Company believes it has sufficient strong ground eventually to get favorable judgment in its favour.

However out of abundant caution the Company had made provision and shown as Exceptional Item for ₹ 49.19 crore during Previous FY against the Sales Tax Exemption and interest of ₹ 119.49 crore is being considered as a contingent liability.

38. a) Forward contracts of ₹ 78.85 crore - USD 10.47Mn, Euro 0.87Mn (Previous year ₹ 132.52 crore - USD 20.71Mn) taken for the purpose of hedging of payables and ₹ 13.24 crore - USD 1.98 Mn (previous year Nil) against letter of credit.
- b) Un-hedged ₹ 5.48 crore –Euro 0.73 Mn, (previous year ₹ 5.58 crore - USD 0.09 Mn) against letter of credit outstanding as at 31st March, 2016.



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39. With respect to subsidiary UCWL
- Minority interest includes Preference shares of ₹ 5.10 crore.
  - The Company has created Deferred Tax Asset of ₹ 23.98 crore only (Previous period ₹12.11 crore) considering the extent of utilization of carried forward unabsorbed depreciation against tax on future taxable income on the principle of virtual certainty. The relief from Minimum Alternate Tax (MAT) is available to the Company as provided in explanation (vii) to Section 115 JB (2) of Income Tax Act, 1961.
  - The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of take-over of the cement undertaking from Bajaj Hindustan Ltd) will be borne by Bajaj Hindustan Ltd.
  - JK Lakshmi Cement Ltd. has taken up revival and rehabilitation of Udaipur Cement Works Limited (UCWL) after its Rehabilitation Scheme got approved by BIFR in January, 2012. UCWL has since come out of the preview of BIFR in January 2016.
40. With respect to subsidiary HITCL, in view of inadequacy of profits no Debenture Redemption Reserve (DRR) has been created.
41. a) Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement.

Name Of Company	Net Assets(TA-TL)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount ₹ In Crore	As % of Consolidated Net Profit or Loss	Amount ₹ In Crore
<b>Holding Company :-</b>				
JK Lakshmi Cement Ltd.	98.84%	1333.44	42.03%	6.28
<b>Subsidiary Company:-</b>				
Udaipur Cement Works Ltd.	7.84%	105.78	80.46%	12.02
Hansdeep Industries & Trading Company Ltd.	0.08%	1.09	0.20%	0.03
<b>Minority Interest in Subsidiaries</b>	(1.21%)	(16.30)	(22.22%)	(3.32)
<b>Associates :-</b>				
Dwarkesh Energy Ltd.	(0.01%)	(0.08)	(0.40%)	(0.06)
Total Elimination	(5.54%)	(74.78)	(0.07%)	(0.01)
<b>Total</b>	<b>100%</b>	<b>1349.15</b>	<b>100%</b>	<b>14.94</b>

- The Company has only one business segment namely Cementitious Materials.
- Some of the Balances of debtors and creditors are in process of confirmation.
- Previous year's figures have been regrouped / re-classified wherever necessary and figures less than ₹ 50000 have been shown as actual.

### NOTE 42 Related Party Disclosure

#### List of Related Parties :

##### a) Associates

Dwarkesh Energy Ltd.

##### b) Key Management Personnel (KMP) :

Shri Bharat Hari Singhania

Smt. Vinita Singhania #

Shri S.K. Wali

Dr. S. Chouksey

Shri Sudhir A Bidkar

Shri Brijesh K Daga

Shri RK Gupta

Chairman & Managing Director

Vice Chairman & Managing Director

Whole-time Director

Whole-time Director

Chief Financial Officer

VP & Company Secretary

Whole-time Director, Chief Financial Officer & Company Secretary

**c) Enterprise over which KMP is able to exercise significant influence :**

 JK Tyre & Industries Ltd. (JKTIL)  
 Rockwood Properties Pvt. Ltd. (RPPL)

**d) Entities where director is interested**

 Rajasthan Spinners & Weaving Mills Ltd.(RSWM)  
 Khaitan & Co.  
 Ernst & Young LLP  
 Bengal & Assam Company Ltd. (BACL)  
 Pushpawati Singhanian Research Institute(PSRI)  
 Nav Bharat Vanija Ltd.(NBVL)

The following transactions were carried out with related parties in the ordinary course of business :

Nature of Transactions	₹ in Crore (10 Million)					
	Associates	Entities where director is interested	Enterprise over which KMP is able to exercise significant influence	Associates	Entities where director is interested	Enterprise over which KMP is able to exercise significant influence
	2015-16			2014-15		
- Sharing of Expenses received	0.07	0.89	0.84	0.22	0.70	0.76
- Sharing of Expenses/ Expenses paid	-	6.22	0.60	-	4.13	0.63
- Purchase of Tyres	-	-	1.30	-	-	0.66
- Payment of Expenses #	-	1.70	0.48	-	0.09	0.44
- Sale of Clinker/Cement	-	0.78	0.19	-	1.78	0.22
- Other Income	-	-	2.90	-	-	2.22
- Advances given	-	2.00	-	-	-	-
- Advances Received back	-	3.33	-	-	3.33	-
- Investments	1.00	-	-	-	-	-
<b>Outstanding as at year end:</b>						
- Receivable / (Payable):						
- RPPL	-	-	0.51	-	-	0.42
- BACL	-	30.42	-	-	33.77	-
- NBVL	-	(0.22)	-	-	0.03	-
- PSRI	-	1.99	-	-	₹5930	-
- RSWM	-	-	-	-	(0.03)	-
- JKTIL	-	-	(2.03)	-	-	(2.00)

# Interest paid on Fixed Deposits ₹ 0.01 crore ( previous year ₹ 0.02 crore)

ii) a) Details of remuneration to KMP : Chairman & Managing Director ₹ 4.13 crore (previous year ₹ 3.64 crore), Vice Chairman & Managing Director ₹ 4.36 crore (previous year ₹ 3.87 crore), Whole-time Directors ₹ 2.53 crore each (previous year ₹ 2.26 crore each). b) Chief Financial Officer ₹ 2.20 crore ( previous year ₹ 1.96 crore) , VP & Company Secretary ₹ 0.78 crore (previous year ₹ 0.70 crore) and Whole-time Director, CFO & Company Secretary ₹ 0.89 crore (previous year ₹ 0.85 crore). Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

iii) In Compliance with provision of section 197 read with Schedule V of the Companies Act 2013, in the respective General meeting, the shareholders have approved the payment of remuneration to the persons stated in para above ii(a). However in view of inadequate profit during the year, Company has applied to the Central Government for the approval which is pending.

As per our report of even date

 For LODHA & CO.  
 Chartered Accountants

 N.K.Lodha  
 Partner  
 Firm Registration No.: 301051E  
 Membership No. : 85155  
 New Delhi, the 18th May, 2016

 B.K. DAGA  
 Vice President & Company Secretary

 SUDHIR A. BIDKAR  
 Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA	Chairman & Managing Director
VINITA SINGHANIA	Vice Chairman & Managing Director
KASHI NATH MEMANI	} Directors
N.G. KHAITAN	
PRADEEP DINODIA	
RAVI JHUNJHUNWALA	
Dr. R.P. SINGHANIA	
Dr. S. CHOUKSEY	
S.K WALI	

## CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 31st March 2016

₹ in Crore (10 Million)  
2014-15

### A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/(Loss) before Tax and Exceptional Items	(27.04)	171.46
Adjustments for:		
Depreciation and Amortisation	165.59	114.59
Interest & Dividend Income	(3.88)	(2.65)
Profit on sale of Assets & Current Investments (Net)	(53.57)	(22.32)
Finance Costs	198.58	94.48
Foreign Exchange Difference	(1.64)	-
Exceptional Items	(8.29)	(61.99)
<b>Operating Profit before Working Capital changes</b>	<b>269.75</b>	<b>293.57</b>

Adjustments for:

Trade and Other Receivables	(34.86)	(90.85)
Inventories	(19.44)	(119.59)
Trade and Other Payables	96.37	272.17
Cash generated from Operations	311.82	355.30
Income Tax Payments (Net)	(2.29)	(24.95)
Share of Minority in Profits / Associate	3.84	-

### Net Cash from Operating Activities

313.37 330.35

### B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(460.86)	(543.26)
Sale of Fixed Assets	1.24	2.97
(Purchase) / Sale of Investments (net)	64.91	107.02
Dividend Received	1.33	-
Interest Received	2.35	3.27

### Net Cash from / (used in ) Investing Activities

(391.03) (430.00)

### C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Long-term borrowings	533.80	335.00
Repayment of Long-term borrowings	(279.40)	(258.02)
Short-term borrowings (net)	65.90	190.95
Interest paid	(200.49)	(210.80)
Dividend paid (including Dividend Distribution Tax)	(28.13)	(27.36)

### Net Cash from / (used in) Financing Activities

91.68 29.77

### D. Increase / (Decrease) in Cash and Cash Equivalents

14.02 (69.88)

### E. Cash & Cash Equivalents at time of acquisition of Subsidiary

- -

### F. Cash and Cash Equivalents as at the beginning of the year

19.25 89.13

### G. Cash and Cash Equivalents as at the close of the year (Note 15 & 19)

33.27 19.25

Notes:

#### 1. Cash and Cash Equivalents include:

- Cash, Cheques in hand and remittances in transit	0.37	1.84
- Balances with Scheduled Banks	32.90	17.41
	<b>33.27</b>	<b>19.25</b>

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

As per our report of even date

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No. : 85155  
New Delhi, the 18th May, 2016

B.K. DAGA  
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Dr. S. CHOUKSEY  
S.K WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

# APPRECIATION BESTOWED BY OUR ESTEEMED CLIENTS



## BY BOOK POST

