



JKLC/SECTL/REG. 34/17  
12<sup>th</sup> September 2017

BSE Limited  
DCS-Listing Department  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

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

Through: BSE Listing

Through: NEAPS

Security Code No. 500380

Symbol: JK LAKSHMI, Series EQ

Dear Sir,

**Re: Annual Report for the Financial Year 2016-17**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith Annual Report for the Financial Year 2016-17 ending 31<sup>st</sup> March 2017, as approved and adopted by the shareholders of the Company in the Annual General Meeting held on Thursday, 7<sup>th</sup> September 2017 at the Registered Office of the Company at Jaykaypuram, Dist. Sirohi, Rajasthan - 307019.

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)  
Sr. 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@jkmil.com; Website: www.jklakshmi.com, C I N L74999RJ1938PLC019511

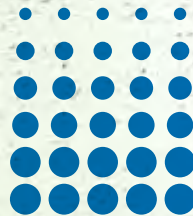
Regd. & Works Office: Jaykaypuram, Distt. Sirohi, Rajasthan; Phone: 02971-244409/ 244410; Fax: 02971-244417; E-Mail: lakshmi\_cement@lc.jkmil.com

Secretarial Deptt. : Gulab Bhawan (Rear Wing), 3rd Floor, 6-A, Bahadur Shah Zafar Marg, New Delhi-110 002

Phone: 30179860, 33001142, 33001112; Fax: 91-11-23739475, E-mail: bkdaga@jkmil.com



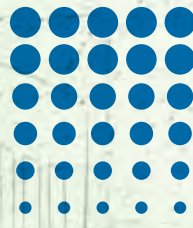
SCALE



SUSTAIN



SUCCEED





## VISION

To be a Profitably growing, Innovative and Caring Company, and to become a significant player in the operating market and be amongst the top 10 in the Indian cement market.

## MISSION

- Achieve growth in Sales & Profit, higher than comparable sized players
- Achieve Operational Excellence
- Be a workplace of choice- Attract, Retain and Grow Talent Pool of change leaders
- Create superior value for the customer through Premium Products & Brand Positioning
- Continuously enhance Shareholders' Wealth and be a preferred portfolio among investors
- Be a Socially Responsible Corporate Citizen

## CORE VALUES

- Caring for people
- Integrity including Intellectual Honesty, Openness, Fairness & Trust
- Commitment to Excellence




**Whatever good things we build,  
end up building us.**

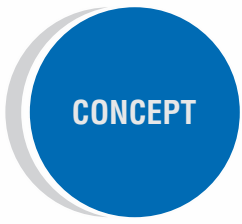


INTEGRATED CEMENT UNIT AT DURG



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**We are what we repeatedly do.  
Excellence, thus, is not an act, but a habit.**



Aristotle

At JK Lakshmi Cement, we firmly believe that achieving excellence in everything that we do is a habit rather than a one-time act. Our motto of Excellence in Everything is reflected in the way we perceive and act. For us, these habits are a process. And process is supreme. The underlying process that forms the foundation of our corporate DNA is characterized by 3 basic steps: Scale. Sustain. Succeed. This 3 step process not only defines our strategy, but also our way of work and life.

This 3 step process is a thumb-rule for the way our various departments operate. Whether it is Production and Operations, Marketing and Distribution, Finance and Human Resources, following the process of Scale, Sustain and Succeed has proved to be the fulcrum for each of these functions to achieve excellence in their respective areas. We aim to highlight this 'approach to excellence' of ours for the year gone by.

Scaling up performance with regards to production capacity, operational capabilities and processes, looking at scaling distribution to newer markets, and scaling human capabilities with training and development was a key aspect of our performance in the year.

Sustaining excellence is known to be tougher than achieving it.

We at JK Lakshmi Cement have absorbed this realization since our initial years. For us, this second step in the process of excellence defines sustenance and stability. This year saw us actualizing this step in our endeavours ranging across sustaining top quality of our products, sustaining efficiencies in terms of Production and Operations, and, above all sustaining our core values and principles across employee levels.

Our zeal to Succeed, and, our perseverance towards it has been exhibited like never before in this year. With the introduction of a disruptive and large scale economic reform like demonetization, the entire economy took a set-back in the crucial Quarter 3, however, our pursuit of excellence continued even during these turbulent times. Our last mile push towards increasing capacity continued without any hesitation. So did our employee initiatives to inculcate a sense of belonging and productivity values amongst the Human Capital. We believe that in the long term, demonetization will have a positive impact on the economy of India, which was evident as micro-economic indicators started picking up in Quarter 4 as the cash circulation in the economy was back to normal, we at JK Lakshmi Cement are wholly equipped and motivated to rise and succeed in the years to come.



# OUR JOURNEY



**2016**  
Capacity Addition at Kalol-0.4 Mn MT,  
Total Capacity-8.6 Mn MT



**2017**  
Surat GU  
Commissioned-1.4 Mn MT,  
Total Capacity - 10.0 Mn MT



**2017**  
Capacity Addition at Durg-0.9 Mn MT,  
Total Capacity-10.9 Mn MT

**2015**  
Capacity Addition at Sirohi - 0.5 Mn MT,  
Total Capacity - 8.2 Mn MT



**2015**  
2nd Integrated Plant at Durg - 1.8 Mn MT, Total Capacity - 7.7 Mn MT



**2015**  
Jharli GU Started & Capacity added - 1.2 Mn MT,  
Total Capacity - 5.9 Mn MT



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



**2009**  
Capacity Addition at Sirohi,  
Capacity-4.2 Mn MT



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



**2001**  
Capacity Augmentation at Sirohi, Capacity-2.4 Mn MT

## CMD MESSAGE



“  
**Excellence is a continuous process  
and not an accident**  
”

A.P.J. Abdul Kalam

It is with this great thought that I would like to begin my message. We, at JK Lakshmi Cement have not only imbibed this thought-process in our DNA but also constantly strive to live it in our everyday lives and actions. The initiatives taken by Your Company over the years since inception have all been centered on this orientation. Our endeavors towards scaling up our capacities, strengthening and sustaining our capabilities, the passion we bring to our zeal for success and, our vision of inclusive growth that motivates us to work for the well being of the communities across the country, are the core values that define our pursuit of excellence.

At the outset, I am extremely thankful to all our customers, shareholders, channel partners, business associates, financial institutions and all our employees who are an integral part of our stakeholder community, for their invaluable support and confidence. Their continued faith and support has enabled this Company to pursue excellence and grow, year after year.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the IMF, India's growth is expected to be around 7.2% in the 2017–18 fiscal and 7.7% in 2018–19. Furthermore, India has distinct advantages that can propel the nation into prolonged economic growth. By 2020, India will have the world's youngest population, and by 2030 will account for almost 30 percent of the world's workforce. By 2030, the nation is projected to have the largest middleclass population in the world, which will reinforce economic growth through increased consumption and investment. This youthful energy would pump up India's GDP by at least two percentage points every year for the coming two decades. This translates in to business getting access to young who are educated, physically able and ones with more disposable income. This, combined with annual growth rate of 7.0% and right economic policies, would help India's \$2 trillion economy today jump from being the sixth largest economy in the world to being the third largest economy.

The 3rd quarter demand got impacted to some extent because of demonetization of high value currency, which impacted construction activities temporarily for 2-3 months. The situation improved from middle of the last quarter onwards. In the current year too, some temporary disruption are expected, with one of the most important and long a waited tax reform - GST rolled out from July. Some turbulence is expected as a reform of this magnitude will take its own time in transition to the grassroots. Both these reforms are poised to create a positive effect in the economic & business climate of the country as it entails much higher degree of transparency & accountability.

India is the 2nd largest cement producer as well as consumer in the world led by the enormous growth in the infrastructure & construction sector for the last two decades. As India's current per capita consumption of cement is much lesser than the developed & other developing economies, there is a significant business opportunity to cater to the unmet & rising demand. Improvement in the demand of last quarter raises the hope that the cement demand, which has been eluding the cement manufacturers would finally be back to the earlier days of 8% plus growth. The Robust infrastructure growth plans during 12th Five Year Plan will drive growth in the cement sector. The demand is expected to be boosted by growth in the real estate sector with the focus on Affordable Housing and initiatives like smart cities. On the balance we are at a cusp of major economical shift, which as it happens will see the revival of the demand for cement on sustainable basis.

Your Company's performance during the financial year 2016-17 has been fairly satisfactory and encouraging as it has achieved a volumetric growth of 9% both in production and sales, which compares favourably with the industry's overall growth during the year. We have strengthened and sustained our capabilities, and optimized our efficiencies during the year, and, therefore continue to remain in the league of one of the least cost producers of cement in the country. The progress of our projects and expansions has been at a rapid pace in the year and resulted in increasing our cement capacity from 8.65 Mn MT in the beginning of the year to 10.9 Mn MT by the end of the year. Continuing with our culture of people-centricity, we at JK Lakshmi Cement Ltd., created some significant milestones in the year. Your Company won globally reputed "ATD Best Award" from Association for Talent Development, USA (erstwhile American Society for Training and Development) for its commendable efforts and practices in building and nurturing talent through multiple interventions including training and development initiatives. Continuing our efforts towards Inclusive growth and taking our CSR efforts further, Your Company worked on a plethora of activities towards development and welfare of the society in the areas of Health, Sanitation, Education, Skill Development and Livelihood Interventions to name a few.

Returning to the thought from where I began my message, we at JK Lakshmi Cement Ltd. are committed to our pursuit of excellence and will continue to follow the process of scale, sustain and succeed, that is built on our core values and principles. We are passionate towards not only building a sustainable and profitable business, but, also towards inclusive growth.

**BHARAT HARI SINGHANIA**  
CHAIRMAN AND MANAGING DIRECTOR



## BOARD OF DIRECTORS

**BHARAT HARI SINGHANIA**  
CHAIRMAN & MANAGING DIRECTOR

**VINITA SINGHANIA**  
VICE CHAIRMAN & MANAGING DIRECTOR

**B. V. BHARGAVA**

**DR. RAGHUPATI SINGHANIA**

**N. G. KHAITAN**

**DR. S. CHOUKSEY**  
WHOLE-TIME DIRECTOR

**RAVI JHUNJHUNWALA**

**K. N. MEMANI**

**PRADEEP DINODIA**

**S. K. WALI**  
WHOLE-TIME DIRECTOR

### COMPANY SECRETARY

BRIJESH K. DAGA

#### REGISTERED OFFICE

JAYKAYAPURAM,  
DISTRICT SIROHI - 307019 (RAJASTHAN)

#### ADMINISTRATIVE OFFICE

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

### CEMENT PLANTS

JAYKAYPURAM, DISTRICT SIROHI - 307019 (RAJASTHAN)  
MALPURI KHURD, AHIWARA, DISTRICT DURG - 491001 (CHHATTISGARH)  
MOTIBHOYAN, KALOL, DISTRICT GANDHINAGAR - 382010 (GUJARAT)  
VILLAGE BAJITPUR, P.O. JHAMRI, DISTRICT JHAJJAR - 124507 (HARYANA)  
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 INDI. AREA,  
PHASE 1, NEW DELHI-110020  
PH.: (011) 41406149-52  
FAX NO : (011) 41709881  
E-mail : admin@mcsdel.com  
CIN:L74999RJ1998PLC019511



## VCMD MESSAGE



“  
**The Noblest search is the  
search of excellence**  
”

Gradually we are beginning to see a pattern in the major policy transformations undertaken by the government. It has given a new direction to our economic framework. Various initiatives undertaken by the government in the previous three years have started fitting in a pattern, which depicts the direction in which our economy is poised to move. These transformation policies making digitisation and transparency as the pivotal to governance. Further policy implementation has inherent capability to fundamentally transform the business models and processes in a manner that transparency, accountability, performance and good corporate governance would become pre-requisites. Controls are being gradually replaced with compliances. We must see the major disruptive reforms such as direct transfer of benefit linked to Aadhar, demonetization, GST, and so on in light of such a directional change. A careful analysis of the developments which took place in last few years clearly show that much has been done in capacity building of our institutions and policy framework; which shall be the backbone upon which the foundations of many of the planned initiatives shall rest.

Avid readers and followers to this core sector perhaps have over simplified the situation when they commented on the demand of the manufactured goods not being in tandem with the growth of the economy. Probably over emphasis on quarterly performance is not the right way to view an industry with a longer term perspective. The changes in the policies are aimed at building a sustainable and holistic growth rather than emphasising on a quarterly or yearly growth in some of the key indices. Our industry is no exception. Year after year everyone in the industry including Your Company have believed that with so much going on in terms of building of infrastructure whether it is roads or dedicated freight corridors, smart cities, housing, rural electrification, drinking water, irrigation, inland water ways, port infrastructure development; just to name a few; the revival of demand is just around the corner. Our hopes never left us and we continued to believe in the inherent strength of our economy and therefore we took these periods of low demand to scale, sustain and eventually succeed.

With the direction and the pattern becoming more clear; the business is getting reaffirmed and is progressing month after month with the belief that the Government's various steps are making sense and are directionally right. However, the changes that are taking shape in new emerging business models would require a different mind-set perhaps different competencies, processes and technologies.

It is a matter of satisfaction for your Company that it has been concentrating on these to infuse greater flexibility with the changing times as well as taking into account the changing demography of our customers and its decision makers. The most important of these is in the direction of enhancing the capabilities of its human resource. Your Company puts a considerable emphasis on this with the confidence that our efforts of the previous year would hold us in good stead. The recent recognition of your Company as “Great Place to Work”; being the only cement Company to figure amongst the top 50 is a matter of pride for all of us. It is also because of our team's effort and continuous focus, we are still retaining our position amongst the least-cost producers in the industry.

Organizational core values have always motivated us to care for our society. Our CSR activities therefore emphasise on holistic growth of society around our plants & markets where we operate so that our growth does not remain in isolation.

Last but not the least, we are aspiring to take lead in adoption of the latest information and digital technologies. With changing demographics and consequently new emerging behavioural patterns of the new generation, it is important to be present in right places at the right time. Optimal utilisation of digital technologies is must in mapping of the customers' mind, nuances in the decision making and brand building initiatives. We are taking many baby steps, which shall be consolidated and accelerated further. With greater use of relevant technologies in the newer areas of corporate governance and interface with other stakeholders; we aim to be a preferred choice among all our stakeholders.

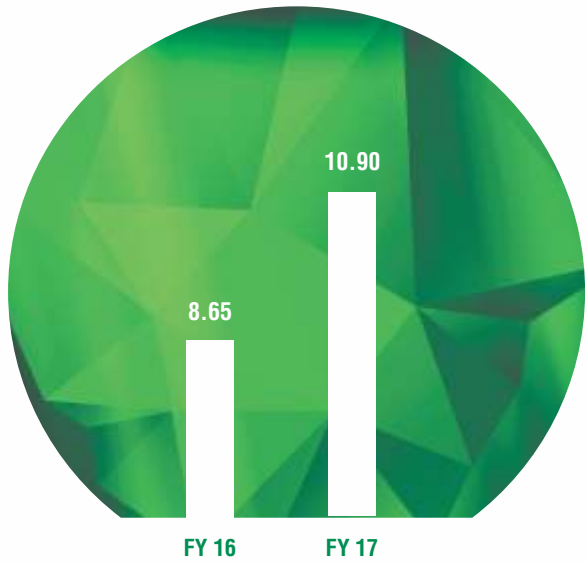
This year has begun on a positive note with green shoots emerging on the horizon, especially in the areas of rural housing - largely due to gathering of the pace in implementation of Pradhan Mantri Awas Yojana and infrastructure with greater emphasis on construction of concrete roads. Monsoon is also expected to be good this year and this shall definitely give boost to the rural income and overall discretionary spending by the consumers. Tax incentives in housing, credit linked investment subsidy in affordable housing, easing of regulations in construction, and framing of rules under RERA etc. are directionally correct for boosting of cement demand. Yet we must take these with a word of caution - as I mentioned earlier; we are not a quarter on quarter industry but are in the business which has a sustainable long term outlook and future.

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

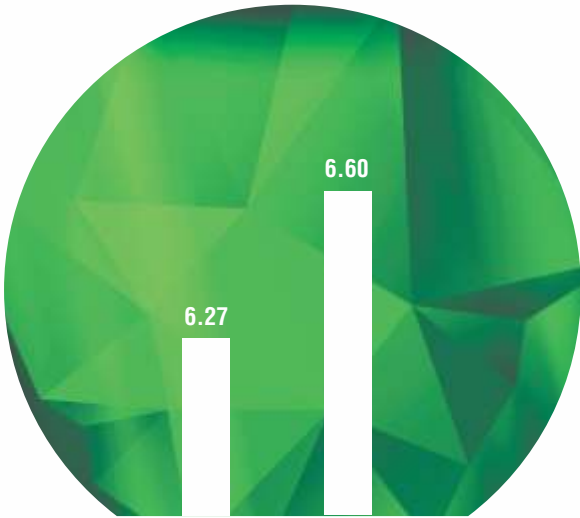
**VINITA SINGHANIA**  
VICE CHAIRMAN AND MANAGING DIRECTOR



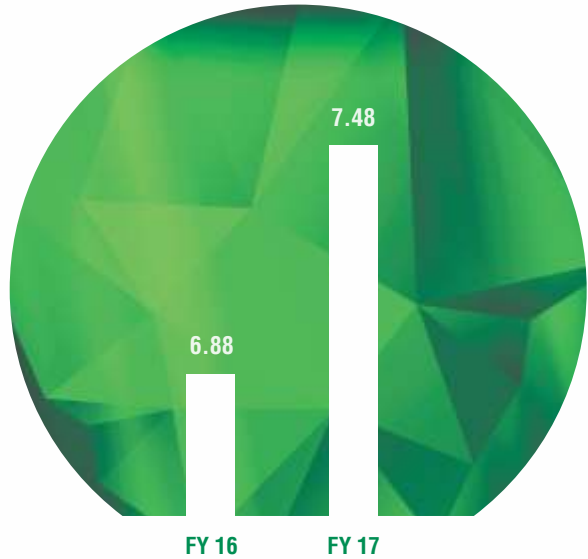
**HIGHLIGHTS**



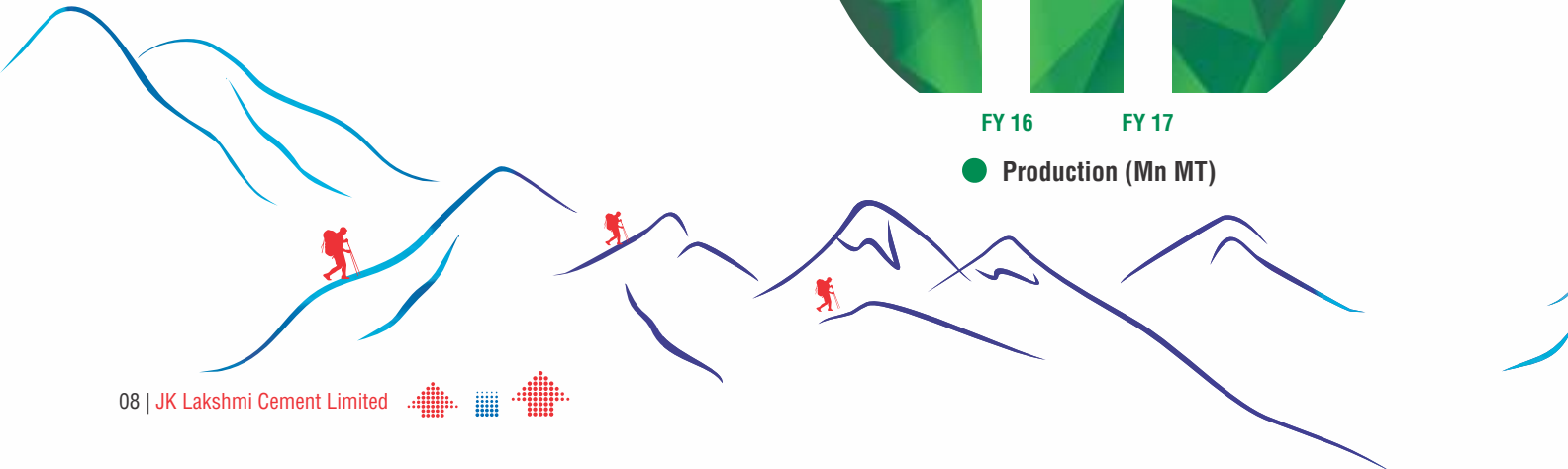
● Cement Capacity (Mn MT)

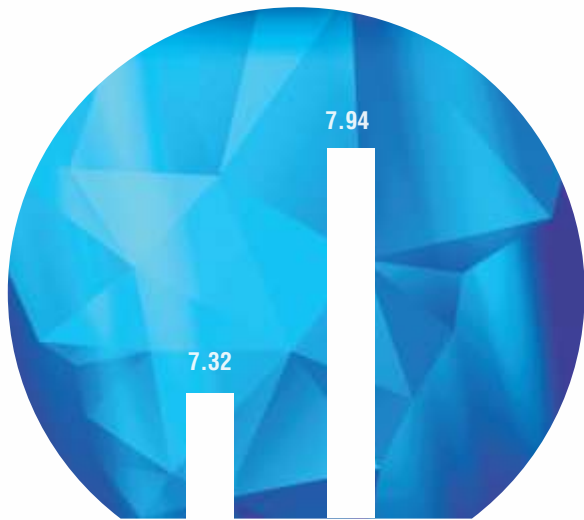


● Clinker Capacity (Mn MT)



● Production (Mn MT)

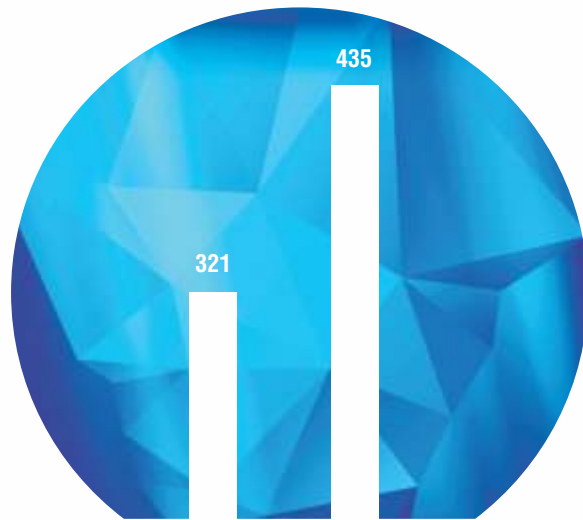




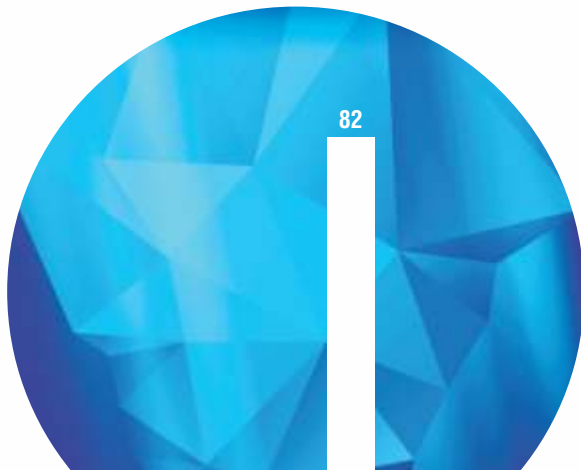
FY 16 FY 17  
● Sales (Mn MT)



JAYKAYPURAM PLANT - SIROHI



FY 16 FY 17  
● EBITDA (in ₹ crore)



(6.56)  
FY 16 FY 17  
● PAT (in ₹ crore)







## SCALE



**Pursue the thing that lights up the customers,  
their world and you; and scale it up!”**



Size does matter. It defines the extent or scope or span of a player. If a small player is likely to be quick in response, and a big player enjoys more bandwidth; JK Lakshmi Cement - a mid-sized player always endeavours to get the best of both worlds to its customers and other stakeholders. At JK Lakshmi Cement, our scale and size help us in leveraging our position. We differentiate our

play with the agility of a small player, and capabilities, competencies and efficiencies like those of a big player. Working towards reducing various components of costs per unit of output by ensuring fixed costs are spread out over more units of output. This propels investment in R&D and innovation, which in turn helps in ensuring a strong product pipeline for future and better services.



Scale denotes size.

It means to serve the customers so that their satisfaction level will be higher.

It is the means to serve the customers even better.

The advantages of economies of scale are the cost advantages that a Company gets due to its size, output, or scale of operation.

Scaling up is nothing but building upon the organizational strengths to leverage the position as well as strengthen it.



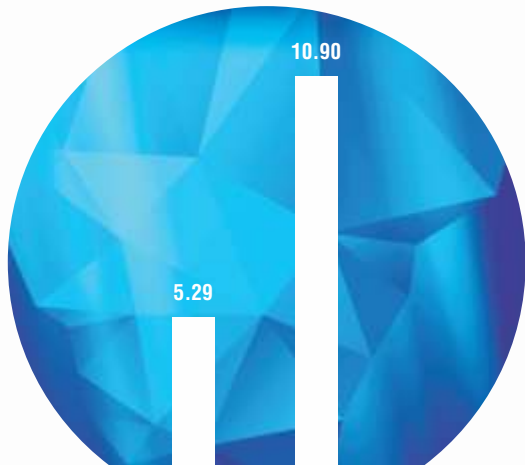


# SCALE

Over the years, even when the Cement Industry was going through one of its most lean phases, we were quietly, but surely and consistently working towards scaling up our capacities and capabilities. The scale of our growth at JK Lakshmi can be fathomed better if it is looked upon over a horizon of last five years.

The efforts of our team across the Organization have resulted in JK Lakshmi Cement scaling up its production capacities for cement over the last five years from ~ 5 Mn MT to ~ 11 Mn MT. This output is a sheer testimony to the countless man-hours of dedicated and sustained efforts of our teams and this has been brought about without compromising on the quality and efficiency parameters thus ensuring the superior quality of our products while bringing about a major upwards trend in the production volume. The fact that we still remain one of the least-cost cement producers in the Industry in India speaks volume of the single-minded focus and all-around awareness of our multi-faceted team.

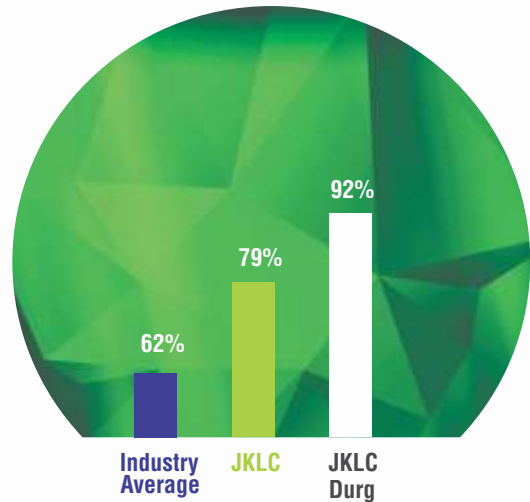
This increase in capacity has been brought about by significant contributions from across the plants; be it the stupendous efforts of the team at our Durg plant in scaling up production capacities as well as efficiencies in tandem; the dedicated efforts of our Sirohi team in increasing the plant capacity by 0.1 Mn MT; the continuous scale of inputs from our think tank at our full-fledged R & D department at Jhajjhar along with the ever increasing output of the Jhajjhar plant; the capacity expansion brought about due to our new grinding unit at Surat; the scale-up of productivity from 0.5 Mn MT to 0.9 Mn MT at our



● Cement Capacity (Mn MT)

Kalol plant, thus proving the point that the scale of growth in production capacity at JK Lakshmi Cement has been a result of the fruits of its hard labor.

While our Production team was working towards scaling capacities, our teams from Marketing, Sales and Distribution were working in tandem towards scaling up the demand generation of our products. While consistently focusing on the trade segment and the distribution network, huge amount of efforts have been made by team JK Lakshmi



● Capacity Utilization FY 17

on the B2C front. As a result of all these efforts by the dedicated and passionate team at JK Lakshmi our capacity utilization remains considerably above the industry average. With a firm footing on the ground and a solid foundation, we at JK Lakshmi Cement are confident that in the years to come, our efforts towards achieving excellence in all areas and functions will only scale up.

## Conquering Challenges and Expanding Horizons: Capacity Enhancement at Durg

For us at JK Lakshmi Cement, every challenge is an opportunity. One such challenge that we conquered and is a milestone in our achievements is the setting-up of our Durg Plant. Up against the challenge of setting up a Green-field project from the inception stage in a primarily unexplored location at Durg, Chhattisgarh, the team had its task cut-out for them. With its customary passion and perseverance the team JK Lakshmi at Durg was able to tackle the initial hiccups and setbacks, using its inclusive approach of winning the hearts of the locals, the team at Durg went about accomplishing the task.



With exemplary enthusiasm and passion, the team worked in multiple areas with a single aim – the focus was unwavering and the efforts were relentless. As a result of the unwavering commitment of the team the Plant was fully commissioned in March 2015.

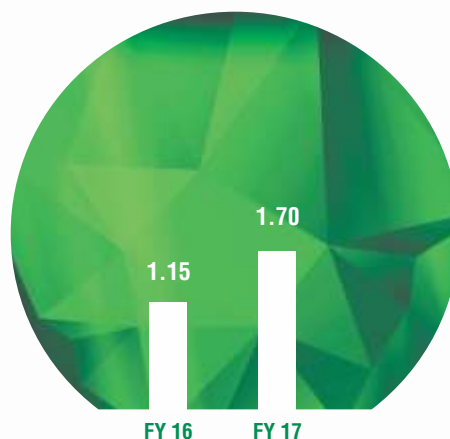
In the year 2016-17, the team at Durg set about to optimize the capacity and the aim was to achieve this through sustainable innovations. Posed with a number of challenges like the requirement, handling and conveying of limestone, optimization of operations of the Raw mill and RABH operation optimization, kiln feeding system capacity and consistency, increase in running hours of the Coal mill, inadequacy of the Cooling Air, and, Clinker storage and transport. Deep diving into action mode and following the principles ingrained as part of the corporate DNA, a cross-functional team (CFT) was formed amalgamating the JK Lakshmi Cement management's approach of "thinking with the team".

An in-depth study was carried out to ascertain the modifications required, and, the constraints to be tackled. Members of the team were

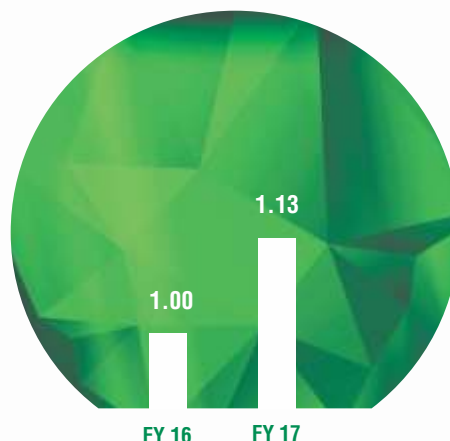


INTEGRATED CEMENT UNIT AT DURG

assigned specific tasks based on their competencies and area of expertise. With the underlying guideline of sustainable innovation the team went about this exercise and as a result the targeted capacity was achieved in the Durg plant within the stipulated time-frame. Today, the plant is proud of having achieved rated capacity in shortest time of three months through exemplary team work and sustainable innovations.



● Cement Production (Mn MT)



● Clinker Production (Mn MT)

### Increasing Efficiencies, Ensuring Excellence: Capacity Expansion at Sirohi using Cyclone Modification

As part of our endeavour of scaling up capacities using sustainable innovation, the team JK Lakshmi at our Sirohi plant not only accepted the challenge of scaling up capacity but set an internal target of doing it in-house and, aimed to achieve this without any major investment. A CFT (Cross-functional team) was formed keeping in mind the expertise available across the work-force, and this team went about studying the various ways and means of achieving the expansion. Based on input from the team, it was decided to use the concept of cyclone modification to derive this capacity scale-up. As a result of the persistent efforts of the team, today the capacity of the Sirohi plant has gone up by 0.1 Mn MT clinker per annum using cyclone modification. Moreover, with the added benefit of improvement in quality of the semi-finished product.

As part of our Operational Efficiency Standard Operating Procedures, Team JK Lakshmi checks operational parameters and captures data of working units even for the best functional system to create records for future reference as well as provide insights for any efficiency enhancement project. One such instance is an observation of pressure drop across VRM Cyclone's inlet/ outlet duct. The analysis revealed



## SCALE

significant scope in electrical energy savings by reducing the pressure drop in VRM Outlet duct to VRM Fan Inlet duct. Our Engineers decided to use Computational Fluid Dynamics (CFD) studies to arrive at precise solution. The results - after the suggested modifications were carried out are more than encouraging. Productivity has improved; power consumption has reduced; resulting in substantial savings for the Company showcasing the depth of knowledge and passion within the team and the exemplary leadership of the Top Management.



JAYKAYPURAM PLANT - SIROHI

### Our Circle of Excellence : The Quality Circle Movement

Along with our endeavours at scaling up our capacities and market presence, we at JK Lakshmi have also ensured that even smaller initiatives like the Quality Circle have picked up in pace and have scaled up. This innovative initiative was started in one of our group companies as a Quality Circle movement in 1982. With the top Management taking keen interest in developing and enhancing this activity, the Quality Circle movement has slowly but surely started picking momentum in the last few years at JK Lakshmi Cement. With the basic yet insightful idea of ensuring participation of the workers starting from the grass-root level workforce to the highest Management Cadre, this Quality Circle movement has been able to create a systemic positive impact in terms of information and communication flow - from the lowest level to the highest level of the work force and vice versa. Moreover, the suggestions, insights and ideas coming out of the Quality Circle



QUALITY CIRCLE MEETING

movement have contributed considerably to the overall Business. Needless to say that what started off as a single initiative in our group Company has now over a period of time taken the form of a national movement with 12 Quality circles across our plants and has received more than 100 awards, and, recognition at various National and International forums.

### Enhancing Capacity, Increasing Productivity through in-house innovations – Keys to Kalol Unit's Success

The Scaling of Capacity at our Kalol unit from 0.5 Mn MT to 0.9 Mn MT goes a long way into providing insights into the JK Lakshmi Cement way of thinking. Our Kalol team worked with a single-minded focus towards achieving this milestone by opting to work on increasing productivity and overall efficiencies thereby aiming to accomplish this task without any major investment. Based on our principle of 'Knowledge Sharing', the Sirohi team started this process by accumulating and studying the learnings derived from similar exercises at our other plants. Incorporating these learnings into their 'plan of action', the team worked upon the plan to increase productivity and efficiencies across all areas from Manpower productivity to Operational input and output, and, replacing Manual processes with faster automated innovations wherever possible.

The contributions were manifold, the innovations were brilliant and insightful, and, above all these came from across functions and levels of the work-force. Through sheer improvisation and innovation, without adding any resources like additional land, exceeding power and other material consumption, or additional work-force, the team ensured that while they were working on capacity expansion, the rest of the processes and areas linked to the expansion were also scaled up in tandem. Innovations like Automation of the weighbridge ensuring 24/7 smooth access to inflow of materials and outflow of finished



product was done successfully, and, developing a new automated weighbridge – ensuring reduction of the cycle time from average 90 seconds to an average of 20 seconds; Modifications in the clinker unloading reducing the cycle time and thereby increasing productivity; Synchronization of existing clinker hopper feed to bucket elevator load; Installation of a new clinker crusher that operated on technology sourced from local vendors to increase the output rate; Up-gradation of the separator to increase the production rate.



RAINWATER HARVESTING AT KALOL PLANT



JK LAKSHMI KALOL PLANT

Team JK Lakshmi at Kalol also has another distinction and has set an example worth emulating by any Industrial Unit. It is possibly among the first ever Water Positive Unit in the country. Various water conservation initiatives taken over the years as well as techniques employed such as Rain Water Harvesting, Water Recycling, etc. have resulted in the Unit adding more water to ground water tables than it withdraws.

With a habit of challenging the status quo, and, the resolve of doing something new every day, the team JK Lakshmi at Kalol has been setting superlative examples in the Industry on operational innovation and efficiencies.

### India Ab Soch Karo Buland – Our Call for the future

While our production teams were working on scaling up capacities at the plants, Our Marketing team was working on new ideas and insights towards strengthening our brand equity amongst the Target Audience. With the future and the current sentiment of the country in mind, the marketing team came up with the insightful thought of shifting the brand communication from product centric to a broader aspirational focus that revolves around dreams, aspirations and nation-building – thus shifting the focus from just one dimension of our product characteristics i.e. “Majbooti Guaranteed” to a broader scope and added the emotional dimension of national pride as well i.e. “Buland Soch”. “India Ab Soch Karo Buland” – is not only the sentiment that prevails in the country currently in reference to the better future prospects of India but also depicts our determination to think and execute big to achieve success.

Moreover, JK Lakshmi Cement has also been pioneering the digital marketing initiatives in the industry and has utilized the social media platforms for its brand communication to all relevant customer segments. We continue to lead the industry on platforms like Facebook with a fan base of over 3.75 lakhs, while our educational videos on aspects like Cement Manufacturing, Vastu, Home Styling and Construction Tips have become a bit hit on YouTube garnering lakhs of views till date.







**Leadership is the capacity to translate intent into reality and sustain it!**

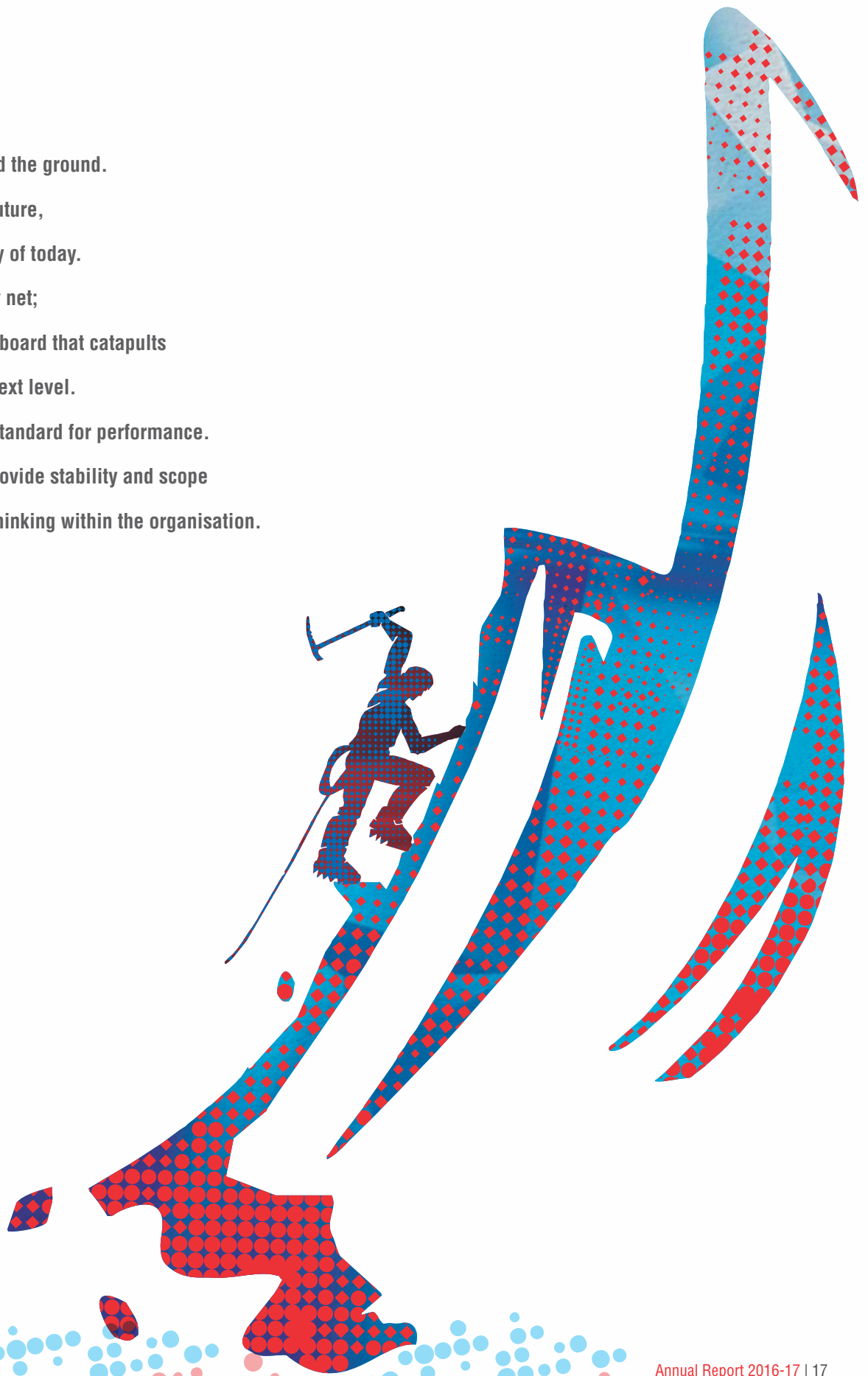


To sustain is to ensure continuity while bracing for change. Change is not an event but an ongoing process of translating the vision into reality. For JK Lakshmi Cement, sustaining is a prelude to change. In order to bring about lasting change, it is imperative to sustain what has already been achieved. At JK Lakshmi Cement, to sustain is surely not to maintain the status quo. It is all about ensuring that the ground covered thus far is at

least not ceded in the process of moving to the next level. For us, sustaining is actually a building block that provides impetus to the projects that bring in systemic efficiency by organisation-wide collaboration. It makes the best use of collective creative energy of people. At JK Lakshmi Cement, we sustain performance on the three pillars of people, processes and products.



To sustain is to hold the ground.  
It is vision for the future,  
etched in the reality of today.  
It is akin to a safety net;  
yet acts as a springboard that catapults  
a Company to the next level.  
It is the minimum standard for performance.  
Sustaining helps provide stability and scope  
for a lot of lateral thinking within the organisation.





# SUSTAIN

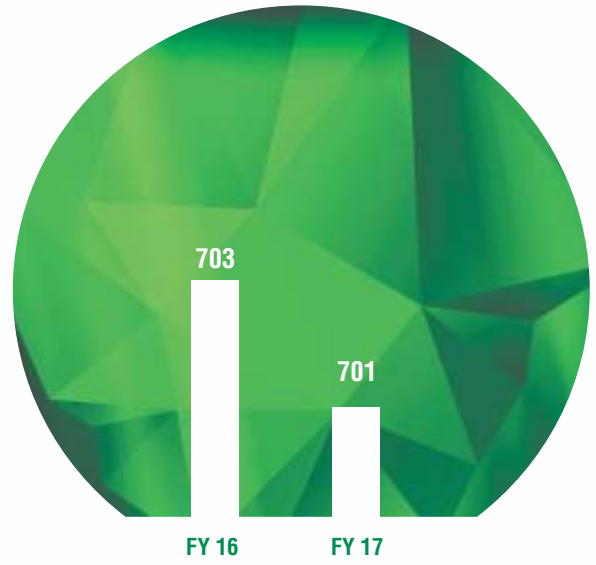
For us at JK Lakshmi Cement Ltd. to 'sustain' is to bring about efficiencies in our operations, systems and processes, and increasing productivity continuously across the organization. Sustain also means to us avoidance of complacency at all cost. Our philosophy of sustainability is conceptualized through six dimensions with each dimension addressing a facet in the product life cycle. These dimensions are:

**Environment | Social | Business | System | Health and Safety | Technology**

Our Corporate DNA ensures that all our endeavours have a high sustainability quotient. Our approach towards achieving sustainability begins from building operational efficiencies that ensure lesser consumption of raw materials and essentials like power thereby resulting into the Company maintaining its position as the 'Least-Cost' cement producer in the Country. Over the years, we have brought down our power consumption and fuel consumption levels considerably through innovative and effective modifications in the operational system.

Our efforts in lowering the carbon footprint which are implanted into the system at the intrinsic stage, installation of Solar Power plants at Kalol and Sirohi, our hard work towards ensuring that not only the Plant but even its surrounding areas are 'Water Positive' by effective use of Rain Water Harvesting are at the forefront of our initiatives towards building a larger pool of Alternate sources of Energy and Conservation of Natural Resources.

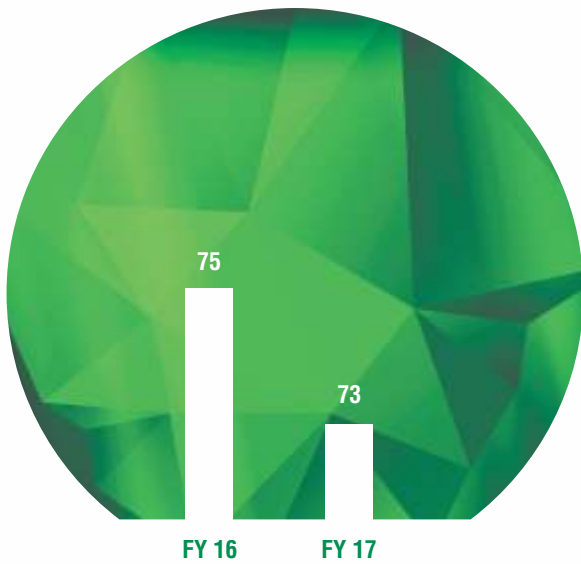
For JK Lakshmi Cement, our people are our biggest assets. And we leave no stone unturned towards their development and training. Our employee engagement initiatives and our Top Management's special initiatives like Coffee with VCMD and SPARK have added impetus to JK Lakshmi's drive towards increasing the depth of its Human Capital.



● Fuel Consumption (K. Cal/Kg. of Clinker)

Our efforts towards our Corporate Social Responsibility initiatives span from healthcare and education to ensuring training to the under-privileged to earn their livelihood. While we continue with these efforts, we also keep taking feedback from the communities and invite them to rate our services – this helps us in assessing the overall impact on the community stemming from our efforts and also helps us in improving our CSR activities further. In a survey conducted across our locations targeting the communities that were in the purview of our CSR programs, Your Company received an Average rating\* of 3.7 out of 5 from the local communities signifying their acknowledgement that our CSR activities were not only good initiatives but also helpful to them towards improving their quality of life.

\*Rating Scale (5-Very Helpful, 4- Helpful, 3-Good, 2-ok, 1-No awareness)



● Power Consumption (Kwh/MT Cement)

## Engineering Excellence - the difference is visibly clean

Circa 1993. There was a time when Cement plants in India spewed dust. This was the time when best-run Cement plants had emissions of 150-250 mg/Nm<sup>3</sup>, while others belched dust to the tune of 400 mg/Nm<sup>3</sup> also.

A dust-enveloped surrounding was a common sight for Cement plants across India and a traveler could 'feel their presence' from a distance. Though the case of JK Lakshmi Cement Ltd. was different as well as unique even during those days.

Different as our plants had emission to the tune of 50 mg/nm<sup>3</sup> which became a norm only recently. And unique as the Team JK Lakshmi had drawn inspiration from one of the most unexpected quarters to achieve the feat: the home-makers in our residential complex. Upset with sweeping bucket-full of dust twice every day, the housewives raised a flag with a request to bring down the emissions and show them the real marvels of Engineering Excellence. Within a short span, our plant had emissions of 50 mg/nm<sup>3</sup>. Thanks to their better-half's our engineers had set a standard almost two decades before it became a norm.

So while the industry is busy catching up with the norm of 50 mg/nm<sup>3</sup> and beyond, Team JK Lakshmi is again way ahead in terms of reducing the GHG footprint and emissions even further. The Company is working in line with the European Union norms with its path-breaking first-in-India Technology adoption initiatives.

### The start of a new era - Naya Savera

Our vision for Inclusive Growth motivates us to do our best for the local Communities surrounding our Plants as part of our CSR Initiatives. Naya Savera is one such initiative that JK Lakshmi Cement has implemented as part of the Company's "Integrated Family Welfare Programs". It is an intervention on Health and Hygiene designed to meet the high expectations of the local communities by providing much-needed medical services. Services like Full Antenatal check-up; door-step postnatal check-ups; Family planning, Counselling & providing Spacing products; Routine Immunization in collaboration with Government staff; Child growth monitoring & surveillance; Adolescent life-skill education; Awareness activities on RCH (Reproductive & Child Health) issues; Consultation & medicines for routine ailments; Household visits by project staff; Saas-Bahu sammelans /mahila mandal meetings; Health melas / Free medical camps; Village health committee and Stakeholder



Village health committee and Stakeholder meetings; Cultural programs (Kala Zattha) ; Adolescent awareness programs and Mass immunization programs.

Our key objectives for this intervention program are like 1) to improve health status of women and children, 2) to provide access to mobile clinics, 3) to promote family planning and create awareness about various family planning methods, and, 4) to facilitate

awareness programs for adolescents.

### Impact

**Beneficiaries:** 35 villages & 55 hamlets | 80,000 population | 8000 eligible couples. | 70% tribal community | 30% SC, OBC & General population

### Towards a Swachh Bharat - MOR SANGWARI

While the Government has taken large scale country wide initiatives towards promoting hygiene and sanitation through the Swachh Bharat Mission, we at Jk Lakshmi Cement have also taken various initiatives to raise awareness on the importance of hygiene especially amongst women and girls.



With the key objectives of: 1) to improve the health status of women, 2) to provide the hygienic environment to women, and 3) to create awareness on women health, hygiene and sanitation Our team was up against challenges like: Open Defecation, inaccessibility to modern sanitation, and, poor health-care facility. However, with its relentless efforts and hard-work the team came up with low-cost but effective solutions and implemented them over a period of next few months. A low-cost sanitary napkin manufacturing unit was established. Furthermore, a self-help group of seven local women was formed, to whom relevant trainings were provided on the manufacturing of sanitary napkins. Specialized vending machines were installed to provide this benefit to the women and girls of the local community. Encouraged by the response to this program, the Chhattisgarh Govt. initiated similar programs across the state.

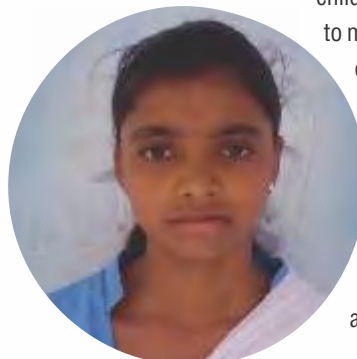
### Impact

**Key Highlights:** Sanitary Napkin Manufacturing Unit | Sanitary Napkin Vending Machines | Sanitation Programs | Construction of Toilets

### A good beginning - Project Aarambh

Rekha Kumari is like any other Class 11th student today. Except that her story is different. And it is a story of an entire community as well. Living in a tribal hamlet with her parents and siblings, Rekha Kumari was a school drop out after Class 2nd. Most of the children in the hamlet were shepherds or assisted their parents in small tasks or stayed at home. The CSR Team of JK Lakshmi Cement identified such

children and approached their parents to make them aware of the importance of education for a brighter future of the children. The CSR Team met the parents of Rekha Kumari and encouraged them to get her enrolled in Class 5th for studies. The team completed all formalities related to admission as well as provided the study





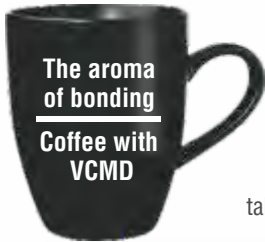
# SUSTAIN

material. A little hand-holding, encouragement and support in terms of study material ensured that Rekha Kumari continued her studies. She is the first girl ever in the hamlet to reach Class 11th. More than that, Rekha Kumari has become a role-model for other children in the hamlet to pursue studies.

This is not a story of Rekha Kumari alone. It is a story - of success, transformation and hope - that underlines how a helping hand of a sincere corporate can transform the life of not just an individual but the entire community where once four out of five children didn't attend school. In contrast, today the hamlet has reached 100% enrolment of children in school.

## Impact

**Beneficiaries:** 694 (cumulative)



At JK Lakshmi Cement, People are our driving force, and, leadership communication and interaction is one of the most powerful tools of motivating, inspiring, engaging, leading and retaining employees, especially the high caliber talent, Coffee with VCMD & WTDs brings the



PRIZE DISTRIBUTION-COFFEE WITH VCMD & WTDs

front- line young employees in close strategic radar of the Top Management with an aim to elicit their views, suggestions and aspirations on 'doing the right thing' for the Company. Young employees are often the executors of business strategy and action plan. Providing them with an opportunity to directly interact with the VCMD



& WTDs on a one-to-one basis increases their engagement and understanding of the broader vision of the organization. The process entails participating employees to contribute their suggestions and views, the top suggestions out of the short-listed suggestions get the chance to have Coffee with the VCMD & WTDs. The seriousness with which this initiative is taken and its popularity amongst the young employees can be understood by the sheer top quality of suggestions submitted. While only a couple of employees actually get to have the Coffee but importantly all suggestions, which are feasible and have



ATD BEST AWARD - USA

potential get incorporated in the Strategy or Execution.

Our continued endeavour to create differentiation through our highly engaged and productive workforce by providing them cutting edge training and learning opportunities ensured that Team JK Lakshmi has always been high on the Human Capital Quotient. Moreover, our best practices in HR and Employee Engagement not to mention our Many 'Industry First' Employee development initiatives have been recognized and awarded at Many Forums. The Company has been recognized as "India's Best Companies to Work For 2017: Top 100" and has been also "Certified as Great Place to Work". JK Lakshmi Cement is the highest ranked Cement Manufacturing Organization in the list of Top 100, and amongst the Top 5 Manufacturing and Production Organizations in the list. Besides this, the Company won globally reputed "ATD Best Award" from Association for Talent Development, USA (erstwhile American Society for Training and Development) for its commendable efforts and practices in building and nurturing talent through multiple interventions including training and development initiatives. The Company has been ranked at 18th position (Top 20) amongst 36 globally present companies which have been bestowed with this prestigious award in the year 2016. Thus, proving that at JK Lakshmi Cement the biggest investment happens in our Human Capital and our people are the biggest factor that differentiate us from the rest.



## Recognizing the SPARK, developing the Talent- the JK Lakshmi way.

When Mr. Abhinav Bucha joined JK Lakshmi Cement on 20th February 2010 as a Graduate Engineer Trainee, on his first day on the Job,



nervous like any other young man starting his career, he had many questions to ask his supervisors. By the end of his first day, Abhinav knew that if there is an institution that can enhance his theoretical knowledge and supplement it considerably by practical training that is well-rounded and covers a larger number of aspects – It is JK Lakshmi Cement. Since that day, his relationship with the

Company has been like that of a Mentor and Protégée. Because of his potential and the spark he exhibited Abhinav was hand-picked to be a part of the SPARK program of JK Lakshmi which was created with an intention to develop young leaders who would take up leadership responsibilities in the Company in the future.



SPARK SESSION WITH WTD

He passed out from the program with flying colours with able guidance and, patient and personal hand-holding provided from the senior management. Abhinav is recognized as one of the young leaders of the Company today. Working currently as a Deputy Manager in the Instrumentation Department - Abhinav is convinced that the realization he had on the first day was true - Joining JK Lakshmi Cement was the best decision of his life.

The SPARK (Stimulating Passion in young Achievers for excellence in Results & enhanced Knowledge) Initiative was launched on 30th January 2014 with an intention to build a pipeline of young leaders who would take up leadership responsibilities in the Company in the future. The basic concept of this initiative was based on the vision & drive of our WTD (Whole-Time Director) Shri S K Wali who stresses on the holistic development of young Officers to groom them to be

leaders of tomorrow. A grueling yet holistic program that encompasses training across functions of Finance, Marketing, Logistics, Packaging, Environmental Management and Behavioral Aspects – the SPARK initiative has been successful in creating a young leadership layer within the Company.

In order to further reinforce the leadership development process, we have initiatives such as 'Succession Planning' and '360 degree feedback'. Succession Planning is done through structured, systematic and planned interventions. We identify at least two eligible successors for each strategic / leadership positions. The parameters are developed and set considering the future roles that the successor would be handling with quarterly reviews and the year-end Action-Taken Report for the review of Group Chairman. Taking up short-term live projects in CSR focus areas is essential part of this process.

A 360 degree feedback through a reputed agency as well as internal sources is taken. Using the collated and analyzed feedback, executive coaching of the candidate is undertaken based on a expert and modern model encompassing two high impact behaviors. We also conduct activities that test and encourage the employees to apply the learning of the program and come up with creative solutions for various business as well as industry challenges.



“  
The SPARK platform provides an enriching medium for the officers to share their dreams and aspirations while learning from the experiences and perspective of Senior Management  
”

Shri S.K Wali, Whole - Time Director





**Success is the sum of small efforts,  
repeated day in and day out!**



Success is as much a journey as it is the destination. Putting one's heart and soul into the work is a prerequisite of success. For the outside world it may be a Measurement Tool but for us at JK Lakshmi Cement it is all about doing our bit and not rest on the laurels. At JK Lakshmi Cement, success is no success if it doesn't breed humility. We view every success as feedback to

us. It vindicates that our thinking and actions have been in the right direction, and that we have played as a team. It is a sum total of all the affirmative action and activities that go on in the Company. For us, success is an endorsement of our planning, preparations and practices. And in the simplest term, it is being better than what we were a day before.



**Nothing succeeds like success.**

**Success is winning the hearts not just  
the battle of minds.**

**It is every step taken to improvise,  
to walk that extra mile, to create new processes, to  
set new benchmarks, or to attempt something new.**

**It is also a habit.**

**To get ready and get going every time when the  
going appears to be tough.**







SUCCEED

At JK Lakshmi Cement, our journey in the last decade has proved that it is not only 'what you do' that matters – what matters more is 'How you do it'. We do not believe in taking Short-Cuts. We believe in the path of excellence. This path maybe longer and hence might appear to be time-consuming, but, as a result – it gives us the solid foundation that is required to build a long-lasting legacy. Our foundation at JK Lakshmi has been built by the cement of our 'principles' – and hence like our morale, it is unbreakable.

To give justice to our journey and to gain an insight into our zeal to succeed, it will be apt if we look at the last five years and then trace the trajectory that JK Lakshmi has taken from thereon. Our capacity expansion initiatives have ensured that we have scaled up our capacities from approximately 5 Mn MT to 11 Mn MT in this period, and, now have the ability to reach up to 20 Mn MT. Our Efficiency endeavours have resulted in setting up systems that ensure considerable savings in power and raw material consumption. We have been able to successfully retain the position of being one of the least-cost cement producer in the industry due to our efforts in boosting our operational efficiency. Our Internal Communication and Coordination across the functions has resulted in bold but smart and pioneering initiatives like the introduction of premium products. The uniqueness of our approach towards marketing and sales has paid rich dividends in boosting our market share especially in the Eastern Market. Our Employee Engagement Initiatives are second to none in the industry. With 'high priority focus' towards employee training and skill development our innovative capability building programs have been validated and institutionalized across the Company.

At JK Lakshmi cement, we do not believe in resting on our laurels and are firmly of the opinion that this successful journey of ours towards pursuing and achieving excellence shall continue to lead us towards greater success in the future.



### Maximizing Share-holder Value

While the rest of the key functions were taking impactful strides towards catapulting the Company to success, the finance team of JK Lakshmi was not far behind. To understand how the JK Lakshmi Cement Management and its finance team has worked silently but surely towards creating a solid foundation for a future filled with success one must take a look at the last decade. The first part of the

decade was primarily about consolidation. Through strategic and bold interventions, the Company successfully came out of the debt burden that was plaguing it. As part of a well thought-out plan no hair-cuts were opted for by the Company and with only some breathing time the



CMD AND OTHER DIRECTORS AT 76 AGM

Company was able to service its debt burden and successfully came out of the CDR. In the second part of the decade, the Company made some strategically bold moves like: installation of captive power plants by taking equity internally from the other group companies, pioneering the use of pet coke and working on operational efficiencies to ensure considerable reduction of cost. The Company also initiated a buy-back offer to send a clear message to the investor community that not only the JK Lakshmi Cement stock was under-priced but also that the Company Management had a clear and solid vision backed by strong fundamentals. These moves were complimented by improved Communication to the shareholders and investor community, and, steps like Road-shows across key cities in India and Abroad. As a result of these mammoth efforts, the share price, which was grossly underpriced in the range of ₹ 30-40/- has reached to its appropriate price of ₹ 480/- and above, the market cap has increased from ₹ 300 Crore to ₹ 5500 Crore, and what will not only give further confidence to our stake holders but also provide a testimony to the way Your Company has emerged as strong player is the fact that the stake of the anchor investor community like Banks, Mutual funds, FII's, etc has increased from a 7% to a healthy 33%. These efforts of ours give an insight on how team JK Lakshmi is dedicated towards maximizing the shareholder value.



'INVESTORS MEET' WITH CFO



## Breaking Barriers and Scaling Peaks with Our Premium Product

At JK Lakshmi Cement, pursuit of excellence while breaking new barriers and scaling up our performance is not an exception but a norm, whether it is capacity expansion, or scaling up our efforts in reaching out to not only the traditional markets but also to newer customer segments.

Two years ago, while the Cement Industry in India was grappling with insufficient growth in the cement demand most of the players in the Cement Industry were focused on investing money heavily into Marketing and Brand Development to gain more market share for their “me too” products. JK Lakshmi Cement chose a different Path. While, the focus on Marketing, Brand Development and overall market share gaining activities remain intact, we decided to focus on Product Development.

It was during an inter-departmental meeting that it emerged that there exists sufficient gap between needs of quality conscious customer segment and the available products in the market, and thus there was a need to develop a product to cater to this segment. Immediately a cross-functional team was constituted. Aided by in-depth market research conducted by our Sales & Marketing team, our R & D team started working with its customary passion and zeal. Insightful research, meticulous precision, a potent mix of hard work and smart work, and, painstaking perseverance of the team finally led to the birth of our premium product.

When the time came for us to take this premium product to market, our Sales and Marketing team took the baton from the R & D team and continued with the same passion and zeal. With never before seen initiatives in marketing and sales - the Sales & marketing team at JK Lakshmi broke the age old norms practiced by the industry to reach out to the customers with a unique B2C approach.

Our unique B2C approach is an innovative amalgamation of 'the art of selling', the science of psychology' and the unwavering passion of team JK Lakshmi. As the idea was to reach out to our customer segment at the grass root level directly - a solid and talented team largely comprising of technical expertise as well as sales acumen was the utmost requirement. The pre-roll out phase was dedicated to in-house technical training imparted to the non-technical team members hence scaling up the count of our on-field training team.

The Team directly approached our customer segment through site visits and performed site demonstrations. These site visits and demonstrations worked tremendously well, as the teams were able to give live demonstrations of the superior benefits of our premium product vis-à-vis the competing products. Moreover, the confidence building visits conducted by these teams to important influencers



within the Industry like Architects, Engineers, key Customers, Panchayats, Block Development Officers, Dealers and Distributors, added to the overall momentum of creating awareness of our premium product. Moreover, the Sales Promotion activities like Road shows, Mason Meet, Mobile Vans, Sarpanch Meets created a considerable amount of buzz both within the trade and the customer segment. These efforts to create Brand awareness were complemented by our various Above-the-line and Below-the-line marketing campaigns.

Tens of thousands of actual construction sites have so far been visited by our employees, where they perform demonstrations depicting the strength and fineness of the products. It takes courage on part of the team and supreme confidence in the quality of the product - AT JK Lakshmi cements we have both. Number of sites visited by our employees has been consistently increasing year on year, and, the customer response has also been tremendous. Our Sales volume of the premium products is increasing quarter on quarter and has reached to the level of around 20% of the total trade sales especially in North-West Market.



**This endeavour of ours is a classic case study of how at JK Lakshmi Cement our pursuit of excellence has always given us success. This also exhibits the power and impact of our highly evolved cross-functional communication and team-work.**



Dr. S. Chouksey, Whole-Time Director



SUCCEED



DEALERS MEET

While the Sales & Marketing team was breaking new frontiers in the market, the R & D team wasn't out of the game yet, the team worked relentlessly to bring down the costs related to energy consumption bringing it at par with the industry average and even bettering it in some instances.

The measure of success for this endeavour of ours and the whole-hearted acceptance of our premium product by the customers is evident in the consistently increasing sales over the last two years, especially in our North-western Market.

### Innovating our way to success

Our zeal to succeed has always ensured that at JK Lakshmi Cement we always have given high priority to innovation and creativity, our focus on innovation can be seen in the confident strides that we have taken in the areas of Product Development and Customer Focus.

The R & D department located at our Jhajjar plant is a full-fledged product development oriented unit with state-of-the-art facilities and works on the principle of product development through innovation and knowledge sharing. Apart from recognition by DSIR, our R & D Department collaborates with various esteemed academic institutions like IIT Delhi for cutting edge Product Development, Innovation and Quality Practices.

While working on a mission of reducing cost of production of our other premium product i.e. JK Smartblox - AAC blocks, and improving the quality parameters and maintaining environmental friendliness, the R & D team at Jhajjar developed a unique innovative low-cost product that is more green and capable of partially replacing cement. This innovation was carried out in collaboration with the team of IIT Delhi. The result of this innovation was superlative as the Swiss embassy in Delhi which was looking to construct a new administrative building

decided to use these blocks in the construction for its new wing. Today, this new building is also known as 'The Green building' in many circles, and, is often quoted about by the Swiss embassy at various



JK LAKSHMI JHAJJAR PLANT

forums. While, the team JK Lakshmi at the R & D Department, Jhajjar has many such achievements to their credit, their zeal to succeed has only increased with these achievements and their focus on product development through innovation is now stronger than ever.

### JK Lakshmi Call Center

Standing true to our motto of "Customer always comes first" Your Company has created one more touch-point for customers where they can give their suggestions and valuable feedback on our products. The customers can also use this platform for registering any complain regarding our products or services. This direct interaction has benefitted the Company as the feedback and suggestions from the customers are accumulated and incorporated towards further improving our internal systems and processes, and, helps us provide the best-in-class products and services to our valued customers.

### JK Lakshmi Smart Serv Cement

While our team was diligently pursuing our B2C marketing strategy, during the site-visits it was observed that considerable number of bags ended up getting damaged due to humidity or leakage resulting into the customers not being able to utilize the full value of the Cement bought by them. Besides this, a big concern for the customers was that they would end up incurring storage costs which would dent their pockets further along with the wastage incurred due to damage in the bags. Your Company worked on this feedback from the customers and came up with a solution of portable silos instead of bags. This solution though not so profitable for the Company in the short-term, has come as a boon to the customers and has further strengthened their trust and belief in the JK Lakshmi brand. This strategic innovation is bound to benefit Your Company in the long-term as this trust of the customers will result into brand loyalty and help us increase our market share.

### The Surat Success Mantra

As part of furthering our plans to scale up capacities and gain easy



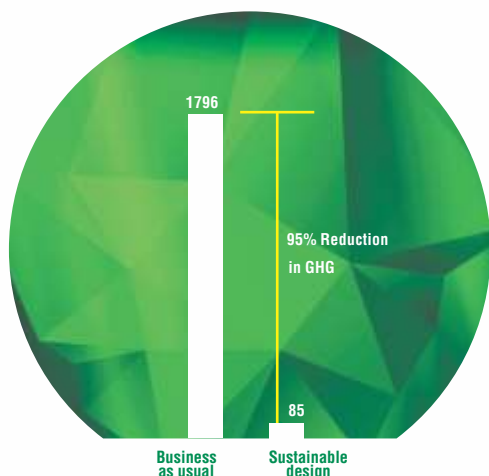
access to our ever expanding markets with minimal cost implications, setting up the grinding unit at Surat was a smart, strategic decision taken by the Management at JK Lakshmi Cement. The unit with a capacity of 1.35 MT not only adds to the overall production capacity but also is part of the larger endeavour of Team JK Lakshmi towards bringing in Smart Thinking with Scalable ideas into the areas of sourcing and logistics.

We at JK Lakshmi have been able to create success stories in the area of energy conservation and contribution towards “Green Economy”. For us, the idea and efforts towards building a greener future for the country do not come in the reactive stages but begin at the inception stage of any project. Our endeavour to reduce the carbon footprint,



JK LAKSHMI SURAT PLANT

especially at our Surat Plant is a classic example of our zeal to succeed in this area. With a resolve to ensure a carbon neutral footprint the team initiated the idea right at the design stage. By opting for a sustainable design construction at the plant vis-à-vis the conventional design the team introduced various modifications like using fly-ash bricks and AAC blocks instead of Red mud bricks, using in-house developed Paver blocks for the roads and plant area instead of the conventional usage of steel, and, usage of curved profiled roof that



● Impact of Various Sustainable Initiatives on GHG reduction at Surat Project (Tons of CO<sub>2</sub>eq)

uses less steel as compared to the conventional concrete roof. The entire 1.4 Mn MT Capacity was installed by using sustainable design construction thereby ensuring 95% reduction in GHG at the plant.

Moreover, installation of a 2.4 MW capacity Solar Power Plant was done at the Plant for captive use, the plant generates 39 lakh KWh power thus reducing 3198000 Kgs of CO<sub>2</sub> Emissions per annum. Thereby ensuring a lower Carbon foot-print for the plant and the organization.

The customer always comes first – this thought is at the core of our Corporate DNA. Team JK Lakshmi at the Surat Plant proved that it lives by this thought, by delivering Blended cement through Multi core system with real time blending as per customer requirement. The Surat team has installed a multi compartment silo, with 3 separate compartments in single silo. This facilitates storage of OPC, Fly ash and Slag at a time in single silo. This automated system requires customized (Desired) mixing input from the Central Control Room (CCR) and it delivers the blended product taking material from desired compartments. It delivers blended product as loose product for bulk loading and can also be packed into bags. Thereby saving the interchangeability of mill operation for different products and helping the team to cater to the customized need of the diverse customer choices. Thus, ensuring that JK Lakshmi stands true to its principle of delivering the best-in-class products and service to its customers.

### Voice of Industry, Ears to the Customer and Feet on the ground - Our Success Drivers

The Top Management of JK Organization has carried on the legacy of leading the industry from the forefront for generations - it is noteworthy that our organization has the honour and privilege of being amongst only a handful of organizations, where 3 generations have been the presidents of FICCI. JK Lakshmi Cement has followed on the foot prints of our parent organization. Our VCMD has led Cement Manufacturers' Association (CMA) as its president during the period 2009-12. Currently our Whole-Time Director (WTD) Dr. Shailendra Chouksey is the president of CMA and in the recent AGM his term has been unanimously extended.







CONSTRUCTION WOMAN OF THE YEAR AWARD 2016



GREAT PLACE TO WORK 2017



ECONOMIC TIMES BEST BRAND AWARD 2016-17



"5-STAR" RATING BY INDIAN BUREAU OF MINES

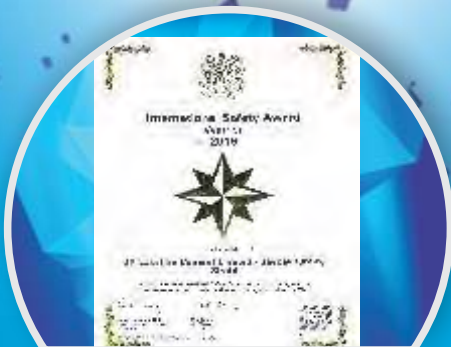
# AWARDS



EXCELLENCE IN SUPPLY MANAGEMENT AWARD-2016



BEE - BEST ENERGY EFFICIENT PRACTICE EXHIBITOR AWARD



INTERNATIONAL SAFETY AWARD-2016 BY BRITISH SAFETY COUNCIL



ABP EXCELLENCE AWARD IN EMPLOYEE ENGAGEMENT-EE

# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

The Directors are pleased to present the 77th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2017.

## FINANCIAL RESULTS

	₹ in Crore	
	2016-17	2015-16
Sales & Other Income	3329.93	2987.95
Profit before Interest & Depreciation	435.22	320.62
Profit before Depreciation	246.57	123.93
Profit / (Loss) after Tax	82.00	(6.56)
Transfer to / from Debenture Redemption Reserve (Net)	35.00	(1.91)
Surplus brought forward	156.17	189.14
<b>Amount available for appropriation</b>	<b>203.17</b>	<b>184.49</b>
<b>Appropriations</b>		
- Dividend paid during the year (Pertaining to Previous Year)	3.54	28.32
Surplus carried to Balancesheet	199.63	156.17
	<b>203.17</b>	<b>184.49</b>

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.75 per Equity Share of ₹ 5 each (15%) for the financial year ended 31st March 2017. The Dividend outgo subject to approval at the ensuing Annual General Meeting will be ₹ 10.62 Crores (inclusive of Dividend Distribution Tax of ₹ 1.80 Crores).

## PERFORMANCE

The performance of the Company during the financial year 2016-17 has been fairly satisfactory as it has achieved a growth of 9% both in production and sales, which compares favourably with the industry's overall nil growth during the year. However, the capacity utilization was lower at 79%. The Company's production at Durg plant has satisfactorily scaled up and registered a growth of 45%, even though the market grew only by 4% to 5% in the Eastern States.

The Company has further enhanced its capabilities and optimized its efficiencies during the year, and, therefore continued to remain in the league of one of the least cost producers of cement in the country. These improved efficiencies helped the Company to offset the impact of the rising cost of inputs. The second half of the year saw a steep increase in costs, especially in the cost of fuel. Hike in the cost of pet-coke, in turn affected the cost of both fuel and power.

Low demand in our marketing areas, especially in the Northern and Gujarat market led to downward pressure as well as volatility of the prices, which prevailed for most part of the

year. The first quarter witnessed healthy prices, which saw an expected downturn in the second quarter, due to the monsoons. During the third quarter, the prices normally pick up, but, this year post demonetisation in the month of November, there was a steep fall in the demand leading to a severe fall in the prices.

The Eastern markets has seen its price declining in last 2 years by as much as ₹ 50-60 a bag in some of the markets despite demand registering better growth than other markets mainly as a response to entry of new players including ourselves in the Eastern markets.

An improvement in the demand was witnessed in most of our markets from middle of February 2017 leading to some improvement in the pricing. These improvements; however were not adequate enough to compensate the increase in the cost of input especially cost of fuel.

The Company's EBIDTA stood at ₹ 435.22 Crores, which compares favorably with the EBIDTA of ₹ 320.62 Crores in the previous year. Company's net profit stood at ₹ 82.00 Crores as against a Loss of ₹ 6.56 Crores in the previous fiscal.

## PROGRESS OF THE PROJECTS & EXPANSIONS

The Split Grinding Unit at Surat was commissioned in October 2016 thereby adding a capacity of 1.35 million MT. At the Durg Cement Plant, which was commissioned in March 2015, balancing and up-gradation of both the Cement Mills has been completed, taking the cement grinding capacity to 2.7 million MT. As a result, the Company's cement capacity has gone up by 26% from 8.65 million MT in the beginning of the year to 10.9 million MT by the end of the fiscal year 2017. Work on Waste Heat Recovery project at Durg is in full swing and is expected to be commissioned in the 3rd Quarter of 2017.

Commissioning of Pyro Section at Udaipur Cement Works Ltd, Company's subsidiary, along with the 6 Kms long overland Belt Conveyor has been completed and trial commissioning of the Cement Mill has started. With this the integrated capacity of UCWL stands at 1.6 million MT.

With this commissioning, Company's overall capacity including that of its subsidiary stands increased to 12.5 million MT from 9.4 million MT as on 31st March 2017.

## OUTLOOK FOR INDIAN ECONOMY

During the year the government undertook some notable steps towards curbing of parallel economy including demonetization of high value currency on 8th November 2016. In the short run this move impacted adversely those sectors of the economy, which had certain amount of cash dependence. Construction happens to be one of them and therefore the consumption of cement was impacted for about 3 months from November 2016 onwards. The government also took the required steps to usher in the much awaited tax reform, viz. the unified Goods and Service Tax (GST). These reforms are bold and bring in greater transparency and accountability in the



economy. Both put together would result in greater compliance of taxation reforms which would result in greater tax collection and hence eventually higher spending by the government on the infrastructure building of the country. Thus they augur well for the economy as well as to our industry in the long run.

Various other initiatives of the government like the Digital India or emphasis on the ease of doing Business will bring in more and more e-governance and much greater level of transparency. These initiatives therefore are likely to improve the business and the industrial climate of the country, which combined with the tag of fastest growing economy in the world will attract much higher global investment thereby fuelling further growth of our economy. The Indian industry therefore can look forward to a much brighter future in the coming years.

#### **INDUSTRY OVERVIEW - THREAT & OPPORTUNITIES**

Cement is amongst those industries, which are likely to be in sweet spot for next few years, as many of government sponsored and funded programs such as Housing for All, Smart Cities, Pradhan Mantri Grameen Sadak Yojna, Dedicated Freight Corridors, National Highway Development Program, Development of inland water ways, Sagarmala, and so on are all construction intensive and hence would intensify cement consumption as and when the momentum on implementation of these gather steam.

Along with many opportunities for the cement industry, there are some changing trends that can't be ignored. Today technology is making it possible to have higher blending ratios in Cement that in the hands of the customer reduce the cement consumption. However it is also an opportunity for the industry to set up more grinding and blending plants near the sources of blending materials and invest in technologies, which can maximize on blending ratios with improvement in cement performance. The industry on the whole may have the potential of enhancing the existing cement making capacity by at least 10% by leveraging higher blending ratios and higher proportion of blended cement in overall product portfolio.

Similarly cement intensity in construction is also gradually going down because of increasing usage of high strength or high performance concrete in many construction sites. For such concrete, one needs to add high strength cement but in lesser quantity per cubic meter of concrete.

We have seen large merger and acquisition taking place in last year and the industry is gradually getting consolidated. We may see some more of it in a next few years, which in a way is good for the industry in terms of better service and sensible pricing. In last few years the industry has suffered on this account as the fragmentation and low demand growth led to industry taking the burden of rising cost on itself with limited ability to push cost increase to the market. We expect the cost pressure to continue due to rising cost of fuel and additives but at the same time are also optimistic that with consolidation and demand revival the industry shall be able to neutralize the same in terms of better price realizations.

#### **HUMAN CAPITAL MANAGEMENT**

Continuing with our culture of people-centricity, JK Lakshmi Cement Ltd. created some significant milestones in the year under report. The Company won globally reputed "ATD Best Award" from Association for Talent Development, USA (erstwhile American Society for Training and Development) for its commendable efforts and practices in building and nurturing talent through multiple interventions including training and development initiatives. The Company has been ranked at 18th position (Top 20) amongst 36 globally present companies which have been bestowed with this prestigious award in the year 2016. The Company also has been recognized as "India's Best Companies to Work For 2017: Top 100" and has been also "Certified as Great Place to Work". These recognitions are result of relentless efforts in developing our Human Capital through various leadership and talent development initiatives, skill building and behavioral improvement programs through cutting edge training and learning opportunities, competency development initiatives including journey through Individual Development Plan, Executive Coaching and Mentoring Programs, achieving around 100 man-days of employee engagement activities, Goal Setting Workshops, First Work Anniversary Celebrations, etc. to name a few in our continued endeavor to create differentiation through highly engaged and productive workforce.

'Umang' and 'Wednesday Wonders' were new initiatives taken at our Sirohi Plant for engaging the workforce and their family members with full participation of officers and management staff. These new initiatives helped us in transitioning our HR practices from one orbit to another.

The contributions of our human capital during the year were demonstrated through numerous efficiency parameters and effectiveness outcomes besides continued accomplishments in soft metrics also like motivation, satisfaction and engagement scores. In the recently concluded Employee Engagement Survey conducted by Kanter TNS, the Company could sustain successfully its crown at TRI\*M 92, which is amongst top 10% in the country. The company continues to succeed and grow in its endeavors by scaling efficiencies and sustaining capabilities of its human capital, thereby achieving excellence in all areas.

#### **INDUSTRIAL RELATIONS**

The industrial relations at our plants continued to remain cordial throughout the year. Regular interaction with the union and workers' representatives has improved the overall harmony and work culture.

#### **INTERNAL CONTROL SYSTEM**

The Company has in place adequate Internal Control System commensurate with the size & level of operations of the Company and the same were operating effectively throughout the year. The Internal Audit Team comprises of an optimal blend of External Auditors & In-house Internal Audit Department which carries-out Internal Audit of its various Plant locations, Sales Depots, Regional Offices & Registered Office. This Internal Audit Department submits its Report on



the Efficacy & Adequacy of Internal Control Systems to the Chairman of Audit Committee of the Board. There are adequate checks & balances in place, wherein deviation from the systems laid-out are clearly identified and corrective actions are taken in the respective areas, wherever required.

During the year, the Company's Budgetary Control System & MIS were working effectively to map the actual performance viz-a-viz Budget for taking corrective actions in the areas where deviations were found. Further, the Legal Compliance Monitoring Software Tool also performed satisfactorily during the year to monitor & ensure timely compliances of all applicable statutory requirements.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has further strengthened its internal financial control policies and procedures to make them commensurate with the size and nature of operations of the Company. This would ensure accuracy and comprehensiveness of the accounting records. The same are adequate for safeguarding of its assets and effective towards prevention and detection of frauds and errors. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company. The Company has in place specific Standard Operating Practices (SOPs) for its various functional areas. These SOPs are periodically reviewed by the Internal Audit Team; and exceptions, if any, are reported. The Company also has a robust management information system for the timely preparation of reliable financial information. No reportable material weaknesses were observed in the system during the previous fiscal.

#### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on 31st March 2017 in the prescribed Form MGT -9 is attached as Annexure 'A' to this Report and forms a part of it.

#### **RELATED PARTY TRANSACTIONS**

During the financial year ended 31st March 2017, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on an arms' length basis and were in compliance with the applicable provisions of the 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.

#### **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.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to Section 152 of the Companies Act, 2013, Smt. Vinita Singhania retires by rotation and being eligible offers

herself for re-appointment at the ensuing Annual General Meeting (AGM). The Board recommends her re-appointment.

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 Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

There has been no change in the Directors and Key Managerial Personnel of the Company in terms of the provisions of the Companies Act 2013, during the year under review.

#### **CONSERVATION OF ENERGY, ETC.**

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

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of your Company for the Financial Year 2016-17 have been prepared in accordance with the Companies Act, 2013 ("Act") read with the Rules made thereunder and applicable Accounting Standards. The Audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

In compliance with Section 129(3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and associate included in the consolidated financial statements is presented in a separate section in the Annual Report. Please refer AOC-1 annexed to the financial statements in the Annual Report.

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

During the financial year 2016-17, Hansdeep Industries & Trading Company Ltd., Company's wholly owned subsidiary has acquired entire Equity Shareholding of Ram Kanta Properties Pvt. Ltd., whereby the latter has become a step-down subsidiary of the Company. No other company has become or ceased to be your Company's subsidiary or joint venture or associate during the said financial year.

#### **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 2017 are: (a) Accepted during the year - ₹ 13.33 Crores; (b) Remained unclaimed as at the end of the year - ₹ 0.21 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, were appointed as Statutory Auditors of the Company for a term of three consecutive years to hold the office from conclusion of the 74th Annual General Meeting (AGM) held in the year 2014 till the conclusion of its 77th AGM to be held in the year 2017, being the maximum permissible term. Accordingly, pursuant to Section 139 (2) of the Companies Act 2013, they will not be eligible for re-appointment as the Auditors of the Company at the ensuing AGM.

The Board of Directors places on record its appreciation of the valuable services rendered by M/s Lodha & Co., as the Statutory Auditors of the Company. The observations of the Auditors in their report on Accounts and the financial statements, read with the relevant notes are self-explanatory.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. S.S. Kothari Mehta & Company, Chartered Accountants (Firm Registration Number: 000756N) as the Statutory Auditors of the Company for a period of three years commencing from the conclusion of 77th AGM till the conclusion of 80th AGM pursuant to Section 139 of the Companies Act, 2013. Requisite Resolution regarding their appointment is included in the Notice of ensuing AGM for approval by the Members.

### (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 2016-17. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure 'C'. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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

M/s R.J. Goel & Co., Cost Accountants, Delhi, conducted the Audit of cost records of the Company for the financial year ended 31st March 2016 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 2017 is being conducted by the said firm and the Report will be filed.

## CORPORATE SOCIAL RESPONSIBILITY

Serving the society towards improving the quality of life of the community at large has always been a priority of the Company. The concept of Corporate Social Responsibility (CSR) has been textured into our corporate DNA right from the initial years of the Company and till date we have pioneered various CSR initiatives.

The Company works towards overall development and welfare of the society by focusing on areas such as Health, Sanitation, Education, Skill Development and Livelihood Interventions to name a few. The Company has undertaken a plethora of activities for empowering women especially tribal women in the areas of Adult Literacy, formation of Self- Help Groups for income generation by imparting them trainings on various trades.

The Company has a requisite 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. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company upto the ensuing AGM. Any member interested in obtaining such particulars may write to the Company Secretary.

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

CCI's order on complaint filed by Director, Supplies & Disposals, State of Haryana, in 2013

On the basis of a complaint filed in 2013 by the Director, Supplies & Disposals, State of Haryana, the Competition Commission of India (CCI), vide its order dated 19th January, 2017 imposed penalty on seven cement manufacturers including our Company. The Penalty amounted to ₹ 6.55 Crores for the Company.

The Company has filed an appeal before the Competition Appellate Tribunal (COMPAT) against the CCI Order and a stay has been granted. The penalty amount has been shown as contingent liability in the Notes to the Accounts.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business.

## SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Sustainability & Business Responsibility Report of the Company for the Financial Year 2016-17 ended 31st March 2017 in the prescribed format, giving an overview of the



initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms a part of it.

The Company's first Sustainability Report covering financial years 2014-15 & 2015- 16 based on the Global Reporting Initiatives, G4 framework, including all aspects of our sustainability activities is also being published. The said Report will be put on the Company's website at [www.jklakshmicement.com](http://www.jklakshmicement.com).

#### **CORPORATE GOVERNANCE**

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:

- (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.
- (f) Dividend Distribution Policy.

#### **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 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.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the continued Support and cooperation received from Government Authorities, various Financial Institutions/Banks, and Business Associates. Your Directors also thank the Suppliers, Dealers, our valued customers and the esteemed Shareholders for their trust and patronage.

Your Directors also record their appreciation for the dedication and hard work put in by "Team-JK Lakshmi", which has enabled the Company to continue its growth journey in these challenging times.

#### **CAUTIONARY STATEMENT**

The Directors' Report & Management Discussion and Analysis contains forward-looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market positions, expenditures and financial results are forward looking statements.

Your Company's actual results, performance & achievements could thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

On behalf of the Board of Directors

Place: New Delhi  
Date: 17th May, 2017

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 2017  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Cement	2394	85.10

\* 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/GNL	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	Ram Kanta Properties Pvt. Ltd.* 7 Council House Street Kolkata- 700001	U74999WB1990PTC049302	Subsidiary	100.00	2(87)
3	Udaipur Cement Works Ltd. Shripati Nagar, P.O. CFA, Udaipur, Rajasthan-313021	L26943RJ1993PLC007267	Subsidiary	71.03	2(87)
4	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002	U31200DL2005PLC278945	Associate	Equity-35 OCCRPS^ -33.33	2(6)

\* Wholly-owned Subsidiary of Hansdeep Industries & Trading Company Ltd. ^ OCCRPS- Optionally Convertible Cumulative Redeemable Preference Shares.



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

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April 2016)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters **</b>									
<b>(1) Indian</b>									
a) Individual/HUF	8,65,542	-	8,65,542	0.74	8,65,542	-	8,65,542	0.74	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5,31,93,217	-	5,31,93,217	45.21	5,31,93,217	-	5,31,93,217	45.21	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1):-</b>	<b>5,40,58,759</b>	<b>-</b>	<b>5,40,58,759</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>5,40,58,759</b>	<b>-</b>	<b>5,40,58,759</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 2,61,37,304 Equity Shares (22.21%) as on 1 <sup>st</sup> April 2016, 26,001,864 equity shares (22.10%) as on 31st March 2017 and a change of (0.11%) 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.									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds/UTI	1,40,10,569	5,040	1,40,15,609	11.91	1,86,55,811	5,040	1,86,60,851	15.86	3.95
(b) Banks/FI	9,002	25,398	34,400	0.03	8,090	25,398	33,488	0.03	-
(c) Central Govt.	-	-	-	-	2,182	-	2,182	-	0.00
(d) State Govt. (s)	1,22,101	-	1,22,101	0.10	-	-	-	-	(0.10)
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	91,52,771	7,604	91,60,375	7.79	85,47,462	7,604	85,55,066	7.27	(0.52)
(g) FIIs	1,54,53,263	-	1,54,53,263	13.13	1,21,29,481	-	1,21,29,481	10.31	(2.82)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others – Foreign Banks	-	-	-	0.00	-	-	-	-	0.00
<b>Sub-Total (B)(1):-</b>	<b>3,87,47,706</b>	<b>38,042</b>	<b>3,87,85,748</b>	<b>32.96</b>	<b>3,93,43,026</b>	<b>38,042</b>	<b>3,93,81,068</b>	<b>33.47</b>	<b>0.51</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
(i) Indian	37,30,224	1,25,972	38,56,196	3.28	41,90,531	1,25,474	43,16,005	3.67	0.39
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1,00,61,125	17,79,592	1,18,40,717	10.06	97,90,503	16,97,701	1,14,88,204	9.77	(0.30)
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	86,06,506	27,600	86,34,106	7.34	77,41,903	27,600	77,69,503	6.60	(0.74)
c) Others (specify)									
(i) Non-Resident Indians	4,39,836	46,976	4,86,812	0.41	4,95,831	46,526	5,42,357	0.46	0.05
(ii) Trust & Foundation	6,410	484	6,894	0.01	6,422	484	6,906	0.01	-
(iii) Cooperative Societies	12	822	834	0.00	12	822	834	0.00	0.00
(iv) NBFCs registered with RBI	-	-	-	-	1,06,430	-	1,06,430	0.09	0.09
<b>Sub-Total (B)(2):-</b>	<b>2,28,44,113</b>	<b>19,81,446</b>	<b>2,48,25,559</b>	<b>21.10</b>	<b>2,23,31,632</b>	<b>18,98,607</b>	<b>2,42,30,239</b>	<b>20.60</b>	<b>(0.50)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>6,15,91,819</b>	<b>20,19,488</b>	<b>6,36,11,307</b>	<b>54.06</b>	<b>6,16,74,658</b>	<b>19,36,649</b>	<b>6,36,11,307</b>	<b>54.06</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>11,56,50,578</b>	<b>20,19,488</b>	<b>11,76,70,066</b>	<b>100</b>	<b>11,57,33,417</b>	<b>19,36,649</b>	<b>11,76,70,066</b>	<b>100</b>	<b>-</b>



(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2016)			Shareholding at the end of the year (as on 31st March 2017)			% change in share-holding 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	0.00	2,80,56,895	23.84	0.00	0.11
	<b>Total</b>	<b>2,79,21,455</b>	<b>23.73</b>	<b>0.00</b>	<b>2,80,56,895</b>	<b>23.84</b>	<b>0.00</b>	<b>0.11</b>

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

SI. No.		Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2016)		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 Date wise Increase/Decrease in Promoter Shareholding during the year <b>(135440 Equity Shares acquired on 20.02.2017)</b>	2,79,21,455	23.73	2,79,21,455 <b>1,35,440</b>	23.73 <b>0.11</b>
	At the end of the year i.e. 31 <sup>st</sup> March 2017	2,79,21,455	23.73	2,80,56,895	23.84

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

SI. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April 2016)		Shareholding at the end of the year (31 <sup>st</sup> March 2017)	
		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	BMF Investments Limited@	7,51,986	0.64	1,10,11,386	9.36
3	HDFC Standard Life Insurance Company Ltd.^ ^	43,00,052	3.65	43,28,289	3.68
4	Life Insurance Corporation of India Ltd.^ ^	28,93,126	2.46	28,93,126	2.46
6	Government Pension Fund Global^ ^	27,11,865	2.30	27,11,865	2.30
7	Sachin Bansal & Vivek Bansal^ ^	25,08,000	2.13	26,51,000	2.25
8	Franklin India Smaller Companies Fund@	11,17,063	0.95	17,84,687	1.52
9	Ashoka PTE Ltd.^ ^	17,27,654	1.47	17,27,654	1.47
10	Vivek Bansal & Seema Bansal^ ^	20,00,000	1.70	16,47,000	1.40
11	Kotak Select Focus Fund@	12,79,000	1.09	15,86,347	1.35
12	JK Fenner India Ltd**	1,02,59,400	8.72	-	-
13	UTI Mid Cap Fund**	17,91,451	1.52	9,29,929	0.79

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 2016 and 31st March 2017.

\*\* Top Ten Shareholders only as on 1st April 2016.

@ Top ten Shareholders only as on 31st March 2017.



**(v) Shareholding of Directors and Key Managerial Personnel :**

SI. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2016)		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	1,27,970	0.11	1,27,970	0.11
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017			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
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017			88,758	0.08
3.	<b>Shri Bhupendranath Vidyanath Bhargava, Director</b>				
	At the beginning of the year	6,660	0.01	6,660	0.01
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017			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
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017	31.3.2017		1,77,948	0.15
5.	<b>Shri Nand Gopal Khaitan, Director</b>				
	At the beginning of the year	15,948	0.01	15,948	0.01
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017			15,948	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
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017			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
	<b>Date wise Increase/Decrease in Shareholding during the year</b>		<b>No Change</b>		
	At the end of the year i.e., 31.3.2017			180	0.00

Note: Shri Pradeep Dinodia, Shri Ravi Jhunjunwala, 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 2016 and at the end of the year i.e., as on 31st March 2017. Also, there was no increase / decrease in their share holding 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, 2016)</b>				
(i) Principal Amount	1,727.87	179.97	6.81	1,914.65
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	3.27	-	0.34	3.61
<b>Total (i+ii+iii)</b>	<b>1,731.14</b>	<b>179.97</b>	<b>7.15</b>	<b>1,918.26</b>
<b>Change in indebtedness during the Financial Year</b>				
• Addition	484.80	90.00	11.32	586.12
• Reduction	(313.79)	(10.00)	--	(323.79)
<b>Net Change</b>	<b>171.21</b>	<b>80.00</b>	<b>11.32</b>	<b>262.53</b>
<b>Indebtedness at the end of the Financial Year (As on 31st March 2017)</b>				
(i) Principal Amount	1,892.68	259.97	17.91	2,170.56
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	9.47	--	0.56	10.03
<b>Total (i+ii+iii)</b>	<b>1,902.15</b>	<b>259.97</b>	<b>18.47</b>	<b>2,180.79</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ In Crore)

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

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.	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	4.09	4.31	2.68	2.69	13.78
	(b) Value of perquisites under Section 17 (2) Income-tax Act, 1961	0.31	0.56	0.023	0.02	0.93
2.	<b>Others (mainly contribution to Provident Fund)</b>	<b>0.42</b>	<b>0.43</b>	<b>0.13</b>	<b>0.13</b>	<b>1.11</b>
	<b>Total (A)</b>	<b>4.82 #</b>	<b>5.31 #</b>	<b>2.84 #</b>	<b>2.84 #</b>	<b>15.82 #</b>
	Ceiling as per the Act	2.28 ^	2.28 ^	2.28 ^	2.28 ^	9.11 ^

(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 31<sup>st</sup> March 2016, 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	
<b>1</b>	<b>Independent Directors</b>							
•	Fee for attending Board/ Committee Meetings	0.02	0.07	0.05	0.02	0.01	-	0.17
•	Commission (Amount)	0.07	0.07	0.07	0.07	0.07	-	0.35
	<b>Total (1)</b>	<b>0.09</b>	<b>0.14</b>	<b>0.12</b>	<b>0.09</b>	<b>0.09</b>	-	<b>0.52</b>
<b>2.</b>	<b>Other Non-executive Directors</b>							
•	Fee for attending Board/ Committee Meetings	-	-	-	-	-	0.05	0.05
•	Commission (Amount)	-	-	-	-	-	0.07	0.07
	<b>Total (2)</b>	-	-	-	-	-	<b>0.12</b>	<b>0.12</b>
	<b>Total (B) = (1+2)</b>	<b>0.09</b>	<b>0.14</b>	<b>0.12</b>	<b>0.09</b>	<b>0.09</b>	<b>0.12</b>	<b>0.65</b>
	Ceiling as per the Act	Remuneration paid to Non-executive Directors, within the limit of 1% prescribed under the Act.						

**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	
<b>1.</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.25	0.78	3.03
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	0.07	0.04	0.11
<b>2.</b>	<b>Others(mainly contribution to provident fund)</b>	<b>0.06</b>	<b>0.03</b>	<b>0.09</b>
	<b>Total</b>	<b>2.38</b>	<b>0.86</b>	<b>3.24</b>

(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 31<sup>st</sup> March 2017.

On behalf of the Board of Directors

Place: New Delhi  
Date: 17th May, 2017Bharat Hari Singhania  
Chairman & Managing Director

# 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:-

1. Installation of Damper in Cement Mill no. 2 chimney to increase the recirculation air resulted into power saving of CA Fan.
2. Modification of Feed Belt in Pre-Crusher circuit resulted into removal of Elevator resulting in power saving of 20 KW/hour.
3. Modification in Feeding Circuit of Raw Mill resulting into removal of conveyor belt resulted into power saving of 20KW/hour.
4. Optimization of Dam-ring height resulted into saving of table power.
5. Kiln inlet riser duct modification in kiln-1, resulting in Saving of Power.
6. Remove on Slurry Tank from operation in AAC Plant.
7. Modification in AAC Boiler by adding Secondary Combustion Chamber in AAC Plant.
8. Modification in Raw Mill feeding circuit for reduction in false air by 4%.
9. Raw Mill & Coal Mill capacity optimization.
10. Modification of Dampers of Preheater ID fan, Cooler fans, ESP fan.

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

1. Installation of 37 KW roof top Solar System at Guest House for generation of 60,000 units per year.
2. Replaced around 5 % of total energy from Fly ash of own power plant, Biomass, RDF pluff and pulp waste.

3. Setting-up of 7 MW WHR Power Plant at Chhattisgarh Plant.

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

During the year, the Company has made capital investment of ₹ 12.92 crores on equipment or various capital schemes for conserving the energy resources. These investments have resulted in saving of ₹ 8.38 crores during 2016-17.

## B. Technology Absorption

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

1. Installation of MFTR in Kiln 1 and Kiln 2 to reduce dust emission.
2. Installation of CEMS in Kiln 1, Kiln 3 and CPP.
3. Pressure drop optimization through CFD at Rawmill cyclone.
4. Modification in TA duct by introducing a Bypass duct.

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

1. In-house manufacturing of Vacuum Cleaner in Packing Plant for better housekeeping.
2. Modification of Rocker Arm by providing two bearings extra resulted into reduction of breakdowns.
3. Optimization of Coal Vertical Mill for Indian coal as well as for Pet coke.
4. Extension of LS Reclaimer facilitates stacking and reclaiming of extra Lime Stone thus providing better homogeneity / quality.
5. Up-gradation of hammers of Pre Crusher before Cement mill with better metallurgy resulting in longer life and therefore availability.
6. Slag VRM optimization for grinding in all three products— OPC, PPC and PSC.





**(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. Auto truck loading and bagging

**b. The Year of Import.**

Particulars	Year of Import
Packing Plant	2014-15

- 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 :-**

S.No.	Particulars	Amount (₹ in Crore)
1.	Capital Expenditure	-
2.	Revenue Expense	7.64

**C. Foreign Exchange Earning and Outgo**

S.No.	Particulars	Amount (₹ in Crore)
1.	Foreign Exchange Earned.	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, Capital Goods, Consultancy Charges, Know-How Fee, etc.)	159.99

On behalf of the Board of Directors

Place: New Delhi  
Date: 17<sup>th</sup> May, 2017

Bharat Hari Singhania  
Chairman & Managing Director

# Annexure - C - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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]

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 **31<sup>st</sup> March, 2017** (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, 2017 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;
  - (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) Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,
- (ii) The Listing Agreement(s) entered into by the Company with the Stock Exchanges.

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

## **I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate Notice is given to all directors to schedule the Board



Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

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

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

The Competition Commission of India (CCI), vide its Order dated 19th January 2017, however, imposed penalty on certain cement Companies, including a Penalty of Rs. 6.55

Crore on the Company, pursuant to a reference filed by the Government of Haryana. It was noted that the Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. Based on legal opinion, the Company believes that it has a good case.

**I further report that**, during the audit period, the following major events have taken place -

- (i) The Company obtained Members approval pursuant to Sections 42 and 71 of the Companies Act, 2013 by means of Special Resolution passed through Postal Ballot for issue of Redeemable Non-Convertible Debentures upto Rs. 500 crores on private placement basis, out of which Debentures of Rs. 300 crores have been issued on 6th January 2017.
- (ii) The Company subscribed Cumulative Redeemable Preference Shares of Rs. 6 Crore in Udaipur Cement Works Limited and Equity Shares aggregating to Rs. 115 Crore in Hansdeep Industries & Trading Company Limited, subsidiaries of the Company.

Place: New Delhi  
Date: 6<sup>th</sup> May 2017

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.

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## Annexure A

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, 2017 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: 6<sup>th</sup> May 2017

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



# ANNEXURE 'D' CSR REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2017

## 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 Water & Sanitation, Vocational Skills and Livelihood solely for the purpose of creating employability for unemployed youth through courses on Mobile Repairing, Beautician Training, Embroidery Training, Phenyl Making, etc.

The Company successfully implemented Integrated Livestock Development centres for cattle breed improvement in collaboration with JK Trust near Jaykaypuram & Jhajjar plants covering 35 villages. The initiatives undertaken also include E-Learning in govt. schools, installation of Sanitary Napkin machines near Kalol Plant, construction of Mini Percolation Tanks near Jaykaypuram Plant, Dental & Eye Check-up camps in govt. schools, 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 Singhanian, Chairperson
- Shri Pradeep Dinodia
- Shri S.K. Wali
- Dr. S. Chouksey

During the Financial Year 2016-17 one meeting of the CSR Committee was held which was attended by all the Members.

## 3. Average Net Profit of the Company for last three financial years: ₹ 6,390 lakhs

## 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 128 lakhs

## 5. Details of CSR spent during the financial year

- Total amount spent for financial year 2016-17** : ₹ 144.75 lakhs
- Amount unspent, if any** : NIL
- Manner in which the amount spent during the financial year is detailed below:**



Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
1	Medical Camps & Aids to patients under Health Care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Durg, Chattisgarh / Kalol, Gujarat/ Jharli, Haryana	26.35	23.95	23.95	Direct
2	Naya Savera Project (Integrated Family Welfare Programme)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan	21.05	18.68	18.68	Direct
3	Activities related to sanitation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	7.40	12.27	12.27	Direct
4	Educational & Extra-curricular support to students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan/Kalol, Gujarat/Jharli, Haryana	9.67	12.62	12.62	Direct/NGO

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
5	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	Durg, Chattisgarh/ Kalol, Gujarat	13.75	15.44	15.44	Direct
6	Adult Literacy Project	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	2.01	1.72	1.72	Direct
7	Clean & Drinking Water Facilities to rural areas	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Kalol, Gujarat/Jharli, Haryana	9.48	7.71	7.71	Direct
8	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/Kalol, Gujarat	10.25	5.45	5.45	Direct





Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
9	Vocational Skills & Livelihood Intervention	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Jharli, Haryana/Kalol, Gujarat	15.87	17.89	17.89	Direct
10	Special Education & Support to Differently Abled	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jharli, Haryana	1.00	11.71	11.71	Direct/NGO
11	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	Durg, Chattisgarh/Jharli, Haryana	6.25	6.76	6.76	Direct/NGO
12	Promoting sports & games activities	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports	Kalol, Gujarat	0.50	1.00	1.00	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
13	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	0.75	0.24	0.24	Direct
14	Infrastructure support to villages	Rural Development Projects	Jaykaypuram, RajasthanKalol, Gujarat	3.67	7.66	7.66	Direct
15	Misc. CSR Activities				1.65	1.65	Direct/NGO
	<b>TOTAL</b>			<b>128.00</b>	<b>144.75</b>	<b>144.75</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.

**Vinita Singhania**  
Chairman, CSR Committee

**S.K.Wali**  
Whole-time Director

Date: 17<sup>th</sup> May 2017



# 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 30th June 2016, for the FY 2016-17 ended 31st March 2017:**

- A. 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, 1.85; Shri Ravi Jhunjhunwala, 1.65 ; Shri Pradeep Dinodia, 1.15; Shri Kashi Nath Memani, 1.23, Dr. Raghupati Singhania, 1.68, and Shri B. V. Bhargava, 1.17 (b) Executive Directors: Shri Bharat Hari Singhania, CMD, 65.42; Smt. Vinita Singhania, VC & MD, 72.07; Shri S. K. Wali and Dr. S. Chouksey, WTDs, 38.55 each.
- B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary** - The KMPs received normal annual increment in the Salary. Executive Directors & KMPs - Shri Bharat Hari Singhania, CMD, 16.71 %; Smt. Vinita Singhania, VC & MD, 21.79 %; Dr. S. Chouksey and Shri S. K. Wali, WTDs 12.25 % each; Shri S. A. Bidkar, CFO, 8.18% and Shri B. K. Daga, VP & CS, 10.26%. Non-executive Directors - Dr. Raghupati Singhania 205.42%; Shri B. V. Bhargava 111.82%; Shri

Kashi Nath Memani 277.08%; Shri Pradeep Dinodia 148.53%; Shri Ravi Jhunjhunwala 160.73%; and Shri N. G. Khaitan 121.95%. (The Percentage increase in Remuneration of Non-executive Directors is high, due to payment of Commission of ₹ 7.00 Lakh each, which was not paid in FY 2015-16, due to inadequacy of profit.)

- C.** The percentage Increase in the median remuneration of employees is 4.51 %. The number of permanent employees on the rolls of Company - 1456.
- D. 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 0 to 22%. There was an increase of 15.25% in managerial remuneration during the current financial year.
- E.** We affirm that the remuneration paid during the year 2016-17 is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Bharat Hari Singhania  
Chairman & Managing Director

Place: New Delhi  
Date: 17<sup>th</sup> May, 2017



# CORPORATE GOVERNANCE REPORT

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

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

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

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a Code of Corporate

Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

## 2. BOARD OF DIRECTORS

As on 31st March 2017, the Board of Directors of the Company consists of Ten Directors comprising of four Executive Directors and six Non-executive Directors (NED) out of which five are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2016-17 ended 31st March 2017, on 18th May 2016, 11th August 2016, 26th October 2016 and 3rd February 2017. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings Attended	Whether last AGM attended (7.9.2016)	No. of other Directorships and Committee Memberships/ Chairmanships		
				Director-ships \$	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	1	No	5	5	2
Shri Kashi Nath Memani*	IND	3	No	5	4	2
Shri Nand Gopal Khaitan*	IND	4	Yes	6	6	2
Shri Pradeep Dinodia*	IND	2	No	6	8	4
Dr. Raghupati Singhania	NED	4	No	7	2	1
Shri Ravi Jhunjhunwala *	IND	4	No	8	4	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, the Company implemented a web based legal compliance tool called “Compliance Manager” developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors), which is strictly adhered to. In terms of the provisions of Regulation 17 (5) of the Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said Code is available on the Company’s website ([www.jklakshmicement.com](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.

Relationship between Directors inter-se; Shri Bharat Hari Singhania and Dr. Raghupati Singhania are brothers, none of the other Directors are related to each other within the meaning of Companies Act, 2013.

The number of Equity Shares of ₹ 5/- each held by the Non-executive Directors as on 31st March 2017 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 in the Company. The Company does not have any outstanding convertible instruments.

### **3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 3rd February 2017. 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 Pradeep Dinodia 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.jklakshmicement.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 the Listing Regulations.

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

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

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

### **6. AUDIT COMMITTEE**

The Company has an Audit Committee of Directors since 1987. The composition and the ‘Terms of Reference’ of the Committee are in conformity with the provisions of Section 177 of the 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 31st March 2017.

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
18th May 2016	3
11th August 2016	3
26th October 2016	3
3rd February 2017	4

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman	4
Dr. Raghupati Singhania	Member	4
Shri Ravi Jhunjhunwala	Member	4
Shri B.V. Bhargava	Member	1

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 and one is Executive Director. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 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
18th May 2016	3
11th August 2016	3
26th October 2016	3
3rd February 2017	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)	4
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 31st March 2017, the Company received 4 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 has delegated the power of transfer of shares and related matters to Share Transfer Committee. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31st March 2017, 24 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 'Terms of Reference' 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 Members attended:

Date of the Meeting	Number of Members attended
18th May 2016	2
3rd February 2017	3

The name 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	1
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 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 Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, 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 Fund for the financial year ended 31st March 2017 to the following Executive Directors is as follows: Shri Bharat Hari Singhania - ₹ 4.82 crore, Smt. Vinita Singhania - ₹ 5.31 crore, Shri Sushil Kumar Wali - ₹ 2.84 crore and Dr. Shailendra Chouksey - ₹ 2.84 crore. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT-9, which forms part of the Directors' Report.

The tenure of office of the Managing Directors and the Whole- time Directors is five years and three years, respectively from their respective dates of appointment. In the case of Executive Directors,

their notice period is six months. Severance Fees for the Managing Directors is remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

- (ii) Non-executive Directors: During the financial year 2016-17, the Company paid sitting fees aggregating to ₹ 22.30 lakh to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of

Directors of the Company. Commission payable to NEDs is ₹ 7 lakh each to Shri B.V. Bhargava, Shri Kashi Nath Memani, Shri Nand Gopal Khaitan, Shri Pradeep Dinodia, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala. 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
2013-14	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	4th September 2014	11:00 A.M.
2014-15	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	26th September 2015	11:00 A.M.
2015-16	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7th September 2016	12:00 Noon

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 4th September 2014, 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 ₹ 475 crores issued/ to be issued by Hansdeep Industries & Trading Company Limited and Authorisation to the Board of Directors to issue NCDs upto ₹ 1,000 Crore on private placement basis, in one or more tranches/ series were passed at the AGM held on 26th September 2015 and Special Resolutions regarding re-appointment and payment of Managerial Remuneration to MDs & WTDs for their respective remaining tenure in FY 2016-17 and approving payment of remuneration to Non- executive Directors of the Company were passed in the last AGM held on 7th September 2016.

A Special Resolution for issuance of NCDs upto 300 Crore on Private Placement basis was passed by way of Postal Ballot during the financial year ended 31st March 2017. The Company extended e- voting facility through Central Depository Services (India) Limited (CDSL), as an alternate to its Members to enable them to cast their vote electronically instead of dispatching physical postal ballot forms. Shri Namo Narain Agarwal, Company Secretary in whole- time Practice, was appointed as Scrutinizer for conducting the postal ballot/ e- voting process. After receiving the Scrutinizer's Report, it was announced that the Special Resolution was passed with requisite majority on 15th December 2016. The voting pattern on the said resolution; % of total valid votes cast in favour of resolution are 99.97% and cast against the resolution are 0.03%.

## 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 new Ind AS - 24 - Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the 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. These Policies are available on the website of the Company and the weblink for the same is <http://www.jklakshmicement.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 markets, during the last three years: There were no cases of non-compliance of any matter related to capital markets during the last three years.

- (iii) **Vigil Mechanism/ Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 25th July 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/ complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the



Company. It is affirmed that no personnel has been denied access to the Audit Committee.

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

During the year, no complaint 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, 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.jklakshmicement.com/wp-content/uploads/2015/12/Policy-for-Determining-Material-Subsidiary.pdf>

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

- (viii) **Dividend Distribution Policy**

**1 Preamble**

The SEBI (Listing Obligations and

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

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

**2 Objective**

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

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

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

**3 Factors to be Considered While Declaring Dividend**

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

- (1) Profitability of the Company during the relevant year.
- (2) Past Dividend trends.
- (3) Leverage profile.
- (4) Future capital expenditure programmes including organic and inorganic growth opportunities.
- (5) Company's Liquidity Position and Cash flow position.
- (6) Economic conditions and regulatory environment.
- (7) Any other relevant factors that the Board may deem fit to consider.

**4 Utilisation of Retained Earnings**

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

**5 Declaration of Dividend**

The Board may declare/recommend Interim / Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act. Only



in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

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

**6 Review & Modification of Dividend Distribution Policy**

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

**7 Disclosure**

This Policy (as amended from time to time) will be available on the Company's website and a web link thereto shall be provided in the Annual Report.

**8 Disclaimer**

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

**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, 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 Year : April 1 to March 31**

**(iv) Financial Reporting**

for the quarter ending 30.06.2017	Within 45 days of the end of the quarter
for the half-year ending 30.09.2017	
for the quarter ending 31.12.2017	
for the year ending 31.03.2018 (Audited)	Within 60 days of the end of the financial year
Annual General Meeting for the Financial Year ending 2017-18	Between July and September 2018

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

**(vi) Date of Book Closure:** As in the AGM Notice

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

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

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

The annual listing fee for the financial year 2017-18 has been paid to both the aforesaid Stock Exchanges.

The securities of the Company are not suspended from trading.

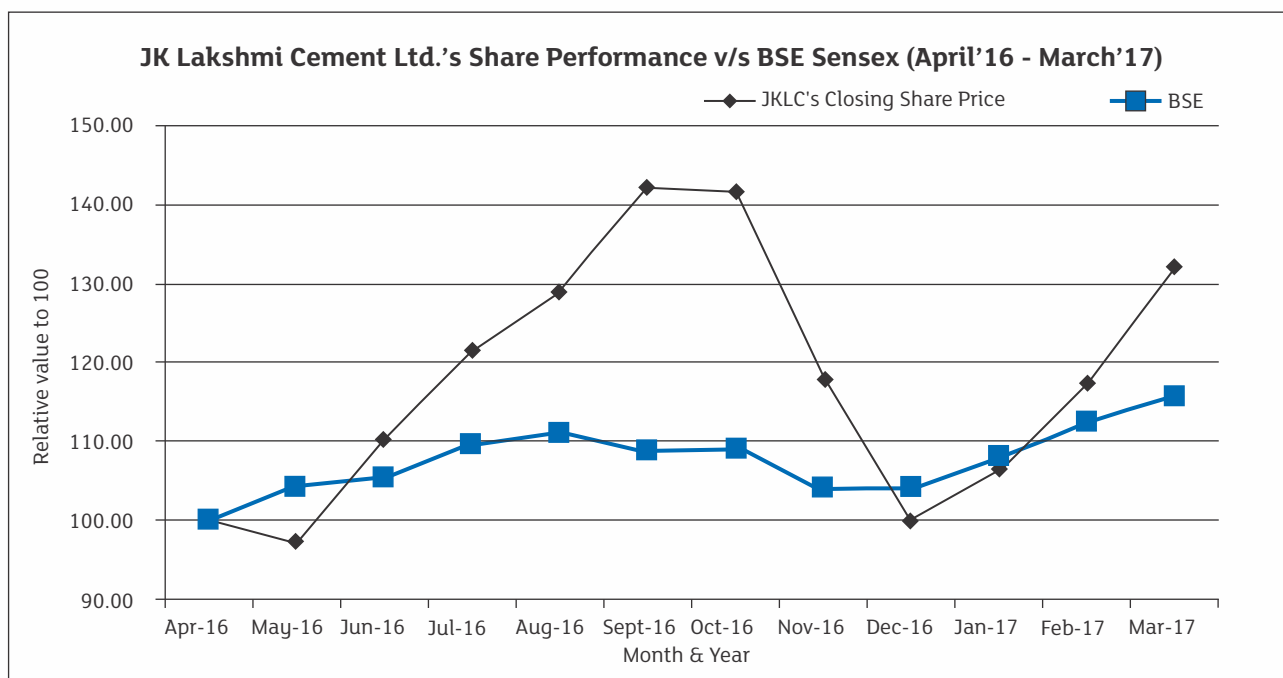
**(viii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.:**

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



(ix) Stock Market Price Data

Months (2016-2017)	BSE Ltd. (₹)		National Stock Exchange, (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2016	373.00	323.25	372.80	323.60
May 2016	368.80	330.00	369.90	330.00
June 2016	396.65	333.00	394.95	334.00
July 2016	428.40	379.80	429.80	379.50
August 2016	465.40	411.00	465.80	418.00
September 2016	505.75	448.10	505.40	448.00
October 2016	513.75	470.00	513.00	475.80
November 2016	498.00	326.75	498.80	330.50
December 2016	410.25	330.00	409.95	329.30
January 2017	375.00	345.00	382.10	345.30
February 2017	415.95	371.70	415.00	370.50
March 2017	465.00	398.60	465.00	399.00



(x) Distribution of Shareholding as on 31st March, 2017

No. of Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	55,85,035	4.75	71535	93.84
501-1000	20,18,673	1.72	2740	3.59
1001-5000	31,36,306	2.66	1496	1.97
5001-10000	14,37,007	1.22	193	0.25
10001 & above	10,54,93,045	89.65	269	0.35
<b>TOTAL</b>	<b>11,76,70,066</b>	<b>100.00</b>	<b>76,233</b>	<b>100.00</b>

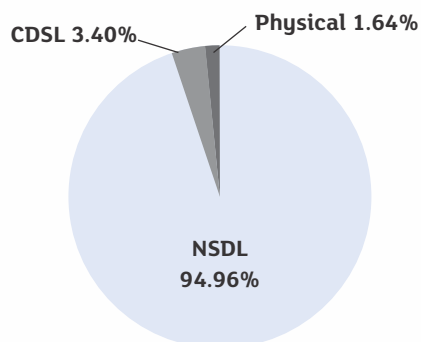
**(xi) Share Transfer System**

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

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

The Equity Shares of the Company are actively traded on BSE and NSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their 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 2017, 98.36% 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.

**Shares held in Physical/Demat Form (with NSDL & CDSL) as on 31st March 2017**



**(xiii) Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity: As on 31st March 2017 – NIL.**

**(xiv)** Commodity price risk or foreign Exchange risk and hedging activities: During the financial year ended 31st March 2017, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contracts.

**(xv) Plant Locations:**

Jaykaypuram,  
District Sirohi - 307019 (Rajasthan)

**(2) JK Lakshmi Cement**

Malpuri Khurd, Ahiwara,  
District Durg - 491001 (Chhattisgarh)

**(3) JK Lakshmi Cement**

Motibhoyan, Kalol,  
District Gandhinagar - 382010 (Gujarat)

**(4) JK Lakshmi Cement**

Village Bajitpur, P.o. Jhamri,  
District Jhajjar - 124507 (Haryana)

**(5) JK Lakshmi Cement**

Village Dastan, Taluka Palsana,  
District Surat - 394310 (Gujarat)

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

**1. JK Lakshmi Cement Limited  
Secretarial Department,**

3, Gulab Bhawan (Rear Block),  
6A, Bahadur Shah Zafar Marg,  
New Delhi- 110 002  
Ph:(011) 30179860

Contact Person: Mr. B. K. Daga,  
[E-mail: bkdaga@jkm.com](mailto:bkdaga@jkm.com).

**2. Registrar & Share Transfer Agent – 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@mcsregistrars.com).

Contact Person: Mr S.Biswas  
(E-mail: s.biswas@mcsregistrars.com)

**(xvii) 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>





- (xviii) This Corporate Governance Report of the Company for the financial year ended 31st March 2017 is in compliance with the requirements of Corporate Governance under the Listing Regulations as applicable.
- (xix) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Executive; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website [www.jklakshmicement.com](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.
- (xx) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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

As on 1st April 2016, the Company had 5,91,006 Equity Shares, which were unclaimed by 14,201 Equity Shareholders. These were lying in dematerialized mode in the suspense account.

Out of the above, the Company received 98 requests for 7,212 Equity Shares for crediting to the Demat Account of the Shareholders/dispatch of physical Share Certificate on rematerialisation during the year. These have since been despatched. As on 31st March 2017, the Company has 5,83,794 Equity Shares which remain unclaimed by 14,103 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 31st March 2017, 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 LTD. ("Company") for the year ended 31st March 2017, as stipulated in regulations 17 to 27 and Clause (b) to (i) of regulation 46(2) and Para C, D and Para E of Schedule V 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

N. K. LODHA  
(Partner)  
Membership No. 85155

Place: New Delhi  
Date: 17th May, 2017



# SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

## INTRODUCTION

The concepts of sustainability and minimizing adverse impacts of businesses have today become pervasive in all facets of society. JK Lakshmi Cement Ltd is committed to carry out sustainable manufacturing, maintaining its long lasting relationship with people, environment and growth. The Company since its inception in the year 1982 has been progressively expanding its business operations to other parts of country while maintaining responsible and inclusive business culture.

One of the Company's core values include **"caring for people"**, that imbibes manufacturing practices aligned to value creation for all our stakeholders. All the manufacturing units, since their inception have been successfully optimizing energy, raw materials and waste in the production & distribution. Installing latest technology and systems like Waste Heat Recovery (WHR), Reverse Air Bag Houses (RABH) for emission control, solar power generation plants, innovative windmill, replacing coal with alternative fuel biomass, etc., have not only made us one of the least cost producers of cement in the Indian Cement Industry, but also one of the most sustainable companies in this space.

In our quest to become a profitably growing, Innovative and Caring Company, we at JK Lakshmi Cement Ltd. has remodelled the traditional pillars of Sustainability and have conceptualized them into more pragmatic and diverse six pillars namely, Environment, Social, Business, System, Health & Safety and Technology Sustainability. Company aims to pioneer innovative products and services that are created in harmony with environment and society while contributing to the Indian Economy.



To address each pillar of our **Sustainability** model, we have adopted various initiatives and practices, which are aimed at advancement of our People and the society which we operate in, thus promoting inclusive growth. We are always proactive in embracing the future technology. For the growth and development of our employees, we have undertaken various employee engagement and development initiatives like **"SPARK"**, **"Krishna –Arjun"** etc. which are deployed to develop future ready leaders for the organization. In line with our philosophy of "Grow Your Timber", we regularly motivate and seek fresh innovative ideas from internal young aspirants among the Company employees.

Our **"Vision Zero"** strategy promotes a culture of prevention of hazards and adds commitment to safety of all employees at workplace. We have various innovative practices like SAP integrated behavior based safety, Real time Status Monitoring of Fire Protection Equipment etc. to help us achieve our vision. The Company's first Sustainability Report is being published for covering 2014-15 & 2015-16 with the theme **"Colour of Togetherness"** as per **GRI-G4 Reporting framework**.



## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74999RJ1938PLC019511		
2.	Name of the Company	JK Lakshmi Cement Ltd.		
3.	Registered address	Jaykaypuram, Distt. : Sirohi- 307 019, Rajasthan Ph. No. : 02971-244409/244410 Fax No. : 02971-244417		
4.	Website	www.jklakshmicement.com		
5.	E-mail id	lakshmi_cement@lc.jkmail.com		
6.	Financial Year reported	1st April, 2016 to 31st March, 2017		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and Value added Product Manufacturing		
		<b>Group</b>	<b>Class</b>	<b>Sub Class</b>
		239	2394	23941 23942
				<b>Description</b> Manufacture of Clinker and Cement
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. PPC blended and OPC Cement ii. Ready-Mix-Concrete iii. Autoclaved Aerated Concrete(AAC) Blocks		
9.	Total number of locations where business activity is undertaken by the Company	No. of International Location: Nil No. of National Location: The Company has two Integrated Cement Plants, Four Grinding Units, Eight RMC Plants & one AAC Block Unit		
10.	Markets served by the Company	India (North, East, West and Central)		

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (INR)	₹ 58.85 Crore
2.	Total Turnover (INR)	₹ 3330 Crore
3.	Total Profits after Taxes (INR)	₹ 82 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after Tax (%)	2.26%
5.	List of activities in which expenditure in 4 above has been incurred	During the Financial Year 2016-17, the Company spent Rs. 144.75 lakhs on CSR activities in the following broad areas.

S.No.	Particulars	Actual (₹ Lakhs)
1	Eradicating Hunger & Poverty	63.13
2	Promoting Education	59.43
3	Promoting Gender Equality & Women Empowerment	0.93
4	Ensuring Environmental Sustainability	11.28
5	Protection of National Heritage Art & Culture	1.00
6	Training to promote Rural Sports & Rural Development	8.98
	<b>Total</b>	<b>144.75</b>

## SECTION C: OTHER DETAILS

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

Yes, the Company has 2 (two) subsidiary companies namely, Hansdeep Industries & Trading Company Limited & Udaipur Cement Works Limited and a step

down subsidiary Ram Kanta Properties Private Limited.

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

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





3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such

entity/entities? [Less than 30%, 30-60%, More than 60%]:

No, the other entities eg. Suppliers, distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR Head

1.	DIN Number (if applicable)	NA
2.	Name	Mr. Naveen Kumar Sharma
3.	Designation	Vice President (Project)
4.	Telephone Number	02764- 281939
5.	e-mail id	naveensharma@lc.jkmail.com

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

The 9 Principles are:



1. Business should conduct and govern themselves with Ethics, Transparency and Accountability



2. Business should provide goods and services that are safe and contribute to sustainability throughout their lifecycle



3. Business should promote the well-being of all employees



4. Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized



5. Business should respect and promote human rights



6. Business should respect, protect and make efforts to restore the environment



**7.** Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner



**8.** Business should support inclusive growth and equitable development



**9.** Business should engage with and provide value to their customers and consumers in a responsible manner

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

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	N	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	-	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Most of the policies are aligned to various standards like: ISO 18001 for Quality Management System, ISO 14001 for Environment Management System, ISO 50001 for Energy Management System, OHSAS 18001 for Occupational Health & Safety Management System, etc.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	-	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	-	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	View restricted to stakeholders								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policy has been circulated to key internal stakeholders. To cover all stakeholders, communication is an on-going process.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	-	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	-	Y	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Conforming to the ISO Standards, the Company undergoes periodic audit to validate these systems. Also, Company has started publishing Sustainability Report as per GRI-G4 guidelines, which is assured by an independent external agency.								



(b) If answer to S. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify) * It is planned to be done at an appropriate time	-	-	-	-	*	-	*	-	-

### 3. Governance related to BR

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

Business responsibility performance is periodically assessed by the Management.

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

This is the Company's first foray into publishing the Business Responsibility Report for the year under review. BRR will continue to be a part of Annual Report from hereon. The first Sustainability Report of the Company including financial years 2014-15 & 2015-16 is being published which is duly assured by an independent certifying agency and will be made available on the Website of the Company at [www.jklakshmicement.com](http://www.jklakshmicement.com) /[www.jklakshmisustainability.com](http://www.jklakshmisustainability.com).



### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The Company believes in upholding the values of transparency, accountability and good governance. The Company has Corporate Ethics and Code of Conduct (*inter alia* covering an Anti-Bribery and Corruption Directive) and Whistle Blower Policy. The Corporate Ethics and Code of Conduct covers the Directors and Employees of the Company. An annual affirmation is also taken from the designated employees.

The Company also encourages its Suppliers / Contractors / NGO's / Others to practice the same in a fair manner.

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

The Company has not received any stakeholder complaints during the Financial Year 2016-17.



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

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

The Company being a responsible corporate organization, emphasizes on producing environment friendly products manufactured using sustainable process and technology. The Company is engaged in manufacturing of cement and a wide range of cement products including Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). PPC & PSC utilize waste derived raw materials such as Flyash and Slag, thereby reducing consumption of natural resource i.e. limestone. We are progressively trying to increase the percentage use of alternate fuels instead of fossil fuels in our fuel mix required to produce clinker.

Our product **JK SMARTBLOX**- waste derived Autoclave Aerated Concrete Blocks (AAC Blocks) which is produced by highly automated manufacturing process and incorporates the technological innovations such as “Green Separation” and “Horizontal Autoclaving”. It is capable of delivering unmatched consistency in product quality. Some of its advantages are given below:

- **Life Long Energy Saving-** “JKSMARTBLOX” provide superior thermal insulation as compared to any other wall construction material including conventional clay bricks, thus resulting in less energy consumption.
- **Fire Resistant-** “JK SMARTBLOX” offer 3 times or more fire resistance (2 to 6 hours) than conventional clay bricks.
- **Pest & Termite Resistant:** The inorganic nature of “JK SMARTBLOX” does not allow spread of termites and growth of pests and hence provides longer life to expensive wooden interiors.
- **Resource Conservation:** “JK SMARTBLOX” use flyash (waste generated in abundance by thermal power plants) and thus helps in conserving of top fertile soil, essential for the food security of the nation.
- **Light Weight:** “JK SMARTBLOX” not only consume less fossil fuels during manufacturing but also consume less energy in transportation due to its lighter weight.

**JK Lakshmiplast- Plaster of Paris** manufactured by the Company contains special ingredients which improve its setting time and also provide an elegant white finish. The JK Lakshmiplast comes with 82% whiteness, giving your dream house, the superior whiteness it deserves. It is also highly recommended for a newly built construction, thanks to its **higher adhesive ability** and superior packaging, which keeps the Plaster of Paris safe from

everyday dust and moisture. The consistently fine particles of JK Lakshmiplast provide an **opportunity for better workmanship** and a more refined final finish.

Another product **JK GYPGOLD** is a light weight gypsum-based plaster. It is suitable for hand or machine application to internal surfaces. After drying, it gives brilliant white, smooth & matt finish. It has good impact strength. Some of its advantages include:

- Direct application
- Light weight
- Excellent strength after drying
- Great Bonding
- No water curing
- Economical

The Company has installed state of art technology equipment and progressively implemented various innovations, process modifications, optimizations to be resource and environment efficient.

Integrated Mother Plant at Sirohi, Rajasthan, has installed 15 MW Waste Heat Recovery System (WHRS) in the year 2012, reducing consumption of coal thereby carbon footprint.

Further, we have taken various innovative and state of art initiatives for Environmental and resource conservation like:

- (1) Installation of **Variable frequency Drives (VFDs)** at all possible locations in the units thus, reducing the power consumption in motors and drives to significant levels.
- (2) Reduction of energy consumption by overachieving the target of **Perform Achieve and Trade (PAT) Cycle -1** by **3 times**.

Besides, the Company has been educating and supporting its stakeholders on various aspects related to working with cement and its value added products, through on-site demonstrations, digital systems & social media platforms like Youtube, Facebook, Twitter, etc. Extending product responsibility, Company has also made available Material Safety Data Sheet (MSDS) for its consumers.

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

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

Consumption per unit ton of Product	FY 2016-17
Electrical Energy (Kwh/Ton of Cement)	73
Thermal Energy (Kcal/Kg of Clinker)	701

Note: This is the Company's first year of BR Reporting.





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

Cement manufactured by the Company is used by diverse consumer range and therefore it is not possible to measure the usage (energy, water) by them. Our AAC product has led to reduction in use of cementing materials as well as use of energy for heating and cooling of the building during its lifetime. However, exact saving figures are not ascertainable.

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

The Company understands the impact of its supply chain and has taken proactive steps to identify the most significant environmental and social challenges within its value chain. It has made responsible sourcing as an integral part of its procurement and supply chain management processes.



The selection criteria is based upon transparency of suppliers about their sustainability programmes covering production of goods in an environmental friendly way, societal interest and cost effective procurement. The Company takes into account its vision regarding responsible business practices while entering into contracts with the suppliers.

E-procurement has enabled structured supplier relationships, effective communication, reduced external spending, eliminated paperwork as well as travel hours.

To expand our sustainability practices to the ambit of inbound and outbound logistics, the Company ensures that the transporters rely on less polluting and reduced fuel consuming transport options. The logistics department devises **most sustainable** route for both upstream and downstream logistics to reduce carbon footprint through excessive fuel consumption non-monitored complex logistic routes. It has also ensured logistic integration, both inbound and outbound to curtail unproductive fuel consumption and also to ensure least freight per km.

We also meet a substantial part of our raw materials requirement through other industry's waste to reduce pressure on natural resources. We do not generate any waste water from our Production Plants. However, domestic waste water generated from the Colony/Units is treated and reused within the plant premises.

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

Company favours procurement of goods and services from local vendors. In order to strengthen partnership with the vendors the Company organizes periodic vendor meet and trainings to discuss possible avenues to facilitate a mutually enriching business. Contractual workforce at the manufacturing plants are sourced from nearby villages through the contractors and are provided year round training and involved in various capacity building programmes.

The Company believes that it is vital to extend support to the vendors in managing their problems associated with the supply of raw materials or goods, quality of deliverables etc. Towards this, the Company maintains frequent and open lines of communication especially with its small vendors to improve and develop their capability. The performance monitoring process is also a part of the regular business practices adopted by the Company and it helps the vendors to improve their performance by taking timely and need based corrective actions. The Company also promotes development of import substitutes through local vendors.

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

The Company believes in using waste as a source of raw material and energy. In order to be a reliable partner in waste management network, the Company recycles its organic solid waste as well as domestic waste water through innovative measures. By adopting natural treatment for organic waste, the Company generates Vermi- Compost and the same is used for green belt development.

Domestic waste water generated from colony, offices, canteen and rest rooms is treated through innovative sewage treatment plants and the treated water is used in development of greenbelt, plantation etc. Dust collected from pollution control equipment is recycled back into the process.

Flyash generated as waste from the captive power plant is used in the production of cement.

**Principle 3: Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees : 1680
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 2725
3. Please indicate the Number of permanent women employees: 16
4. Please indicate the Number of permanent employees with disabilities: 2
5. Do you have an employee association that is recognized by management:  
Yes, there are Unions affiliated with INTUC and BMS.
6. What percentages of your permanent employees are members of this recognized employee association?



Around 18% of our permanent employees are part of the above mentioned trade unions.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

There are no reported cases of complaints for the financial year under review or pending grievances, related to child labour, forced labour, involuntary labour, and sexual harassment.

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

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

	Safety	Skill Up-gradation
Permanent employees	99.6%	99.52%
Permanent Women employees	75%	62.50%
Casual/ Temporary/ Contractual employees	100%	81.17%
Employees with disabilities	0%	0%

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

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

Yes, the Company has identified its internal as well as external stakeholders as a part of sustainability reporting process.

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

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. village communities nearby its radius of the manufacturing plants and the contractual workers.

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

The Company has taken up extensive Corporate Social Responsibility (CSR) activities in and around its plant sites laying emphasis on HealthCare, Education, Skill Development, Water and Sanitation, Plantation and Green Cover Rehabilitation, Old Age Assistance (**Project Muskan**) and Rural Development. As a part of these initiatives, we engage regularly with the local communities to ensure that we understand their needs.

The Company offers sponsorship and extend support to contractual workers to pursue and complete their education. Year on year, the number of contractual staff enrolling for the self-development scheme has progressively increased. Employees completing school academics are sponsored for further education. Adult Women literacy programs are run at all our plant sites to encourage and support Women empowerment at all ages. As a part of our CSR initiatives, we have been implementing an “**Integrated Family Welfare Programme (Naya Savera)**” to serve our nearby communities. From this intervention, we look forward towards betterment and upliftment of the local communities by extending robust medical services. To implement the motto “Education to Everyone”, we have initiated programmes like “**Jhola Library**” to ensure that both Children and Parents receive access to Education.

Believing that Healthy Mothers are the pillars of a healthy society, the Company has undertaken many initiatives to



raise awareness on the importance of Hygiene of Women and Girls. Company has implemented initiatives like installing low cost sanitary napkin manufacturing unit, sanitary napkin vending and incinerating machines in Govt. Girls' Schools in the nearby community.

**Principle 5: Businesses should respect and promote human rights**

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

Presently, the Company does not have Human Rights Policy. Any related issue is addressed based on relevant legislations. The Company encourages its suppliers and contractors to meet with the human rights obligations as applicable to them.

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

No stakeholder complaints were received during the financial year 2016-17.

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

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

The Company is committed to improve Health & Safety of the society and protection of the environment, and the policy applies to the entire Company. JK Lakshmi Cement Ltd also encourages its subsidiaries, vendors and dealers to take health, safety and environment friendly measures for better future.

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

Yes, the Company has strategies and has taken initiatives to address Climate Change, Global Warming, Water Conservation and Resource Management. IIM-A research conducted in 2010, has ranked JK Lakshmi Cement Limited as the top performer in the list of lowest CO<sub>2</sub> emitting Cement Companies.

The Company has also framed a Corporate Environment Policy and Energy Policy to implement holistic approach to manage our carbon footprint and develop a proactive top level drive for tackling Climate Change issues within the organization.

For more details please refer [http:// www.jklakshmicement.com](http://www.jklakshmicement.com) /[www.jklakshmisustainability.com](http://www.jklakshmisustainability.com).



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

Yes, the Company has an elaborate risk management system to understand and assess various risks and to inform the Management about risk minimization procedures. Further, all the operations follow International Environment Management System (ISO 14001) guidelines. The Company has an established structured framework, particularly for dealing with the potential business and environmental risks across the organization. A Risk Management Committee meets on a quarterly basis and evaluates the efficacy of the framework.

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

Yes, our Project at Jaykaypuram, Sirohi in Rajasthan “Replacement of fossil fuel by biomass in Pyro-Processing” has been registered as Clean Development Mechanism (CDM) Project. The project number is 0852. Along with this, we have other Green House Gases (GHGs) reduction projects namely:

- **15 MW Waste Heat Recovery based power generation** at JK Lakshmi Cement Ltd, Rajasthan.
- **7.76 MW Waste Heat Recovery based power generation** at JK Lakshmi Cement Ltd, Durg.
- **6 MW Solar PV based power generation** at Phalodi, Rajasthan.
- **Bundled Rooftop Solar PV based power generation** at our manufacturing units at Jaykaypuram, Jhajjar, Kalol and Surat.
- **AAC Block** manufacturing at Unit Jhajjar to utilize the flyash which is a waste generated from nearby thermal power plants.

There is no requirement of filing any compliance Report.

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

Yes, keeping long term vision in mind, for Renewable Energy Generation, the Company had installed 6 MW Solar Power Plant at Phalodi, Rajasthan in the year 2012.

Clean Technology like **Waste Heat Recovery System** has been installed to utilize the waste heat as an alternative source to generate power. Company has also set up biomass handling unit for part replacement of fossil fuel consumed in Pyro-Process with renewable fuels like **Biomass**.

In-line to increase the renewable energy generation at its premises, the Company has installed Solar Power Plant of capacity of 2.5 MW at its recently commissioned Standalone Clinker Grinding Unit at Surat, Gujarat. To further harness the clean green energy of Sun, our units like Kalol, Jaykaypuram and Jhajjar have also installed solar plants within their premises.

Also, our manufacturing units are ISO 50001 certified for Energy Management System and have undertaken numerous **Energy Efficiency** measures like installation of VFDs, process modification, optimization of pyro-process etc.

For further details on initiatives, please refer to our Sustainability Report at [www.jklakshmicement.com](http://www.jklakshmicement.com) / [www.jklakshmisustainability.com](http://www.jklakshmisustainability.com).



**6 MW Solar Power Plant at Phalodi, Rajasthan**

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

Yes, the Company since its inception has been very cautious and stringent towards keeping emissions/ waste generated within permissible limits. All our emission sources are equipped with latest art of technology; air pollution control equipment like Bag houses, Electrostatic Precipitator, Bagfilters etc. to ensure compliance with the applicable emission/waste standards/norms.



**Hybrid ESP with integrated bag house for efficient emission control.**

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

There are no show cause/ legal notices received from CPCB/SPCB which are pending as on end of Financial Year 2016-17.

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

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

The Company is a Member of the following trade and chamber or association:

- (a) Cement Manufacturers' Association (CMA)
- (b) PHD Chamber of Commerce and Industry
- (c) Rajasthan Chamber of Commerce
- (d) Udaipur Chamber of Commerce
- (e) Federation of Indian Mineral Industries
- (f) Federation of Mining Association of Rajasthan

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

The Company continuously advocates the use of eco-friendly manufacturing processes, use of alternative fuels, Energy Conservation, Water Conservation and Waste Management and construction of concrete roads, Sustainable Business Principles, Energy Efficiency Practices etc. across its values chain through regular presentations, exhibitions and various other activities on multiple platforms and conferences organized by various associations.

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





### Case Study

#### JK Lakshmi Cement Ltd. & National Institute of Open Schooling-(NIOS) Partners in imparting education

JK Lakshmi Cement Ltd., believes that everyone has the right to education and has collaborated with NIOS to help its contractual workers, who were not able to study, to complete their education while working. After successfully lightening the candle of education within its premises, the Company took this mission to create awareness in the nearby community by organizing awareness sessions in collaboration with NIOS. This came as a boon, especially for the village girls as otherwise compelled to stop education due to unavailability of Secondary & Sr. Secondary Schools in the vicinity.

Total 68 students have been enrolled through NIOS for Secondary and Sr. Secondary examinations in FY 2016-17.

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

Yes, under our CSR policy implementation, we have specified programmes and initiatives for realization of Principle 8.

JK Lakshmi Cement Ltd. has always worked toward inclusive growth and equitable development. We believe our stakeholders are our partners in our sustainable journey of development & growth. Details thereof are given in the Directors' Report of the Company.

Since its inception, Company has undertaken various Social Development initiatives in the sectors of:

- Maternal Care
- Health & Sanitation
- Education
- Skill Development etc.

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

The Company has an in-house team deployed at each plant site for implementation of our CSR initiatives. On need basis, the in-house team identify implementation bodies for specific expertise or implementation support. We have worked in partnership with academic bodies, government hospitals and other government bodies for successful implementation of initiatives and for wider awareness creation on critical societal issues.

Health and Sanitation has been identified as one of the core areas of interventions. We have constructed many lavatories in government schools and have also ensured that girls of Govt. Schools are equipped with sanitary napkin vending and incinerating machines, providing complete social management system.



**Spreading the Smiles:** Girls at a gov. school using the Sanitary Napkin Vending machine

Some of Our Key CSR initiatives are listed below:

- Naya Savera Project (Integrated Family Welfare Programme)
- Welfare activities for senior citizens
- Sanitation
- Health Camps for villagers and masons
- Library Facilities at Govt. Schools
- Physiotherapy to differently abled children
- Project Aarambh (Admission of dropout students)
- Expert recommended staple food to Multi Drug Resistant (TB) patients
- Dental & Eye Checkup camps
- HIV/AIDS awareness workshops
- Sewing and Beauty Parlor Training Programmes for females
- Providing vocational assistance to Self- Help Groups (Phenyl Making Unit, Spice Grinding Unit, Paper Plate Manufacturing, Broom and Mat Making etc.)
- Encouraging contractual workmen to complete their education in collaboration with NIOS etc.

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

We undertake impact assessment for all our initiatives to gauge the number of beneficiaries and the degree of benefit the initiative has created. The impact assessment also helps us improve the implementation of the initiative or expand its scope as per the requirement of the communities.

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

Please refer to ANNEXURE –D to the Directors' Report.

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

JK Lakshmi Cement takes long term view in implementation of its community benefit

initiatives. We believe continuity is the key for impactful implementation of any community development project on sustainable basis.

We are committed to creating environmental and socio-economic value in society by responsibly utilizing the resources we have at our disposal. Our CSR initiatives at all the manufacturing Units are carefully designed to instill life oriented skills to whole communities to help them overcome environmental and social barriers.

We continuously seek to execute effective interventions to boost the living standards and the overall economic status of under privileged community.

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

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

No customer complaints/consumer cases were pending as on end of financial year 2016-17.

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

The Company displays product information as per BIS Rules & Guidelines.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive**

**behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

State of Haryana has filed a complaint alleging cartelization in the tender for supply of cement by some cement companies including JK Lakshmi Cement Ltd.

CCI vide order dated 19th January, 2017 has held cement companies including JK Lakshmi Cement Ltd. guilty of violating provisions of the Competition Act and imposed penalty to the tune of 0.3% of the average turnover of last three financial years. Accordingly, the penalty on the Company works out to ₹ 6.55 Crores. The Company has filed an appeal against CCI's order before the Competition Appellate Tribunal and stay has been granted.

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

Yes, the Company has been maintaining its brand positioning not just by producing and selling best quality products but by listening to its customers and taking corrective actions accordingly. Company, puts in a lot of efforts to understand the need of customers, their pain areas and their complaints / feedbacks through Focus Group Discussion or online survey or by making individual calls to our customers or dealers through call centre.

During the last 3 years, extensive surveys were conducted by our own officers and more than 500 sites were visited to get the actual customer feedback. Further, digital surveys were conducted on Facebook to understand the preference of customers & our Brand Positioning and feedback was also obtained from our network by making calls randomly on selected dealers.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF JK LAKSHMI CEMENT LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **JK LAKSHMI CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 Ind AS 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 Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) 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 paragraph 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 (including other comprehensive income), the statement of cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 Ind AS financial statements – Refer Note 51, 52, 53, 54 and 56 to the standalone Ind AS 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 derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 47 to the standalone Ind AS financial statements.

For **LODHA & CO.**,  
Chartered Accountants  
ICAI Firm Registration No.: 301051E

N. K. LODHA  
(Partner)  
Membership No. 085155

Place: New Delhi  
Date: 17<sup>th</sup> May, 2017





**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 Ind AS financial statements of JK LAKSHMI CEMENT LIMITED for the year ended 31st March 2017**

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 programme 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 Note No. 2(b) of the standalone Ind AS financial statements.
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 and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
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. 63 of the standalone Ind AS 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 Act.
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, 2017.
- (b) According to the records and information & explanations given to us, certain dues in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of 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	
		1992-1998	45.80	
		2005-2006	473.85	Joint Commissioner (Appeals)
		1995-2006	42.14	
		1997-1998	5.21	
		2007-2008	201.85	
		2003-2009	11949.02	Rajasthan Tax Board
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2002-2016	7421.68	Supreme Court
		2012-2015	72.03	High Court
		2007-2008	272.08	Dy. Comm. (Appeal)
		2013-2014	38.84	CTO (AE)

Name of The Statute	Nature of the Dues	Period (Financial Year)	Amount (Rs. In Lacs)	Forum where dispute is pending
		2012-2013	39.31	CTO (AE)
The Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax	2007-2010	267.84	Supreme Court
West Bengal Entry Tax		2015-2016	38.15	High Court
Gujarat Entry Tax		2007-2008	58.15	Joint Com.(Appeal)
Central Excise Act	Excise Duty	2009-2015	93.45	CESTAT
		2008	9.86	
		2005-2010	0.95	Com.(Appeal)
		2012-2015	9.52	
Custom Act	Custom Duty	2011-2012	111.226	CESTAT
Finance Act,	Service Tax	2012-2013	505.90	CESTAT
		2013-2014	522.63	
		2012-2014	688.26	
		2007-2009	117.82	Excise Commissioner
		2012-2013	7.06	Commissioner (Appeal)
Income Tax Act, 1961	Income Tax and Interest	2012-2013	367.41	Commissioner (A), Kolkata

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. 68(ii)&(iii) of the standalone Ind AS financial statements.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.
13. As per 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 the records / details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by 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 them. 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  
ICAI Firm Registration No.: 301051E

N. K. LODHA  
(Partner)  
Membership No. 085155

Place: New Delhi  
Date: 17<sup>th</sup> May, 2017



## **Annexure 'B' to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of JK LAKSHMI CEMENT LIMITED**

### **Report on the Internal Financial Controls over Financial Reporting under Clause (j) 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 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

#### **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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 31st March 2017, 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  
ICAI Firm Registration No.: 301051E

Place: New Delhi  
Date: 17<sup>th</sup> May, 2017

N. K. LODHA  
(Partner)  
Membership No. 085155

# JK LAKSHMI CEMENT LIMITED

## BALANCE SHEET AS AT 31st MARCH 2017

₹ In Crore (10 Million)

S No.	Particulars	Note No.	31st March'2017	31st March'2016	1st April'2015
<b>ASSETS</b>					
(1)	<b>Non-current Assets</b>				
	(a) Property, Plant and Equipment	2	2,824.00	2,727.88	2,580.17
	(b) Capital work-in-progress		205.08	283.09	361.46
	(c) Investment Property	3	0.66	0.71	0.76
	(d) Intangible Assets	4	1.68	0.93	1.57
	(e) Financial Assets				
	(i) Investments	5	309.49	182.20	161.39
	(ii) Loans	6	54.26	39.41	39.53
	(iii) Others	7	0.10	-	-
	(f) Other Non-Current Assets	8	59.27	29.14	45.36
			<b>3,454.54</b>	<b>3,263.36</b>	<b>3,190.24</b>
(2)	<b>Current Assets</b>				
	(a) Inventories	9	277.64	240.55	223.47
	(b) Financial Assets				
	(i) Investments	10	499.70	254.70	292.77
	(ii) Trade Receivables	11	89.50	96.49	70.49
	(iii) Cash and Cash Equivalents	12	2.06	2.80	2.65
	(iv) Bank Balance other than (iii)	13	6.92	8.96	12.65
	(v) Others	14	119.36	144.26	126.88
	(c) Current Tax Assets (Net)	15	-	1.92	-
	(d) Other Current Assets	16	133.69	95.33	134.58
			<b>1,128.87</b>	<b>845.01</b>	<b>863.49</b>
			<b>4,583.41</b>	<b>4,108.37</b>	<b>4,053.73</b>
<b>TOTAL ASSETS</b>					
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
	(a) Equity Share Capital	17	58.85	58.85	58.85
	(b) Other Equity		1,322.84	1,245.24	1,281.18
			<b>1,381.69</b>	<b>1,304.09</b>	<b>1,340.03</b>
<b>LIABILITIES</b>					
(1)	<b>Non-current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	18	1,590.06	1,393.06	1,433.80
	(ii) Trade Payable		-	-	-
	(iii) Other Financial Liabilities	19	140.27	127.57	65.75
	(b) Provisions	20	10.77	9.31	7.87
	(c) Deferred Tax Liabilities (Net)	21	-	16.26	59.92
	(d) Other Non-Current Liabilities	22	3.63	3.64	4.15
			<b>1,744.73</b>	<b>1,549.84</b>	<b>1,571.49</b>
(2)	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	23	376.25	297.76	233.05
	(ii) Trade Payables	24	264.78	198.69	218.33
	(iii) Other Financial Liabilities	25	371.93	375.83	376.67
	(b) Other Current Liabilities	26	424.43	373.68	303.04
	(c) Provisions	27	7.46	8.48	8.31
	(d) Current Tax Liabilities (Net)	28	12.14	-	2.81
			<b>1,456.99</b>	<b>1,254.44</b>	<b>1,142.21</b>
			<b>4,583.41</b>	<b>4,108.37</b>	<b>4,053.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					

Significant Accounting Policies  
Notes on financial statements

1  
2-72

B.H.SINGHANIA

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

As per our report of even date  
For LODHA & CO.  
Chartered Accountants

VINITA SINGHANIA

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

Directors

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No.: 85155  
New Delhi, the 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer





# JK LAKSHMI CEMENT LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

₹ In Crore (10 Million)

S. No.	Particulars	Note No.	2016-17	2015-16
I.	Revenue from Operations	29	3,260.12	2,939.35
II.	Other Income	30	69.81	48.60
<b>III.</b>	<b>Total Income (I+II)</b>		<b>3,329.93</b>	<b>2,987.95</b>
<b>IV.</b>	<b>Expenses :-</b>			
	Cost of Materials Consumed	31	524.94	497.72
	Purchases of Stock-in-Trade	32	224.26	212.47
	Change in inventories of finished goods, work-in-progress and traded goods	33	12.76	(17.56)
	Employee Benefits Expense	34	208.39	194.37
	Finance Costs	35	188.65	196.69
	Depreciation and Amortization Expense (net)	36	172.37	162.88
	Excise Duty		349.71	319.50
	Other Expenses	37	1,574.65	1,460.83
	<b>Total Expenses (IV)</b>		<b>3,255.73</b>	<b>3,026.90</b>
<b>V.</b>	<b>Profit / (Loss) before Exceptional Items and Tax (III-IV)</b>		<b>74.20</b>	<b>(38.95)</b>
VI.	Exceptional Items		-	10.73
<b>VII.</b>	<b>Profit / (Loss) before tax (V-VI)</b>		<b>74.20</b>	<b>(49.68)</b>
VIII.	Tax Expense			
	(1) Current Tax		16.67	-
	(2) MAT Credit Entitlements		(16.67)	-
	(3) Deferred Tax		(7.70)	(43.13)
	(4) Tax Adjustments for Earlier Years		(0.10)	0.01
	<b>Total Tax Expense (VIII)</b>		<b>(7.80)</b>	<b>(43.12)</b>
<b>IX.</b>	<b>Profit / (Loss) for the Year</b>		<b>82.00</b>	<b>(6.56)</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	<b>Items that Will Not be Reclassified to Profit or Loss in Subsequent Periods</b>			
	(1) Re-measurement losses on defined benefit plans		(1.31)	(1.63)
	(2) Income tax effect		0.45	0.57
	<b>Total Other Comprehensive Income (X)</b>		<b>(0.86)</b>	<b>(1.06)</b>
<b>XI</b>	<b>Total Comprehensive Income For The Year (IX + X)</b>		<b>81.14</b>	<b>(7.62)</b>
XII	Earnings per equity share:	38		
	Basic Earnings per equity share (₹):		6.97	(0.56)
	Diluted Earnings per equity share (₹):		6.97	(0.56)

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 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

B.H.SINGHANIA

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

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

Directors

# JK LAKSHMI CEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31ST MARCH, 2017

#### A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April'2015	Change during the year	As at 31st March'2016	Change during the year	As at 31st March'2017
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	-	58.84
Add: Forfeited Shares	0.01	-	0.01	-	0.01
<b>Total</b>	<b>58.85</b>	<b>-</b>	<b>58.85</b>	<b>-</b>	<b>58.85</b>

#### B. Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income, that will not be reclassified to Statement of Profit and Loss Re-measurement of Net Defined Benefit Plans	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings		
<b>Balance as at 1st April'2015</b>	<b>25.64</b>	<b>88.65</b>	<b>27.01</b>	<b>950.74</b>	<b>189.14</b>	-	<b>1,281.18</b>
Profit / (Loss) for the Year	-	-	-	-	(6.56)	-	(6.56)
Dividend payment including Dividend Distribution Tax (2014-15)	-	-	-	-	(28.32)	-	(28.32)
Transfer from Debenture Redemption Reserve	-	-	(4.30)	-	4.30	-	-
Transfer to Debenture Redemption Reserve	-	-	2.39	-	(2.39)	-	-
Other comprehensive Income	-	-	-	-	-	(1.06)	(1.06)
<b>Balance as at 31st March'2016</b>	<b>25.64</b>	<b>88.65</b>	<b>25.10</b>	<b>950.74</b>	<b>156.17</b>	<b>(1.06)</b>	<b>1,245.24</b>
Profit / (Loss) for the Year	-	-	-	-	82.00	-	82.00
Dividend payment including Dividend Distribution Tax (2015-16)	-	-	-	-	(3.54)	-	(3.54)
Transfer from Debenture Redemption Reserve	-	-	(5.00)	-	5.00	-	-
Transfer to Debenture Redemption Reserve	-	-	40.00	-	(40.00)	-	-
Other Comprehensive Income	-	-	-	-	-	(0.86)	(0.86)
<b>Balance as at 31st March'2017</b>	<b>25.64</b>	<b>88.65</b>	<b>60.10</b>	<b>950.74</b>	<b>199.63</b>	<b>(1.92)</b>	<b>1,322.84</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 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
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Dr.S. CHOUKSEY  
S.K WALI

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

Directors



## COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES.

### Note-1

#### I. The Company Overview : Corporate & General Information.

JK Lakshmi Cement Limited (“the Company”) is domiciled and incorporated in India and its Shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Registered Office of the Company is situated at Jaykaypuram, Basantgarh, Distt. : Sirohi- 307 019, Rajasthan.

The Company is a leading manufacturer and supplier of Cement and Cementitious products like RMC & AAC Blocks with manufacturing facilities in the State of Rajasthan, Chattisgarh, Gujarat & Haryana. The Company began its journey in 1982 by setting-up a Cement Plant with a modest Capacity of 0.50 Million Tonnes at Sirohi in the State of Rajasthan. Over the years, the Cement capacity has grown to the present level of 11 Million Tonnes. The Company is the first Cement Manufacturer in North India to introduce coloured bags and registered as ISO 9200. The Company’s Technical Service Cell provides construction solutions to its customers & carries out regular & innovative contact programmes with Individual House Builders, Masons and other Business Associates to keep in tune with their needs and requirements.

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on 17th May, 2017.

#### II. Basis of Preparation of Financial Statements.

##### (i) Statement of Compliance :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

##### (ii) Basis of Preparation :

These financial statements have been prepared in accordance with IND AS 101, “First Time Adoption of IND AS”, as these are the Company’s first IND AS compliant Financial Statements for the year ended 31st March, 2017.

The Financial Statements correspond to the classification provisions contained in IND AS-1 (Presentation of Financial Statements). The transition to IND AS has been carried out from the Accounting Principles generally accepted in India (Indian GAAP), which is considered as the “Previous GAAP”, for purposes of IND AS - 1.

The preparation of these Financial Statements resulted in changes to the Company’s Accounting Policies as compared to the most recent Annual Financial Statements prepared under Previous GAAP, wherever necessary. All Accounting Policies and applicable IND AS have been applied consistently and retrospectively to all periods, including the previous financial year presented and the IND AS opening balance sheet as at 1st April, 2015 (Transition Date). The resulting difference between the carrying amounts under IND AS and Previous GAAP as on the Transition Date has been recognised directly in Retained Earnings . An explanation of the effect of the transition from Previous GAAP to Ind AS on the Company’s equity and profit is provided in Note 48.

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions from retrospective application of certain requirements under IND AS, as explained below:

##### a) Exemptions from Retrospective Application:

- Deemed cost of Property, Plant and Equipment : The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements as their deemed cost at the transition date to IND AS (i.e. 1st April, 2015).
- Business Combinations: The Company has opted to apply IND AS 103 prospectively from the date of transition to IND AS, i.e. 1st April, 2015 onwards. However, previous GAAP balances relating to assets and liabilities acquired under business combinations entered into before transition date, have been carried forward without any adjustments.

- Investment in Subsidiaries and Associates : On the transition date, the Company has opted to carry investments in subsidiaries and associates at their deemed cost, i.e. previous GAAP carrying amount.
- Leases : For arrangements entered into prior to 1st April, 2015, the Company has assessed all arrangements for Embedded Leases based on conditions prevailing as at the date of transition (i.e. 1st April, 2015).

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

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

**(iii) Basis of Measurement.**

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

**(iv) Fair Value Measurement.**

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

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

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

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

**(v) Current & Non-Current Classifications.**

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

**(vi) Significant Accounting Judgements, Estimates and Assumptions.**

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

**III. Significant Accounting Policies**

**(1) Property, Plant and Equipment.**

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management.

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that is future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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





Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by the management, the cost of erection/ construction is transferred to the appropriate category of property, plant and equipment cost (net of income and including pre-operative cost / expenses) associated with the commissioning of an asset are capitalized until the period of commissioning has been completed and the asset is ready of its intended use.

Property, Plant and Equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

Transition to Ind AS.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value.

Depreciation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as specified in Schedule II to Companies Act, 2013 except for Captive Power Plants and Split Grinding Units which is provided on Written Down Value Method (WDV) as per the said schedule. Depreciation on Aircraft & RMC is provided considering estimated useful life of 6 years on SLM basis.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains / (losses).

Depreciation on impaired assets is provided on the basis of their residual useful life.

## **(2) Investment Properties.**

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the Straight Line Method (SLM) over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

## **(3) Intangible Assets.**

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

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits

embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

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

Intangible Assets are amortized as follows:

- Computer Software : Over a period of five years

Intangibles Assets with indefinite useful lives, if any are not mortised, but are tested for impairment annually , either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

Gain or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(4) Research and Development Cost.**

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

However, Development expenditure on new product is capitalized as intangible asset.

**(5) Inventories.**

Inventories are carried in the balance sheet as follows :

a) Raw materials, packing materials, construction materials, stores and spares.	At lower of cost, on weighted average basis and net realizable value.
b) Work-in Progress - Manufacturing	At lower of cost of material, plus appropriate production overheads and net realizable value.
c) Finished goods - Manufacturing	At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realizable value.
d) Finished goods - Trading	At lower of cost, on weighted average basis and net realizable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

**(6) Cash and Cash Equivalents.**

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks / Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value.

**(7) Impairment of Assets.**

The carrying amounts of Property, Plant & Equipment, Intangible Assets and Investment Properties are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset or Cash Generation Unit (CGU) exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years. Recoverable amount is determined :-

- In the case of an Individual Asset, at the higher of the Fair Value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax



discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, and appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

**(8) Foreign Currency Translations & Transitions.**

**(i) Functional and Presentation Currency.**

The Company's financial statements are presented in INR, which is also the Company's Functional and Presentation Currency.

**(ii) Transaction and Balance.**

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to the Statement of Profit & Loss.

**(9) Financial Instruments.**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**1. Financial Assets.**

**1.1 Definition :**

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

**(i) Financial Assets at Amortised Cost:**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of Profit and Loss.

**(ii) Financial Assets at Fair value through Other Comprehensive Income :**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to the Statement of Profit and Loss.

**(iii) Financial Assets at Fair value through Profit or Loss (FVTPL):**

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

**1.2 Trade Receivables.**

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in

the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

### **1.3 Investment in Equity Shares.**

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

### **1.4 Investment in Associates, Joint Ventures and Subsidiaries.**

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

### **1.5 Derecognition of Financial Assets.**

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement and either:
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## **2. Financial Liabilities.**

### **2.1 Definition :**

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

#### **(a) Initial Recognition and Measurement.**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### **(b) Subsequent Measurement.**

The measurement of financial liabilities depends on their classification, as described below :

##### **i) Financial Liabilities at Fair Value through Profit and Loss.**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit and loss. Financial liabilities at fair value through profit and loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

##### **ii) Financial Liabilities measured at Amortized Cost.**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (EIR) except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged





items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

## **2.2 Loans and Borrowings.**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

## **2.3 Financial Guarantee Contracts.**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

## **2.4 Trade and Other Payables.**

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## **2.5 De-recognition of Financial Liability.**

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss as other income or finance costs.

## **3. Offsetting of Financial Instruments.**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **4. Derivative Financial Instruments.**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

## **(10) Equity Share Capital.**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

## **(11) Provisions, Contingent liabilities, Contingent Assets and Commitments.**

### **i) General.**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

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

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

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

### **ii) Other Litigation Claims.**

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

### **iii) Onerous Contracts.**

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

## **(12) Revenue Recognition.**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the entity on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

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

### **i) Sale of Goods.**

Revenue is recognized when significant risk and reward of ownership have been passed on to the Customer.

### **ii) Power Distribution.**

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

### **iii) Dividend Income.**

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### **iv) Lease Incentive**

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the



lessor are recognized as operating leases. Leases rentals are recognized on straight –line basis as per the terms of the agreements in the statement of profit and loss.

**v) Interest Income.**

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

**vi) Renewable Energy Certificate :**

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

**vii) Export Benefits :**

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

**(13) Employees Benefits.**

**i) Defined Contribution Plans.**

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.

**ii) Defined Benefit Plans.**

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

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

**iii) Short-term Employee Benefits.**

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

**iv) Long-term Employee Benefit.**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of leaves.

**v) Termination Benefits.**

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

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

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

**(14) Borrowing Costs.**

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

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

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

**(15) Leases.**

**1. As a Lessee :**

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

**1.1. Finance Lease.**

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

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

**1.2. Operating Lease.**

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

Leasehold lands are amortized over the period of lease.

**2. As a Lessor :**

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

**(16) Taxes on Income.**

**a) Current Tax.**

- i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
- ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Tax.**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between





the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

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

**(17) Exceptional Items.**

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

**(18) Earnings Per Share (EPS).**

**i) Basic earnings per share.**

Basic earnings per share is calculated by dividing :

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

**ii) Diluted earnings per share.**

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

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

**(19) Segment Accounting.**

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

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

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

Note-2

Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
<b>Gross Block</b>									
<b>As at 1st April'2015</b>	200.05	47.13	173.63	2,123.34	3.28	3.28	20.20	9.26	2,580.17
Additions/Adjustments	28.11	2.27	5.89	266.22	0.32	1.09	5.26	1.17	310.33
	a								
Disposals/Adjustments	-	-	-	-	0.01	-	0.94	-	0.95
<b>As at 31st March'2016</b>	228.16	49.40	179.52	2,389.56	3.59	4.37	24.52	10.43	2,889.55
Additions/Adjustments	1.67	3.46	24.95	232.32	0.41	0.64	6.07	-	269.52
Disposals/Adjustments	-	-	-	0.48	-	-	1.50	-	1.98
<b>As at 31st March'2017</b>	229.83	52.86	204.47	2,621.40	4.00	5.01	29.09	10.43	3,157.09
	b								
<b>Accumulated Depreciation</b>									
<b>As at 1st April'2015</b>	-	-	-	-	-	-	-	-	-
Charged For the Year	-	0.44	10.60	139.84	1.00	1.13	8.19	0.63	161.83
Disposal	-	-	-	-	-	-	0.16	-	0.16
<b>As at 31st March'2016</b>	-	0.44	10.60	139.84	1.00	1.13	8.03	0.63	161.67
Charged For the Year	-	0.44	11.80	148.61	0.75	1.13	8.67	0.68	172.08
Disposal	-	-	-	0.05	-	-	0.61	-	0.66
<b>As at 31st March'2017</b>	-	0.88	22.40	288.40	1.75	2.26	16.09	1.31	333.09
<b>Net Carrying Amount</b>									
<b>As at 1st April'2015</b>	200.05	47.13	173.63	2,123.34	3.28	3.28	20.20	9.26	2,580.17
<b>As at 31st March'2016</b>	228.16	48.96	168.92	2,249.72	2.59	3.24	16.49	9.80	2,727.88
<b>As at 31st March'2017</b>	<b>229.83</b>	<b>51.98</b>	<b>182.07</b>	<b>2,333.00</b>	<b>2.25</b>	<b>2.75</b>	<b>13.00</b>	<b>9.12</b>	<b>2,824.00</b>

a) Includes compensation of ₹ 26.87 crore paid/payable to land owners.

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

c) 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 valuer 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 2017 includes aggregate revaluation / business valuation of ₹ 396.71 crore (Previous year ₹ 396.71 crore).

Note-3

Investment Property

Particulars	Freehold Land	Leasehold Land	Buildings	Total
<b>Gross Block</b>				
<b>As at 1st April'2015</b>	₹ 34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>As at 31st March'2016</b>	₹ 34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>As at 31st March'2017</b>	₹ 34,812	0.04	0.71	0.76



₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
<b>Accumulated Depreciation</b>				
<b>As at 1st April'2015</b>	-	-	-	-
Charged For the Year	-	-	0.05	0.05
Disposal	-	-	-	-
<b>As at 31st March'2016</b>	-	-	0.05	0.05
Charged For the Year	-	-	0.05	0.05
Disposal	-	-	-	-
<b>As at 31st March'2017</b>	-	-	0.10	0.10
<b>Net Carrying Amount</b>				
<b>As at 1st April'2015</b>	₹ 34,812	0.04	0.71	0.76
<b>As at 31st March'2016</b>	₹ 34,812	0.04	0.66	0.71
<b>As at 31st March'2017</b>	₹ <b>34,812</b>	<b>0.04</b>	<b>0.61</b>	<b>0.66</b>
<b>Fair Value*</b>				
<b>As at 1st April'2015</b>				<b>5.38</b>
<b>As at 31st March'2016</b>				<b>4.62</b>
<b>As at 31st March'2017</b>				<b>4.58</b>
<b>Rental Income</b>				
<b>For the FY 2015-16</b>				<b>0.40</b>
<b>For the FY 2016-17</b>				<b>0.45</b>

\* Based upon realisation value as calculated by independent valuer.

**Note-4****Intangible Assets**

Particulars	Software
<b>Gross Block</b>	
<b>As at 1st April'2015</b>	1.57
Additions/Adjustments	0.36
Disposals/Adjustments	-
<b>As at 31st March'2016</b>	1.93
Additions/Adjustments	0.99
Disposals/Adjustments	-
<b>As at 31st March'2017</b>	2.92
<b>Accumulated Depreciation</b>	
<b>As at 1st April'2015</b>	-
Charged For the Year	1.00
Disposal	-
<b>As at 31st March'2016</b>	1.00
Charged For the Year	0.24
Disposal	-
<b>As at 31st March'2017</b>	1.24
<b>Net Carrying Amount</b>	
<b>As at 1st April'2015</b>	1.57
<b>As at 31st March'2016</b>	0.93
<b>As at 31st March'2017</b>	<b>1.68</b>

**Note-5****Non Current Investment**

₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
<b>Investment in Equity Shares</b>						
<b>Subsidiaries- At Cost</b>						
Udaipur Cement Works Limited (₹ 4 each)	20,96,88,244	83.88	21,38,88,244	85.56	22,27,75,000	89.11
Udaipur Cement Works Limited - Equity Component*	-	34.90	-	32.07	-	32.07
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	11,60,50,007	116.05	10,50,007	1.05	10,50,007	1.05
<b>Associate- At Cost</b>						
Dwarkesh Energy Ltd (₹ 10 each)	3,50,000	0.35	3,50,000	0.35	3,50,000	0.35
<b>Others- Fair Value through Profit and Loss</b>						
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	43,96,136	-	43,96,136	-	43,96,136	-
<b>Investment in Preference Shares- Fair Value Through Profit and Loss</b>						
<b>Subsidiary</b>						
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	37.10	6,000	30.93	6,000	27.93
<b>Associate</b>						
Dwarkesh Energy Ltd. OCCRPS (7.0%) (₹ 100 each)	11,00,000	8.53	11,00,000	7.63	10,00,000	6.38
<b>Others</b>						
V. S. Lignite Power Pvt. Ltd. (0.01%) (₹ 10 each) #	38,99,777	-	38,99,777	-	38,99,777	-
<b>Other Investments in Subsidiary</b>						
Capital Contribution on account of Financial Guarantee		28.68		24.61		4.50
		<b>309.49</b>		<b>182.20</b>		<b>161.39</b>
Aggregate carrying amount of quoted investment		<b>83.88</b>		85.55		89.11
Aggregate market value of quoted investment		<b>611.24</b>		241.27		278.91
Aggregate amount of unquoted investment		<b>225.61</b>		96.65		72.28

# Under lien with Issuer

\* Equity component of 5% Cumulative Redeemable Preference Shares

Note : All Investments other than investment in Equity Shares of UCWL are unquoted.





	31st March'2017	31st March'2016	1st April'2015
<b>Note-6</b>			
<b>Loans</b>			
<b>Unsecured, Considered Good:</b>			
Security Deposits	40.89	24.81	23.83
Loan to Related Party	13.37	14.60	15.70
	<u>54.26</u>	<u>39.41</u>	<u>39.53</u>
<b>Note-7</b>			
<b>Other Non Current Financial Assets</b>			
<b>Unsecured, Considered Good:</b>			
Bank Deposits with original maturity for more than 12 months	0.10	-	-
	<u>0.10</u>	<u>-</u>	<u>-</u>
<b>Note-8</b>			
<b>Other Non-Current Assets</b>			
<b>Unsecured, Considered Good:</b>			
Capital Advances	46.86	24.64	40.62
MAT Credit Entitlements (Net of Deferred Tax Liability) (Refer Note 21)	8.65	-	-
Deferred Expenditure	3.76	4.50	4.74
	<u>59.27</u>	<u>29.14</u>	<u>45.36</u>
<b>Note-9</b>			
<b>Inventories</b>			
Raw Materials (Including in transit - ₹ 5.30 crore in March'17, ₹ 5.01 crore in March'16; and ₹ 6.62 crore in 1st April'15)	18.40	18.90	20.86
Work -in -progress	71.11	72.21	61.53
Finished Goods	28.00	36.94	27.84
Stock-in -Trade	0.88	0.30	0.57
Stores and Spares (Including in transit - ₹ 61.58 crore in March'17, ₹ 31.72 crore in March'16 and ₹ 42.26 crore in April'15)	159.25	112.20	112.67
	<u>277.64</u>	<u>240.55</u>	<u>223.47</u>

**Note-10****Current Investment**

₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
<b>Investment in Bonds at Amortised Cost</b>						
Indian Railways Finance Corporation Ltd (8.10%,Tax free)	10,875.00	1.09	10,875.00	1.09	10,875.00	1.09
Power Finance Corporation Limited (8.30%,Tax free)	14,239.00	1.42	14,239.00	1.42	14,239.00	1.42
<b>Investment in Non Convertible Debentures at FVTPL</b>						
Edelweiss Finance & Investment Ltd.	-	-	-	-	500.00	5.17
Edelweiss Finance & Investment Ltd.	-	-	2,500.00	26.90	-	-
Edelweiss Finance & Investment Ltd.	-	-	1,000.00	10.52	-	-
India Infoline Finance Ltd. - PPSRNC MLD - 1-045	-	-	250.00	27.74	250.00	25.21
India Infoline Finance Ltd. Principal Protected Secured Redeemable Non Convertible	250.00	27.65	2,500.00	25.29	-	-
Reliance Capital Ltd	-	-	1,500.00	15.68	-	-
Reliance Capital Ltd Series B/227 - Type I	-	-	-	-	1,000.00	11.00
ECLF - Market Linked Non Convertible Debentures C8D601	250.07	27.26	-	-	-	-
IIFL - PPS RNC MLD -I-046	250.00	27.14	-	-	-	-
IIFL - PPS RNC MLD -I-046	250.00	26.84	-	-	-	-
EFIL - Market Linked Non Convertible Debentures - I7I605	2,500.00	26.10	-	-	-	-
Reliance Capital Ltd Ltd - Market Linked Non Convertible Debentures	2,500.00	26.04	-	-	-	-
<b>Investment in Prefrence Shares at Amortised Cost</b>						
India Infoline Finance Ltd. 9.25% Compulsory Redeemable Non Convertible	-	-	1,50,00,000.00	15.00	-	-
<b>Investment in Mutual Funds at FVTPL</b>						
Birla Sun Life Income Plus Regular Plan Gr.	-	-	-	-	19,01,451.57	12.00
DSP BR Strategic Bond Fund Direct Plan Gr.	-	-	1,05,571.26	18.96	1,05,571.26	17.78
HDFC FMP 1161 D Feb 2016(1) Regular Gr. Series 35	2,50,00,000.00	27.68	2,50,00,000.00	25.28	-	-
HDFC FMP- 1190 d March 2016(1)- Regular Gr. Series 36	1,50,00,000.00	16.50	1,50,00,000.00	15.04	-	-
HDFC FMP- 1167 D Jan 2016(1) - Direct Gr. Series 35	1,00,00,000.00	10.91	1,00,41,825.00	10.17	-	-
HDFC Income Fund - Gr.	-	-	-	-	37,33,753.51	11.96
HSBC Flexi Debt Fund - Gr.	-	-	-	-	15,42,048.58	2.98
ICICI Prudential FM P Series 73- 369 Days Plan S Direct Plan Cum	-	-	-	-	50,00,000.00	5.46
ICICI Prudential FM P Series 74- 368 Days Plan H Direct Plan Cum	-	-	-	-	50,00,000.00	5.43
ICICI Prudential Income Opportunities Fund Regular Plan Gr.	-	-	-	-	31,21,527.00	6.07
IDFC Dynamic Bond Fund - Regular Plan Gr.	-	-	35,24,750.80	6.28	1,07,45,384.48	18.23
Edelweiss Govt. Securities Fund Regular Plan Gr.	44,33,803.32	6.07	44,33,803.32	5.53	44,33,803.32	5.21
Kotak Bond Fund Plan A - Growth	-	-	-	-	29,68,116.49	11.85
L&T Income Opportunities Fund - Gr.	-	-	-	-	75,70,595.81	11.78



₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
L&T Triple Ace Bond Fund Bonus Op Original.	-	-	26,81,856.70	3.91	26,81,856.70	3.72
Reliance Dynamic Bond Fund - Direct Plan Gr.	-	-	60,07,557.51	12.32	1,24,22,213.71	23.96
Reliance Dynamic Bond Fund - Gr Plan	-	-	-	-	15,93,188.80	3.03
Reliance Fixed Horizon Fund XXVI Series 8 Direct Plan Gr.	-	-	-	-	50,09,551.36	5.47
Reliance Income. Fund Bonus Op. Gr.	-	-	4,20,572.25	0.58	1,72,43,462.36	22.58
Reliance Income Fund - Gr. Plan	-	-	7,71,107.10	3.70	7,71,107.10	3.51
Reliance Regular Saving Fund Debt Plan Gr.	-	-	1,41,85,604.45	29.29	1,41,85,604.45	26.95
Religare Invesco FMP - Sr. 22 – Plan F (15 Months) - Direct Plan Gr.	-	-	-	-	50,00,000.00	5.56
SBI Dynamic Bond Fund - Direct Plan - Gr.	-	-	-	-	68,63,276.67	11.95
Franklin India Short Term Income Retail Plan Gr.	-	-	-	-	94,717.31	27.22
UTI Bond Fund Direct Plan - Gr.	-	-	-	-	14,39,727.26	6.18
Reliance Fixed Horizon Fund - XXXI - Series 2 - Growth Plan	2,50,00,000.00	26.72	-	-	-	-
DSP BlackRock FMP - Series 196 - 37M - Regular - Growth	1,00,00,000.00	10.69	-	-	-	-
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	2,50,00,000.00	26.11	-	-	-	-
HDFC FMP - 1302 D Sept 2016 (1) - Regular Growth	2,50,00,000.00	26.07	-	-	-	-
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	2,50,00,000.00	26.11	-	-	-	-
Reliance Fixed Horizon FD XXXII Sr4 Regular FMP - 19 Oct 2016 - Regular Growth	2,50,00,000.00	25.52	-	-	-	-
L&T FMP - Series XIV - Scheme A - Regular Growth	2,50,00,000.00	25.39	-	-	-	-
UTI Dynamic Bond Fund - Direct Plan Gr.	29,02,757.62	5.71	-	-	-	-
BSL Medium Term Plan - Direct Plan Gr.	52,24,087.22	10.94	-	-	-	-
Kotak medium Term Fund Direct Plan Gr.	79,39,847.71	11.07	-	-	-	-
HDFC Corporate Debt Opportunities Fund - Direct Plan - Gr.	39,74,373.24	5.53	-	-	-	-
Reliance Gilt Security Fund - Direct Plan Gr.	24,93,516.86	5.70	-	-	-	-
Sundaram Money India - Direct Plan - Gr.	14,58,291.41	5.00	-	-	-	-
DSP BlackRock Liquidity Fund - Direct Plan Gr.	21,503.75	5.00	-	-	-	-
Franklin India Ultra Short Term Bond - Regular Plan - Gr.	2,26,20,135.54	50.38	-	-	-	-
Mahindra Alp Samay Bacchat Yojna - Direct Plan - Growth	10,000.00	1.01	-	-	-	-
DSP BR Ultra Short Term Fund - Direct Plan - Gr.	67,57,327.00	8.05	-	-	-	-
		499.70		254.70		292.77
Aggregate book value of quoted investments		499.70		254.70		292.77
Aggregate market value of quoted investments		499.70		254.70		292.77
Aggregate book value of unquoted investments		-		-		-

	31st March'2017	31st March'2016	1st April'2015
<b>Note-11</b>			
<b>Trade Receivables</b>			
Unsecured			
Considered good	89.50	96.49	70.49
Considered doubtful	2.05	1.51	1.51
Less :- Provision / Allowances for doubtful debts	(2.05)	(1.51)	(1.51)
	<u>89.50</u>	<u>96.49</u>	<u>70.49</u>
<b>Note-12</b>			
<b>Cash and Cash Equivalents</b>			
<b>Balances with Banks :-</b>			
On Current Account	1.75	2.45	0.82
Cheques , Draft on hand/transit	0.05	0.13	1.63
Cash on hand	0.26	0.22	0.20
	<u>2.06</u>	<u>2.80</u>	<u>2.65</u>
<b>Note-13</b>			
<b>Other Bank Balances</b>			
Deposits with original maturity for more than 3 months but less than 12 months	5.40	6.63	9.30
On Unpaid Dividend Accounts	1.52	2.33	2.14
Margin Money Deposits maturity less than 12 months	-	-	1.21
	<u>6.92</u>	<u>8.96</u>	<u>12.65</u>
<b>Note-14</b>			
<b>Other Current Financial Assets</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Receivables ( Railway claims, Insurance claims , Subsidy and other receivables)	121.87	146.92	129.61
Less: Provision for doubtful claims	(4.22)	(4.22)	(4.22)
	<u>117.65</u>	<u>142.70</u>	<u>125.39</u>
Interest Receivable from Banks and others	1.33	1.48	1.29
Advances to Employees (Loans)	0.38	0.08	0.20
	<u>119.36</u>	<u>144.26</u>	<u>126.88</u>
<b>Note-15</b>			
<b>Current Tax (Net)</b>			
Advance Income Tax (Net of Provision)	-	1.92	-
	<u>-</u>	<u>1.92</u>	<u>-</u>
<b>Note-16</b>			
<b>Other Current Assets</b>			
Prepaid expenses	11.23	6.62	7.13
Balance with Govt. Authorities	27.10	54.96	92.54
Other Advances*	94.62	33.01	34.21
Deferred Expenditure	0.74	0.74	0.70
	<u>133.69</u>	<u>95.33</u>	<u>134.58</u>

\* Includes advances to related party amounting of ₹ 61.10 crore as at 31st March 2017, ₹ 4.34 crore as at 31st March 2016 and ₹ 3.33 crore as at 1st April 2015, Read with note no. 63 and 68.





	31st March'2017	31st March'2016	1st April'2015
<b>Note-17</b>			
<b>Equity Share Capital</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised :</b>			
Equity Shares - 250,000,000 of ₹ 5 each (Previous year 250,000,000 of ₹ 5 each)	125.00	125.00	125.00
Preference Shares - 5,000,000 ( Previous year 5,000,000) of ₹ 100 each	50.00	50.00	50.00
Unclassified Shares	25.00	25.00	25.00
	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
<b>Issued, Subscribed and Paid up :</b>			
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	58.84
Add: Forfeited Shares	0.01	0.01	0.01
	<b>58.85</b>	<b>58.85</b>	<b>58.85</b>

a. Reconciliation of number of Share Outstanding :	31st March'2017	31st March'2016	1st April'2015
Opening Balance	11,76,70,066	11,76,70,066	11,76,70,066
Shares Issued during the year	-	-	-
Shares Outstanding at the end of the year	11,76,70,066	11,76,70,066	11,76,70,066

b. List of shareholders holding more than 5% of the equity share capital of the Company:	Number	Number	Number
<b>Shareholder name</b>			
Bengal & Assam Company Ltd.	2,80,56,895	2,79,21,455	2,79,21,455
Florence Investech Ltd.	1,36,45,040	1,36,45,040	1,36,45,040
JK Fenner ( India ) Ltd.	-	1,02,59,400	1,02,59,400
HDFC Standard Life Insurance Company Ltd.	-	-	65,52,546
BMF Investment Ltd	1,10,11,386	-	-

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

- The Company has only one class of Equity Shares having a par value of Rs 5 per share. Each holder of equity shares is entitled to one vote.
- 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.

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

**e. Nature of Reserves :-**

Capital Redemption Reserve : Represents the statutory reserve created when capital is redeemed.

Securities Premium Reserve : Represents the amount received in excess of Per value of securities.

Debenture Redemption Reserve : Represents the Statutory Reserve of Non Convertibles issued by the Company

**Note-18****Non Current Borrowings**

₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Non Current	Current*	Non Current	Current*	Non Current	Current*
<b>SECURED LOANS :-</b>						
Bonds/Debentures :-						
Redeemable Non- Convertible Debentures	386.47	20.00	109.56	20.00	129.47	20.00
Term Loans :-						
From Banks	1,187.23	170.38	1,264.58	191.76	1,301.91	200.89
	<b>1,573.70</b>	<b>190.38</b>	<b>1,374.14</b>	<b>211.76</b>	<b>1,431.38</b>	<b>220.89</b>
<b>UNSECURED LOANS :-</b>						
From Bank	5.00	10.00	15.00	10.00	-	-
Fixed Deposits	11.36	3.87	3.92	2.07	2.42	8.12
	<b>16.36</b>	<b>13.87</b>	<b>18.92</b>	<b>12.07</b>	<b>2.42</b>	<b>8.12</b>
<b>Less:- Shown under Note No- 25</b>	-	<b>204.25</b>	-	<b>223.83</b>	-	<b>229.01</b>
	<b>1,590.06</b>	-	<b>1,393.06</b>	-	<b>1,433.80</b>	-

**\* Due & payable within one year**

- 1 Secured Redeemable Non-Convertible Debentures (NCDs) are privately placed and consists of :
  - i) 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.
  - ii) 9% 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.
  - iii) 8.70% NCDs Series A of ₹ 75 crore are redeemable at the end of 3rd year from the date of allotment i.e. 6th January 2017.
  - iv) 8.80% NCDs Series B of ₹ 75 crore are redeemable at the end of 4th year from the date of allotment i.e. 6th January 2017.
  - v) 8.90% NCDs Series C of ₹ 150 crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017.
- 2 All the NCDs are secured by way of a first charge on all the immovable and movable fixed assets / 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.
- 3 NCDs specified in 1 (i) & 1 (ii) are also additionally secured by way of mortgage on Company's Immovable Property located in the State of Gujarat in addition to Security specified at Sl. No. 2 above.
- 4 Term Loans from Banks aggregating to ₹ 157.75 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 repayable as under:
  - a) Term Loan of ₹ 17.50 crore is repayable in 16 equal quarterly installments.
  - b) Term Loan of ₹ 9.00 crore is repayable in 3 equal quarterly installments.
  - c) Term Loan of ₹ 43.75 crore is repayable in 20 equal quarterly installments.
  - d) Term Loan of ₹ 87.50 crore is repayable in 28 equal quarterly installments.
- 5 Term Loans from a Bank of ₹ 25 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. This Term Loan is repayable in 16 equal quarterly installments.
- 6 Term Loan from a Bank of ₹ 43.75 crore & ₹ 59.06 crore are secured by way of an exclusive first charge on immovable & movable fixed assets of the Company's specific Split Grinding Units situated at Jhajjar, in the State of Haryana, except charge on the Current Assets. These Term Loans are repayable in 20 & 27 equal quarterly installments respectively.
- 7 Term Loan from a Bank of ₹ 30.00 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 24 equal quarterly installments.
- 8 Term Loan from a Bank of ₹ 35.00 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 is repayable in 28 equal quarterly installments.
- 9 Term Loan from a Bank of ₹ 160.00 crore is secured by way of an exclusive first charge on all the immovable and movable fixed assets of the Company's Split Grinding Unit at Surat in the State of Gujarat. This Term Loan shall be repayable in 35 unequal quarterly installments commencing from 30th June 2017.
- 10 Term Loans from Banks aggregating to ₹ 850.00 crore are 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 Chhattisgarh. These Term Loans from Banks are repayable in 34 equal quarterly installments.
- 11 Unsecured Loan from a Bank of ₹ 15.00 crore is repayable in 3 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.



	31st March'2017	31st March'2016	1st April'2015
<b>Note-19</b>			
<b>Other Non Current Financial Liabilities</b>			
Trade and other deposits	87.89	80.39	61.25
Other Liabilities	23.70	22.57	-
Financial Obligation of Guarantee	28.68	24.61	4.50
	<u>140.27</u>	<u>127.57</u>	<u>65.75</u>
<b>Note-20</b>			
<b>Non Current Provisions</b>			
Provision for Employees' Benefits	10.77	9.31	7.87
	<u>10.77</u>	<u>9.31</u>	<u>7.87</u>
<b>Note-21</b>			
<b>Deferred Tax Liabilities / Assets (Net)</b>			
<b>Deferred Tax Liability</b>			
Related to Property, Plant and Equipments	375.53	333.31	279.37
Others	1.91	0.96	1.14
<b>Less: Deferred Tax Assets</b>			
Expenses / Provisions allowable	76.32	68.24	52.76
Unabsorbed Depreciation & Brought Forward Business Losses	180.20	137.27	56.81
Others	5.01	4.70	3.18
<b>Deferred Tax Liability / (Assets) - Net</b>	<u>115.91</u>	<u>124.06</u>	<u>167.76</u>
<b>MAT Credit Entitlement (Refer Note 8)</b>	<u>(115.91)</u>	<u>(107.80)</u>	<u>(107.84)</u>
	<u>-</u>	<u>16.26</u>	<u>59.92</u>
<b>Note-22</b>			
<b>Other Non-Current Liabilities</b>			
Deferred Revenue	-	0.35	0.81
Liability for Employees Subsidised Car Scheme	3.63	3.29	3.34
	<u>3.63</u>	<u>3.64</u>	<u>4.15</u>
<b>Note-23</b>			
<b>Short Term Borrowings</b>			
<b>Secured Loans</b>			
Working Capital Borrowing from Banks	35.99	71.04	92.60
Buyer's Credit from Banks	92.61	70.93	90.11
<b>Unsecured Loans</b>			
Fixed Deposits	2.68	0.82	0.42
Commercial Papers	244.97	154.97	49.92
	<u>376.25</u>	<u>297.76</u>	<u>233.05</u>

Working Capital Borrowing from Banks are 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.

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.

	31st March'2017	31st March'2016	1st April'2015
<b>Note-24</b>			
<b>Trade Payables</b>			
Micro Enterprises and Small Enterprises	0.52	0.27	0.46
Others	264.26	198.42	217.87
	<u>264.78</u>	<u>198.69</u>	<u>218.33</u>
<b>Note-25</b>			
<b>Other Financial Liabilities</b>			
Current maturities of long-term debts (Refer Note-18)	204.25	223.83	229.01
Interest Accrued but not due on borrowings	10.03	3.61	5.27
Unclaimed dividends #	1.52	2.33	2.14
Unclaimed matured Deposits and interest #	0.33	0.29	0.29
Capital Creditors	20.16	26.88	58.32
Other liabilities	135.64	118.89	81.64
	<u>371.93</u>	<u>375.83</u>	<u>376.67</u>
# Investor Education and Protection Fund will be credited as and when due.			
<b>Note-26</b>			
<b>Other Current Liabilities</b>			
Advance from Customers	81.48	52.15	35.00
Govt. and other dues	342.60	321.07	267.58
Deferred Revenue	0.35	0.46	0.46
	<u>424.43</u>	<u>373.68</u>	<u>303.04</u>
<b>Note-27</b>			
<b>Current Provisions</b>			
Provision for Employees' Benefit	7.46	8.48	8.31
	<u>7.46</u>	<u>8.48</u>	<u>8.31</u>
<b>Note-28</b>			
<b>Current Tax Liabilities (Net)</b>			
Provision for Taxation (Net of Taxes paid)	12.14	-	2.81
	<u>12.14</u>	<u>-</u>	<u>2.81</u>





	2016-17	2015-16
<b>Note-29</b>		
<b>Revenue From Operation</b>		
Sale of products		
Cement	2,791.11	2,513.26
Others	465.04	421.60
Other Operating Revenues	3.97	4.49
	<u>3,260.12</u>	<u>2,939.35</u>
<b>Note-30</b>		
<b>Other Income</b>		
Interest Income	2.18	2.17
Dividend Income from Current Investment	-	1.33
Profit on sale* of		
Long Term Investments	8.16	8.48
Current Investments	46.64	22.13
Profit/(loss) on Sale of Assets (Net)	0.59	0.45
Other Non - Operating Income	12.24	14.04
	<u>69.81</u>	<u>48.60</u>
* Net of fair value gain of ₹ 7.20 crore (Previous year loss of ₹ 18.36 crore)		
<b>Note-31</b>		
<b>Cost Of Material Consumed</b>		
Raw Material Consumed	524.94	497.72
	<u>524.94</u>	<u>497.72</u>
<b>Note-32</b>		
<b>Purchase of Stock - in - Trade</b>		
Purchase of Traded goods	224.26	212.47
	<u>224.26</u>	<u>212.47</u>
<b>Note-33</b>		
<b>Change In Inventories Of Finished Goods, Work - in - Progress and Stock - in - Trade</b>		
<b>Opening Stocks</b>		
Stock-in-progress	72.21	61.53
Finished Goods	36.94	27.84
Stock-in-Trade	0.30	0.57
	<u>109.45</u>	<u>89.94</u>
<b>Closing Stocks</b>		
Stock-in-progress	71.11	72.21
Finished Goods	28.00	36.94
Stock-in-Trade	0.88	0.30
	<u>99.99</u>	<u>109.45</u>
Add/(Less) : Excise Duty Variance on Stocks	(1.30)	1.95
Less : Preoperative period Stocks	(4.60)	-
	<u>12.76</u>	<u>(17.56)</u>

	2016-17	2015-16
<b>Note-34</b>		
<b>Employee Benefit Expense</b>		
Salaries and Wages	170.71	158.37
Contribution to Provident and Other Funds	13.50	13.36
Staff Welfare Expenses	24.18	22.64
	<b>208.39</b>	<b>194.37</b>
<b>Note-35</b>		
<b>Finance Cost</b>		
Interest expenses	186.85	195.47
Other borrowing cost	1.80	1.22
	<b>188.65</b>	<b>196.69</b>
<b>Note-36</b>		
<b>Depreciation and Amortization Expense (Net)</b>		
Depreciation on Tangible Assets	172.13	161.88
Amortisation on Intangible Assets	0.24	1.00
Less: Amount transferred	-	-
	<b>172.37</b>	<b>162.88</b>
<b>Note-37</b>		
<b>Other Expenses</b>		
Consumption of Stores and Spares	87.47	70.57
Power & Fuel	566.95	546.74
Rent (Net of realisation ₹ 0.55 crore, Previous year ₹ 0.46 crore )	16.63	15.68
Repairs to Buildings	8.17	7.28
Repairs to Machinery	50.28	47.42
Insurance	2.86	4.00
Rates and Taxes	1.78	2.38
Transport, Clearing and Forwarding Charges	720.07	657.54
Commission on Sales	34.01	28.94
Directors' Fee & Commission	0.64	0.25
Provision for Doubtful Debts	0.54	-
Advertisement, Travelling, Consultancy & Misc. expenses, etc.	85.25	80.03
	<b>1,574.65</b>	<b>1,460.83</b>
<b>Note-38</b>		
<b>Earning Per Equity Share</b>		
Profit after tax	82.00	(6.56)
Weighted average shares outstanding	11.77	11.77
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	6.97	(0.56)
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	6.97	(0.56)



# JK LAKSHMI CEMENT LIMITED

## NOTES ACCOMPANYING THE FINANCIAL STATEMENT

### Note 39. Financial Risk Management Objectives and Policies.

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

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

The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

**a) Foreign Currency Risk :** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company makes certain imports in foreign currency & therefore is exposed to Foreign Exchange Risk.

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

#### Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change of US \$ with all other variables held constant. The impact on the Company's Profit / (Loss) Before Tax due to changes in Foreign Exchange Rate (₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Change in USD	+ Rs.0.25	+ Rs.0.25	+ Rs.0.25
Effect on profit / (loss) before tax	(0.36)	(0.26)	(0.36)
Change in USD	- Rs.0.25	- Rs.0.25	- Rs.0.25
Effect on profit / (loss) before tax	0.36	0.26	0.36

#### **b) Interest Rate Risk :-**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings as also a mix of Rupee & Foreign Currency Borrowings. The following Table shows the blend of Company's Fixed & Floating Rate Borrowings in Indian Rupee & in Foreign Currency:

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	<b>Loans in Rupees</b>			
	- Fixed Rate	669.35	291.34	210.36
	- Floating Rate	1408.60	1552.38	1595.38
	<b>Total</b>	<b>2077.95</b>	<b>1843.72</b>	<b>1805.74</b>
2	<b>Loans in US \$</b>			
	- Fixed Rate	92.61	70.93	90.11
	- Floating Rate	-	-	-
	<b>Total</b>	<b>92.61</b>	<b>70.93</b>	<b>90.11</b>
3	<b>Grand Total (1+2)</b>	<b>2170.56</b>	<b>1914.65</b>	<b>1895.85</b>

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

**Interest Rate Sensitivity:** The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Change in Basis Points	+ 25	+ 25	+ 25
Effect on profit / (loss) before tax	(3.52)	(3.88)	(3.99)
Change in Basis Points	- 25	- 25	- 25
Effect on profit / (loss) before tax	3.52	3.88	3.99

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**(c) Commodity Price Risk and Sensitivity:**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

**39.2 Credit Risk:**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade Receivable:-** Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques. The Outstandings of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

**The Aging of Trade Receivables are as below:-**

(₹ in Crore)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
<b>As at 31st March'2017</b>					
Secured	-	-	-	-	-
Unsecured	61.91	21.45	5.10	3.09	91.55
<b>Total</b>	<b>61.91</b>	<b>21.45</b>	<b>5.10</b>	<b>3.09</b>	<b>91.55</b>
Provision for Doubtful	-	-	-	(2.05)	(2.05)
<b>Net Total</b>	<b>61.91</b>	<b>21.45</b>	<b>5.10</b>	<b>1.04</b>	<b>89.50</b>
<b>As at 31st March'2016</b>					
Secured	-	-	-	-	-
Unsecured	70.39	23.44	1.06	3.11	98.00
<b>Total</b>	<b>70.39</b>	<b>23.44</b>	<b>1.06</b>	<b>3.11</b>	<b>98.00</b>
Provision for Doubtful	-	-	-	(1.51)	(1.51)
<b>Net Total</b>	<b>70.39</b>	<b>23.44</b>	<b>1.06</b>	<b>1.60</b>	<b>96.49</b>
<b>As at 1st April' 2015</b>					
Secured	-	-	-	-	-
Unsecured	49.06	20.84	0.59	1.51	72.00
<b>Total</b>	<b>49.06</b>	<b>20.84</b>	<b>0.59</b>	<b>1.51</b>	<b>72.00</b>
Provision for Doubtful	-	-	-	(1.51)	(1.51)
<b>Net Total</b>	<b>49.06</b>	<b>20.84</b>	<b>0.59</b>	<b>-</b>	<b>70.49</b>





### Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

### 39.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

### Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities\* into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(₹ in Crore)						
S.No	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
<b>1</b>	<b><u>As on 31st March, 2017</u></b>					
	- Borrowings	2170.56	580.49	1105.36	484.71	2170.56
	- Trade Payables	264.78	264.78	-	-	264.78
	- Other Liabilities*	621.87	513.61	13.32	94.94	621.87
	<b>Total</b>	<b>3057.21</b>	<b>1358.88</b>	<b>1118.68</b>	<b>579.65</b>	<b>3057.21</b>
<b>2</b>	<b><u>As on 31st March, 2016</u></b>					
	- Borrowings	1914.65	521.59	805.92	587.14	1914.65
	- Trade Payables	198.70	198.70	-	-	198.70
	- Other Liabilities*	576.03	476.40	13.32	86.31	576.03
	<b>Total</b>	<b>2689.38</b>	<b>1196.69</b>	<b>819.24</b>	<b>673.45</b>	<b>2689.38</b>
<b>3</b>	<b><u>As on 1st April, 2015</u></b>					
	- Borrowings	1895.85	462.06	747.89	685.90	1895.85
	- Trade Payables	218.34	218.34	-	-	218.34
	- Other Liabilities*	476.49	415.24	-	61.25	476.49
	<b>Total</b>	<b>2590.68</b>	<b>1095.64</b>	<b>747.89</b>	<b>747.15</b>	<b>2590.68</b>

\* Including Govt. dues.

### Note 40. Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash and short term deposits

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Borrowings	2,170.56	1,914.65	1,895.85
Less: Cash and Cash equivalents (Including Current Investments)	508.68	266.46	308.07
<b>Net debt</b>	<b>1,661.88</b>	<b>1,648.19</b>	<b>1,587.78</b>
Equity Share Capital	58.85	58.85	58.85
Other Equity	1,322.84	1,245.24	1,281.18
<b>Total Capital</b>	<b>1,381.69</b>	<b>1,304.09</b>	<b>1,340.03</b>
<b>Capital and net debt</b>	<b>3,043.57</b>	<b>2,952.28</b>	<b>2,927.81</b>
<b>Gearing ratio</b>	<b>54.60%</b>	<b>55.83%</b>	<b>54.23%</b>

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

**Note 4.1. Fair Value of Financial Assets and Liabilities:**

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

(₹ in Crore)

Particulars	31st March'2017		31st March'2016		1st April'2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets</b>						
<b>(i) At Fair Value through Profit and Loss :-</b>						
Investments						
- Mutual Funds.	336.16	336.16	131.06	131.06	248.88	248.88
- NCD's & Others	161.03	161.03	106.13	106.13	41.38	41.38
- Preference Shares*	80.53	80.53	70.63	70.63	66.38	66.38
<b>(ii) At Amortized Cost :-</b>						
a) Bank FDs.	5.50	5.50	6.63	6.63	9.30	9.30
b) Cash & Bank Balances	3.58	3.58	5.13	5.13	6.00	6.00
c) Investments	2.51	2.51	17.51	17.51	2.51	2.51
d) Trade Receivables	89.50	89.50	96.49	96.49	70.49	70.49
e) Loans	54.26	54.26	39.41	39.41	39.53	39.53
f) Others	119.36	119.36	144.26	144.26	126.88	126.88
<b>Total</b>	<b>852.43</b>	<b>852.43</b>	<b>617.25</b>	<b>617.25</b>	<b>611.35</b>	<b>611.35</b>
<b>B. Financial Liabilities</b>						
<b>(i) At Amortized Cost</b>						
- Borrowings	2170.56	2170.56	1914.65	1914.65	1895.85	1895.85
- Trade Payables	264.78	264.78	198.69	198.69	218.33	218.33
- Other Financial Liabilities	483.52	483.52	478.79	478.79	437.92	437.92
<b>Total</b>	<b>2918.86</b>	<b>2918.86</b>	<b>2592.13</b>	<b>2592.13</b>	<b>2552.10</b>	<b>2552.10</b>

\* Including Equity Component



**Fair Valuation Techniques:**

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

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

**Fair Value Hierarchy:**

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

- Level 1:** Quoted prices in active markets.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3:** Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(₹ in Crore)			
Particulars	Level 1	Level 2	Level 3
<b>31st March, 2017</b>			
<b>Financial Assets</b>			
- Unquoted Preference Shares		80.53	
- Mutual Funds	336.16		
- NCDs & Others		161.03	
<b>31st March, 2016</b>			
- Financial Assets			
- Unquoted Equity Shares		70.63	
- Unquoted Preference Shares			
- Mutual Funds	131.06		
- NCDs & Others		106.13	
<b>1st April, 2015</b>			
<b>Financial Assets</b>			
- Unquoted Preference Shares		66.38	
- Mutual Funds	248.88		
- NCDs & Others		41.38	

**Note 42. Segment Information:**

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the VC&MD of the Company (Chief Operating Decision Maker).

**Note 43. Derivative Financial Instruments:**

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

(₹ in Crore)

Particulars	As at 31st March'17	As at 31st March'16
<b>Assets:</b>		
Forward Contracts	-	-
<b>Liabilities:</b>		
Forward Contracts	92.61	70.93

**Forward Contract:**

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

**Note 44. Deferred Revenue:**

(₹ in Crore)

Particulars	As at 31st March'17	As at 31st March'16	As at 1st April'15
Opening	0.81	1.27	-
Deferred during the year	-	-	1.27
Released to profit and loss	0.46	0.46	-
Closing	0.35	0.81	1.27
Current	0.35	0.46	0.46
Non-Current	-	0.35	0.81

**Note 45. Income Tax Expense:****i. Amount recognized in statement of profit and loss :-**

(₹ in Crore)

Particulars	2016-17	2015-16
Current Tax	16.67	-
Deferred Tax (Relating to origination and reversal of temporary difference)	(7.70)	(43.13)
Adjustments in respect of current income tax of previous year	(0.10)	0.01
<b>MAT</b>		
MAT Credit Entitlement	16.67	-
MAT Credit Utilization	-	-

**ii. Income Tax recognized in Other Comprehensive Income (OCI) and Equity:**

(₹ in Crore)

Particulars	2016-17	2015-16
Deferred Tax (Gain)/Loss on defined benefit	(0.45)	(0.57)

**iii. Reconciliation of effective tax rate.**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Accounting Profit/(Loss) before income tax</b>	<b>74.20</b>	<b>(49.68)</b>
At applicable Statutory Income tax rate	34.61%	34.61%
Computed Income Tax Expense/(Income)	25.68	(17.19)
<b>Increase/(Reduction) in taxes on account of :-</b>		
Income not taxable	(15.66)	(13.43)
Investment allowance u/s- 32AC of Income Tax	(10.90)	(13.80)
R & D u/s- 35(2AB) of Income Tax	(1.73)	(1.73)
Deferred Tax related to Property, Plant & Equipments	(7.91)	(1.34)
Previous year tax adjustments	(0.10)	0.01
Tax on which deduction is not admissible	2.82	4.36
<b>Income Tax Expense/(Income) Reported to Profit &amp; Loss</b>	<b>(7.80)</b>	<b>(43.12)</b>



**iv. Reconciliation of deferred tax liabilities (Net)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March'2017	As at 31 <sup>st</sup> March'2016
Opening Balance	124.06	167.76
Deferred Tax recognised in Statement of Profit and Loss	(7.70)	(43.13)
Other Comprehensive Income	(0.45)	(0.57)
<b>Closing Balance</b>	<b>115.91</b>	<b>124.06</b>

**v. Deferred Tax:**

Deferred Tax relates to the followings:

(₹ in Crore)

S.No.	Particulars	2016-17	2015-16
1.	Book base and tax base of Property, Plant & Equipments	42.22	52.82
2.	Disallowance/Allowance (net) under Income Tax & Others	(6.99)	(15.48)
3.	Brought Forward losses setoff	(42.93)	(80.46)
4.	<b>Total</b>	<b>(7.70)</b>	<b>(43.12)</b>

**Note 46. Dividends:-**

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

(₹ in Crore)

Particulars	2016-17	2015-16
For the year ended 31st March'2016 – 5% i.e. ₹ 0.25 per equity share, (31st March'2015 – 40% i.e. ₹ 2.00 per equity share)	2.94	23.53
Dividend distribution tax thereon	0.60	4.79
<b>Total</b>	<b>3.54</b>	<b>28.32</b>

The following dividends were proposed by the board of directors in their meeting held on 17th may'2017, subject to approval of shareholders at the Annual General Meeting and are not recognized as liability. Dividend would attract dividend distribution tax when declared or paid.

(₹ in Crore)

Particulars	2016-17	2015-16
For the year ended 31st March'2017 – 15% i.e. ₹ 0.75 per equity share, (31st March'2016 – 5% i.e. ₹ 0.25 per equity share)	8.83	2.94
<b>Total</b>	<b>8.83</b>	<b>2.94</b>

**Note 47. In pursuant to Notification No. GSR 308(E) dated 30th March'2017, details of specified Bank Notes (SBNs) held and transacted during the period from 8th November'2016 to 30th Decemeber'2016 as provided below :-**

(₹ in Crore)

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total
<b>Closing cash in hand as at 8th November'2016</b>	<b>0.38</b>	<b>0.33</b>	<b>0.71</b>
Add:- Permitted receipts	-	1.06	1.06
Less:- Permitted payments	-	1.09	1.09
Less:- Amount deposited in Banks	0.38	-	0.38
<b>Closing cash in hand as at 30th December'2016</b>	<b>-</b>	<b>0.30</b>	<b>0.30</b>

**Note 48. Reconciliations :-**

The following reconciliations provide a quantification of the effect of significant differences arising as a result of transition from Pervious GAAP (IGAAP) to IND AS in accordance with IND AS 101.

- Balance Sheet as at 1st April'2015
- Equity as at 1st April'2015
- Statement of profit and loss for the year ended 31st March'2016.
- Balance Sheet as at 31st March'2016.
- Equity as at 31st March'2016



**Reconciliation of Balance Sheet as at 1st April'2015**

(₹ in Crore)

S No.	Particulars	Reference Explanation	As per Previous GAAP as at 1st April'2015	IND AS Impact	As per IND AS as at 1st April'2015
<b>ASSETS</b>					
<b>(1)</b>	<b>Non-current Assets</b>				
(a)	Property, Plant and Equipment	A	2,580.93	(0.76)	2,580.17
(b)	Capital work-in-progress		361.46	-	361.46
(c)	Investment Property	A	-	0.76	0.76
(d)	Other Intangible Assets		1.57	-	1.57
(e)	Financial Assets				
(i)	Investments	B	168.81	(7.42)	161.39
(ii)	Loans	C	55.16	(15.63)	39.53
(iii)	Others		-	-	-
(f)	Other Non-Current Assets	D, I	148.46	103.10	45.36
			<b>3,316.39</b>	<b>(126.15)</b>	<b>3,190.24</b>
<b>(2)</b>	<b>Current Assets</b>				
(a)	Inventories		223.47	-	223.47
(b)	Financial Assets				
(i)	Investments	E	253.98	38.79	292.77
(ii)	Trade Receivables		70.49	-	70.49
(iii)	Cash and Cash Equivalents		2.65	-	2.65
(iv)	Bank Balance other than (iii) above		12.65	-	12.65
(v)	Others		126.88	-	126.88
(c)	Current Tax Assets (Net)		-	-	-
(d)	Other Current Assets	D	133.88	0.70	134.58
			<b>824.00</b>	<b>39.49</b>	<b>863.49</b>
	<b>TOTAL ASSETS</b>		<b>4,140.39</b>	<b>(86.66)</b>	<b>4,053.73</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a)	Equity Share Capital		58.85	-	58.85
(b)	Other Equity		1,271.85	9.33	1,281.18
		<b>F</b>	<b>1,330.70</b>	<b>9.33</b>	<b>1,340.03</b>
<b>LIABILITIES</b>					
<b>(1)</b>	<b>Non-current Liabilities</b>				
(a)	Financial Liabilities				
(i)	Borrowings	G	1,437.08	(3.28)	1,433.80
(ii)	Trade Payable		-	-	-
(iii)	Other Financial Liabilities	H	66.16	(0.41)	65.75
(b)	Provisions		7.87	-	7.87
(c)	Deferred Tax Liabilities (Net)	I	128.44	(68.52)	59.92
(d)	Other Non-Current Liabilities	H	-	4.15	4.15
			<b>1,639.55</b>	<b>(68.06)</b>	<b>1,571.49</b>
<b>(2)</b>	<b>Current Liabilities</b>				
(a)	Financial Liabilities				
(i)	Borrowings	G	233.13	(0.08)	233.05
(ii)	Trade Payables		218.33	-	218.33
(iii)	Other Financial Liabilities	H	376.66	0.01	376.67
(b)	Other Current Liabilities	H	302.57	0.47	303.04
(c)	Provisions	J	36.64	(28.33)	8.31
(d)	Current Tax Liabilities (Net)		2.81	-	2.81
			<b>1,170.14</b>	<b>(27.93)</b>	<b>1,142.21</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,140.39</b>	<b>(86.66)</b>	<b>4,053.73</b>



### Explanations for reconciliation of Balance Sheet as previously reported under previous GAAP to IND AS

- A Under IND AS, Investment properties are reclassified from Property Plant & Equipment and presented separately.
- B Under IND AS, Investments are valued at 'Fair Value / Amortised Cost', as the case may be, unlike under previous GAAP, where Non current investments were measured at cost less provision for diminution, if such a decline was other than temporary and current investments were valued at lower of cost or market value.
- C Under IND AS, interest free loan is valued at Amortised cost.
- D Under IND AS, interest free Securities Deposits given are valued at Amortised cost.
- E Under IND AS, Current Investments are valued at fair value through profit and loss account.

F Equity Reconciliation as at 1st April 2015 (₹ in crore)

<b>Balance as per IGAAP</b>	<b>1,330.70</b>
<b>Impact of IND AS :-</b>	
Investment as per Amortised cost/Fair Value	30.96
Borrowings at amortised cost	3.36
Deferred Tax Liability	(39.32)
Financial Assets and Liabilities at fair value / Amortised cost	(14.00)
Proposed Dividend including tax thereon	28.33
<b>Net Impact of IND AS</b>	<b>9.33</b>
Balance as per IND AS	1,340.03

- G As per IND AS, borrowings are valued at amortised cost using effective interest rate method, unlike under previous GAAP, where such borrowing were stated at initial transaction value.
- H Under IND AS, interest free Securities Deposits taken are valued at amortised cost and some liabilities are reclassified.
- I The additional Deferred Tax Liability / Asset has also been recognised due to different accounting treatment in respect of certain items as per IND AS. On transition to IND AS, MAT credit entitlement being in the nature of deferred tax assets, has been netted off from deferred tax liabilities.
- J Under previous GAAP, Proposed Dividend was recognised as liability in the period to which it was related. Under IND AS, Proposed Dividend is recognised as liability in the period in which it is approved by shareholders.

**Reconciliation of Balance Sheet as at 31st March'2016**

(₹ in Crore)

S No.	Particulars	Reference Explanation	As per Previous GAAP as at 31st March'2016	IND AS Impact	As per IND AS as at 31st March'2016
<b>ASSETS</b>					
<b>(1)</b>	<b>Non-current Assets</b>				
(a)	Property, plant and equipment	A	2,782.35	(54.47)	2,727.88
(b)	Capital work-in-progress	B	283.49	(0.40)	283.09
(c)	Investment Property	A	-	0.71	0.71
(d)	Other Intangible Assets		0.93	-	0.93
(e)	Financial Assets				
(i)	Investments	C	166.25	15.95	182.20
(ii)	Long-term loans and advances	D	52.60	(13.19)	39.41
(iii)	Other Financial Assets		-	-	-
(f)	Other non-current assets	E, I	132.45	(103.31)	29.14
			<b>3,418.07</b>	<b>(154.71)</b>	<b>3,263.36</b>
<b>(2)</b>	<b>Current Assets</b>				
(a)	Inventories		240.55	-	240.55
(b)	Financial Assets				
(i)	Investments	F	234.26	20.44	254.70
(ii)	Trade receivables		96.49	-	96.49
(iii)	Cash and cash equivalents		2.80	-	2.80
(iv)	Bank Balance other than (iii) above		8.96	-	8.96
(v)	Others		144.26	-	144.26
(c)	Current Tax Assets (Net)		1.92	-	1.92
(d)	Other current assets	E	94.61	0.72	95.33
			<b>823.85</b>	<b>21.16</b>	<b>845.01</b>
	<b>TOTAL ASSETS</b>		<b>4,241.92</b>	<b>(133.55)</b>	<b>4,108.37</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a)	Equity Share Capital		58.85	-	58.85
(b)	Other Equity		1,274.59	(29.35)	1,245.24
		G	<b>1,333.44</b>	<b>(29.35)</b>	<b>1,304.09</b>
<b>LIABILITIES</b>					
<b>(1)</b>	<b>Non-current Liabilities</b>				
(a)	Financial Liabilities				
(i)	Borrowings	B	1,396.25	(3.19)	1,393.06
(ii)	Trade payable		-	-	-
(iii)	Other Financial Liabilities	H	158.72	(31.15)	127.57
(b)	Long-term provisions		9.31	-	9.31
(c)	Deferred tax liabilities (Net)	I	86.65	(70.39)	16.26
(d)	Other non-current liabilities	H	-	3.64	3.64
			<b>1,650.93</b>	<b>(101.09)</b>	<b>1,549.84</b>
<b>(2)</b>	<b>Current Liabilities</b>				
(a)	Financial Liabilities				
(i)	Borrowings	B	297.79	(0.03)	297.76
(ii)	Trade payables		198.69	-	198.69
(iii)	Other Financial Liabilities		375.83	-	375.83
(b)	Other current liabilities	H	373.22	0.46	373.68
(c)	Provisions	J	12.02	(3.54)	8.48
(d)	Current Tax Liabilities (Net)		-	-	-
			<b>1,257.55</b>	<b>(3.11)</b>	<b>1,254.44</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,241.92</b>	<b>(133.55)</b>	<b>4,108.37</b>



### Explanations for reconciliation of Balance Sheet as previously reported under previous GAAP to IND AS

- A Under IND AS, Liability of Rehabilitations and Recompensations is measured at present value of compensation paid to land owners & investment properties are reclassified from Property Plant & Equipment and presented separately.
- B As per IND AS, borrowings are valued at amortised cost using effective interest rate method, unlike under previous GAAP, where such borrowing were stated at initial transaction value.
- C Under IND AS, Investments are valued at 'Fair Value / Amortised Cost', as the case may be, unlike under previous GAAP, where Non current investments were measured at cost less provision for diminution, if such a decline was other than temporary and current investments were valued at lower of cost or market value.
- D Under IND AS, interest free loan was valued at amortised cost.
- E Under IND AS, interest free Securities Deposits given were valued at Amortised cost
- F Under IND AS, Current Investments are valued at fair value through profit and loss account.

G Equity Reconciliation as at 31st March 2016

(₹ in Crore)

<b>Balance as per IGAAP</b>	<b>1,333.44</b>
<b>Impact of IND AS :-</b>	
Investment as per Amortised cost/Fair Value	(14.87)
Borrowings at amortised cost	(0.51)
Deferred Tax Liability	1.91
Financial Assets and Liabilities at fair value	(0.42)
Proposed Dividend including tax thereon	(24.79)
IND AS Impact as at 1st April'2015	9.33
<b>Net Impact of IND AS</b>	<b>(29.35)</b>
<b>Balance as per IND AS</b>	<b>1,304.09</b>

- H Under IND AS, interest free Securities Deposits taken are valued at amortised cost and some liabilities are reclassified.
- I The additional Deferred Tax Liability / Asset has also been recognised due to different accounting treatment in respect of certain items as per IND AS and MAT credit entitlement being in the nature of deferred tax asset has been netted off from deferred liabilities.

**Reconciliation of Statement of Profit and Loss for the year ended 31st march'2016**

(₹ in Crore)

S No.	Particulars	Reference Explanation	As per Previous GAAP	IND AS Impact	As per IND AS
I.	Revenue from Operations		2,939.35	-	2,939.35
II.	Other Income	A	60.28	(11.68)	48.60
<b>III.</b>	<b>Total Revenue (I+II)</b>		<b>2,999.63</b>	<b>(11.68)</b>	<b>2,987.95</b>
<b>IV.</b>	<b>Expenses :-</b>				
	Cost of Materials Consumed		497.72	-	497.72
	Purchases of Stock-in-Trade		212.47	-	212.47
	Change in inventories of finished goods, work-in-progress and traded goods		(17.56)	-	(17.56)
	Employee Benefits Expense	B	196.97	(2.60)	194.37
	Finance Costs	C	192.30	4.39	196.69
	Depreciation and Amortization Expense (net)		162.88	-	162.88
	Excise Duty		319.50	-	319.50
	Other Expenses	A	1,460.12	0.71	1,460.83
	<b>Total Expenses (IV)</b>		<b>3,024.40</b>	<b>2.50</b>	<b>3,026.90</b>
<b>V.</b>	<b>Profit before Exceptional Items and Tax (III-IV)</b>		<b>(24.77)</b>	<b>(14.18)</b>	<b>(38.95)</b>
VI.	Exceptional Items		10.73	-	10.73
<b>VII.</b>	<b>Profit / (Loss) before tax (V-VI)</b>		<b>(35.50)</b>	<b>(14.18)</b>	<b>(49.68)</b>
VIII.	Tax Expense				
	(1) Current Tax		-	-	-
	(2) MAT Credit Entitlements		-	-	-
	(3) Deferred Tax		(41.79)	(1.34)	(43.13)
	(4) Tax Adjustments for Earlier Years		0.01	-	0.01
	<b>Total Tax Expense (VIII)</b>		<b>(41.78)</b>	<b>(1.34)</b>	<b>(43.12)</b>
<b>IX.</b>	<b>Profit / (Loss) for the Year</b>		<b>6.28</b>	<b>(12.84)</b>	<b>(6.56)</b>
<b>X</b>	<b>Other Comprehensive Income</b>		-	-	-
	<b>Items that will not be reclassified to profit or loss in subsequent periods</b>				
	(1) Re-measurement losses on defined benefit plans	B	-	(1.63)	(1.63)
	(2) Income tax effect		-	0.57	0.57
	<b>Total Other Comprehensive Income (X)</b>		<b>-</b>	<b>(1.06)</b>	<b>(1.06)</b>
<b>XI</b>	<b>Total Comprehensive Income For The Year (IX + X)</b>		<b>6.28</b>	<b>(13.90)</b>	<b>(7.62)</b>

**Explanations for reconciliation of Balance Sheet as previously reported under previous GAAP to IND AS**

- A Under IND AS Current investments and other financial assets and liabilities are valued at amortised cost/Fair value through profit & loss as the case may be.
- B Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset, which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.
- C As per IND AS, borrowings are valued at amortised cost using effective interest rate method, unlike under previous GAAP, where such borrowing were stated at initial transaction value.





**Note 49. Retirement benefit obligations****A Expenses Recognised for Defined Contribution Plan****(₹ in Crore)**

Particulars	2016-17	2015-16
Company's Contribution to Provident Fund	10.01	9.28
Company's Contribution to ESI	0.17	0.01
Company's Contribution to Superannuation Fund	1.55	2.39
<b>Total</b>	<b>11.73</b>	<b>11.68</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone Balance Sheet as at March 31, 2017 and March 31, 2016, being the respective measurement dates:

**1 Change in Present Value of Defined Benefit Obligation during the year****(₹ in Crore)**

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of obligation as on 1st April'15	41.81	7.77
Current Service Cost	2.44	0.98
Interest Cost	2.93	0.54
Benefits Paid	(1.77)	(1.62)
Remeasurement - actuarial loss / (gain)	2.28	1.58
Present Value of obligation as on 31st March'16	<b>47.69</b>	<b>9.25</b>
Present Value of obligation as on 1st April'16	47.69	9.25
Current Service Cost	2.68	1.30
Interest Cost	3.34	0.65
Benefits Paid	(2.83)	(1.99)
Remeasurement - actuarial loss / (gain)	3.25	1.33
Present Value of obligation as on 31st March'17	<b>54.13</b>	<b>10.54</b>

**2 Change in Fair Value of Plan Assets - Gratuity****(₹ in Crore)**

Particulars	2016-17	2015-16
Fair Value of plan assets at beginning of year	45.18	38.93
Acquisitions / Transfer in /Transfer Out	-	-
Expected Return on plan assets	3.16	2.72
Employer contributions	4.86	4.66
Benefit paid	(2.83)	(1.77)
Actuarial gain / (loss)	1.93	0.65
Fair Value of plan assets at end of year	<b>52.30</b>	<b>45.19</b>
Present Value of Obligation	<b>54.13</b>	47.69
Net funded status of plan	<b>(1.83)</b>	(2.50)
Actual Return on plan assets	<b>5.10</b>	<b>3.37</b>

### 3 Expenses recognised in Statement of profit and loss

(₹ in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	2.44	0.98
Interest cost	2.93	0.54
Expected return plan assets	(2.72)	-
Remeasurement - actuarial loss / (gain)	-	1.58
<b>For the year ended 31st March'16</b>	<b>2.65</b>	<b>3.10</b>
Actual return on plan assets	<b>3.37</b>	-
Current Service Cost	2.68	1.30
Interest cost	3.34	0.65
Expected return plan assets	(3.16)	-
Remeasurement - actuarial loss / (gain)	-	1.33
<b>For the year ended 31st March'17</b>	<b>2.86</b>	<b>3.28</b>
Actual return on plan assets	5.10	-

### 4 Recognised in Other Comprehensive Income

(₹ in Crore)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	1.63
For the year ended 31st March'16	
Remeasurement - Actuarial loss/(gain)	1.31
For the year ended 31st March'17	

### 5 The Principal actuarial assumptions used for estimating the Company's defined obligations are set out below :-

Weighted average actuarial assumptions	As at 31st March'17	As at 31st March'16
Attrition Rate		
Discount Rate	7%	7%
Expected Rate of increase in salary	5%	5%
Expected Rate of Return on Plan Assets	7%	7%
Mortality Rate	100% of IALM (2006-08)	
Expected Average remaining working lives of employees (years)	14.69	14.80

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.



## 6 Sensitivity analysis

### Gratuity :-

(₹ in Crore)

Particulars	Change in assumption	Effect on obligation
<b>For the year ended 31st March'16</b>		
Discount Rate	0.50%	0.95
	-0.50%	(1.01)
Salary Growth Rate	0.50%	1.02
	-0.50%	(0.97)
<b>For the year ended 31st March'17</b>		
Discount Rate	0.50%	(0.98)
	-0.50%	1.05
Salary Growth Rate	0.50%	1.06
	-0.50%	(1.00)
<b>Leave Encashment :-</b>		
<b>For the year ended 31st March'16</b>		
Discount Rate	0.50%	(0.29)
	-0.50%	0.31
Salary Growth Rate	0.50%	0.32
	-0.50%	(0.29)
<b>For the year ended 31st March'17</b>		
Discount Rate	0.50%	(0.33)
	-0.50%	0.36
Salary Growth Rate	0.50%	0.33
	-0.50%	(0.36)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

### 7 History of experience adjustments is as follows :-

(₹ in Crore)

Particulars	Gratuity
<b>For the year ended 31st March'2016</b>	
Plan Liabilities - Loss/(Gain)	2.28
Plan Assets - Gain/(Loss)	0.65
<b>For the year ended 31st March'2017</b>	
Plan Liabilities - Loss/(Gain)	3.25
Plan Assets - Gain/(Loss)	1.93

### Estimate of expected benefit payments

(₹ in Crore)

Particulars	Gratuity
April'2017 - March'2018	25.86
April'2018 - March'2019	0.48
April'2019 - March'2020	0.55
April'2020 - March'2021	0.64
April'2021 - March'2022	0.62
April'2022 - March'2023	0.64
April'2023 onwards	25.32

**8 Statement of Employee benefit provision**

(₹ in Crore)

Particulars	2016-17	2015-16
Gratuity	4.17	4.27
Leave Encashment	3.28	3.10
Superannuation	1.55	2.39

**9 Current and non-current provision for Gratuity and Leave Encashment**

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet

(₹ in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>For the year ended 31st March'2016</b>		
Current	2.50	3.51
Non Current	-	5.74
<b>For the year ended 31st March'2017</b>		
Current	1.83	4.11
Non Current	-	6.43

**10 Employee benefit expense.**

(₹ in Crore)

Particulars	2016-17	2015-16
Salary and Wages	170.71	158.37
Costs-defined benefit plan	9.00	9.76
Costs-defined contribution plan	4.50	3.60
Welfare expense	24.18	22.64
<b>Total</b>	<b>208.39</b>	<b>194.37</b>

**OCI presentation of defined benefit plan**

Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

**Presentation in Statement of Profit & Loss and Balance Sheet**

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss. IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, Company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign Company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.



**Note 50.** Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 58.57 crore (previous year ₹ 29.80 crore).

**Note 51.** Contingent liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows :

	(₹ in Crore)	
	31st March, 2017	31st March, 2016
a) Service Tax	17.17	16.55
b) Sales Tax and Interest	135.84	135.84
c) Income Tax	4.65	0.32
d) Renewable Energy Obligation	20.21	20.21
e) Excise Duty @	0.93	2.96
f) Other matters	5.86	5.43
<b>Total</b>	<b>184.66</b>	<b>181.31</b>

@ excluding show cause notices of ₹ 115.00 crore. (previous year ₹ 98.60 crore)

**Note 52.** In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

**Note 53.** Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

**Note 54.** Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a Penalty of ₹ 6.55 crore on the Company pursuant to a reference filed by the Government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. Based on legal opinion, the Company believes that it has a good case and accordingly no provision has been made in the accounts.

**Note 55.** Maximum balance due for Commercial Paper issued during the year was ₹ 320.00 crore and the year end balance is ₹ 245.00 crore (previous year Maximum balance ₹ 270.00 crore and at the year end ₹ 155.00 crore).

**Note 56.** Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated 28th April, 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 (as at 31st March 2017 ₹ 225.25 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 favourable judgment in its favour.

However out of abundant caution the Company had made provision and shown as Exceptional Item for ₹ 49.19 crore during the year 2014-15 against the Sales Tax Exemption and interest of ₹ 119.49 crore is being considered as a contingent liability.

**Note 57.** a) Sales include own consumption at cost ₹ 2.04 crore (previous years ₹ 1.76 crore).  
b) Consumption of Stores and Spares is net of scrap sale ₹ 6.69 crore (previous year ₹ 4.27 crore.)  
c) Interest expenses include ₹ 5.22 crore (previous year ₹ 5.24 crore) being interest on entry tax.  
d) Exceptional items of ₹ Nil (previous year ₹ 10.73 crore includes ₹ 5.45 crore towards additional expenditure on stabilisation of green field plant at Durg, Chhattisgarh ₹ 4.28 crore contribution made to district mines foundation vide Govt. notification issued Sept'15 with retrospective effect from Jan 2015 and ₹ 1.00 crore come wages award for prior year)



- Note 58.** a) Other-Non-Operating Income includes receipts from aircraft flying ₹ 2.30 crore, (previous year ₹ 3.78 crore) net of expenses of ₹ 4.96 crore (previous year ₹ 4.95 crore).
- b) Miscellaneous expenses include, CSR expenses amounting to ₹ 1.45 crore (previous year ₹ 3.12 crore ) and Foreign exchange fluctuation of loss (net) ₹ 3.69 crore (previous year gain (net) ₹ 1.64 crore).

- Note 59.** a) Forward contracts of ₹ 97.57 crore – USD 14.37 Mn (previous year ₹ 72.57 crore – USD 10.47 Mn) taken for the purpose of hedging of payables and Nil (previous year ₹ 13.24 crore - USD 1.98 Mn) against letter of credit.
- b) Un-hedged Nil (previous year ₹ 1.39 crore – Euro 0.18 Mn) against letter of credit outstanding as at 31st March, 2017.

**Note 60.** 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 2017  
₹ 0.52 Crore (previous year ₹ 0.27 Crore).
- 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 2017- Nil (previous year - Nil).

**Note 61.** The Company has successfully completed the Revival & Rehabilitation Scheme of UCWL with the commissioning of its Integrated Cement Plant in March, 2017. UCWL has since commenced dispatches of Clinker & Cement.

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 525.00 Crore issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of these NCDs issued have been utilized by HITCL for part financing UCWL's Revival & Rehabilitation Project. The Company has received a Counter Indemnity from UCWL in consideration of the Company having given Corporate Guarantee for the NCDs raised by HITCL for onward lending to UCWL.

**Note 62.** During the year the Company has received subsidy of ₹ 0.21 crore (previous year ₹ 0.15 crore) in terms of State Investment Promotion Scheme, the same is netted from interest.

**Note 63.** Loans and Advances pursuant to Regulation 23(3) read with schedule of the SEBI(Listing Obligation and Disclosure Requirements) Regulation 2015 :

Other advances include An amount of ₹ 26.67 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 30.00 crore) (Maximum balance due ₹ 30.00 crore, previous year ₹ 33.33 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Company's policy are not considered.)

**Note 64.** Some of the Balances of debtors and creditors are in process of confirmation.

**Note 65 Expenditure on Research and Development (R&D) activities During the year :**

(₹ in Crores)

	2016-17	2015-16
<b>i) Revenue Expenditure</b>		
1 Employees Cost	4.36	4.51
2 Cost of Material and Testing Charges	1.62	1.61
3 Other R & D Expenses	1.51	1.31
4 R & D Cess	0.15	0.45
<b>Sub Total (I)</b>	<b>7.64</b>	<b>7.88</b>
<b>ii) Capital Expenditures</b>	-	<b>0.05</b>
<b>Total (i+ii)</b>	<b>7.64</b>	<b>7.93</b>



**Note. 66 Amount paid to Auditors :**

(₹ in Crores)

	2016-17	2015-16
(i) Statutory Auditors :		
Audit Fee	0.14	0.14
For Taxation matters	0.02	0.02
For Other Services	0.04	0.04
Reimbursement of Expenses (₹ 50561) (previous year ₹ 45151)		
	0.20	0.20
(ii) Cost Auditors :		
Cost Audit Fee	0.01	0.01
	0.01	0.01

**Note. 67 Expenses charged to Raw Material ( Limestone) account includes :**

(₹ in Crores)

	2016-17	2015-16
Salaries & Wages	6.37	6.41
Contribution to Provident and Other Funds	0.49	0.47
Employees' Welfare Expenses	1.21	1.03
Consumption of Stores and Spares	34.25	33.64
Power & Fuel	6.20	5.74
Repairs to Machinery	4.15	4.36
Material Handling	54.89	45.58
Insurance	0.20	0.21
Rates and Taxes	28.83	24.26
Royalty	76.26	72.07
Miscellaneous Expenses	0.59	0.52
<b>Total</b>	<b>213.44</b>	<b>194.29</b>

**Note 68 Related Party Disclosure****List of Related Parties :****a) Direct and Indirect Subsidiary**

Hansdeep Industries &amp; Trading Co. Ltd. (HITCL)

Udaipur Cement Works Ltd.(UCWL)

Ram Kanta Properties Private Ltd.(RKPPL)

w.e.f 10th Feb 2017

**b) Associates**

Dwarkesh Energy Ltd.(DEL)

**c) Key Management Personnel (KMP)- as per Companies Act ,2013 :**

Shri Bharat Hari Singhania

Chairman &amp; Managing Director

Smt. Vinita Singhania#

Vice Chairman &amp; Managing Director

Shri S.K. Wali

Whole-time Director

Dr. S. Chouksey

Whole-time Director

Shri Sudhir A Bidkar

Chief Financial Officer

Shri Brijesh K Daga

VP &amp; Company Secretary

**Additional KMPs (Pursuant to Ind AS 24)**

Shri B.V. Bhargava

Independent &amp; Non Executive Director

Shri N.G. Khaitan

Independent &amp; Non Executive Director

Shri K.N. Memani

Independent &amp; Non Executive Director

Dr. Raghupati Singhania

Non Independent &amp; Non Executive Director

Shri Ravi Jhunjunwala

Independent &amp; Non Executive Director

Shri Pradeep Dinodia

Independent &amp; Non Executive Director

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

Bengal & Assam Company Ltd. (BACL)

e) **Trusts under common control**

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund (EPF)

JK Lakshmi Cement Ltd. Officers Superannuation Fund (SF)

JK Lakshmi Cement Ltd. Employees Gratuity Fund (GF)

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

(₹ in Crores)

I Nature of Transactions	Refer name from above									
	UCWL	HITCL	DEL	BACL	Trusts	UCWL	HITCL	DEL	BACL	Trusts
	2016-17					2015-16				
- Sharing of Expenses received	0.41	0.02	0.07	0.05	-	0.34	0.77	0.07	0.05	-
- Sharing of Expenses/ Expenses paid	0.04	0.11	-	-	-	-	0.02	-	-	-
- Payment of Expenses#	-	-	-	1.47	-	-	-	-	1.35	-
- Sale of Clinker/Cement/Others	2.51	82.78	-	-	-	12.65	40.53	-	-	-
- Purchase of Cement	16.39	25.53	-	-	-	42.28	-	-	-	-
- Other Income	0.81	-	-	-	-	0.68	-	-	-	-
- Investments	6.00	115.00	-	-	-	-	-	1.00	-	-
- Advances given	52.24	-	-	0.09	-	-	-	-	-	-
- Advances received back	-	-	-	3.33	-	-	-	-	3.33	-
- Contribution	-	-	-	-	8.64	-	-	-	-	9.11
- Corporate Guarantee given on behalf of	-	50.00	-	-	-	-	475.00	-	-	-
<b>Outstanding as at year end:</b>										
- <b>Receivable/(Payable) :</b>	55.14	2.63	-	27.19	-	(0.32)	1.01	-	30.42	-
<b>EPF</b>	-	-	-	-	(0.60)	-	-	-	-	(0.52)
<b>SF</b>	-	-	-	-	(1.43)	-	-	-	-	(2.40)
<b>GF</b>	-	-	-	-	(1.83)	-	-	-	-	(2.50)
<b>Corporate Guarantee Outstanding</b>	-	525.00	-	-	-	-	475.00	-	-	-

# Interest paid to fixed deposit ₹ Nil (Previous year ₹ 0.01 crore)

ii) **Remuneration Paid to KMPs**

	2016-17	2015-16
Short Term Employee benefits	19.05	16.53
Post Employment benefits*	-	-
Other Payments	0.64	0.25

\* As the liability for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, The Amount pertaining to KMPs are not included above.

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 directors. However in view of inadequate profit during the year 2016-17, The Company has applied to the Central Government for the approval of payment to directors' as stated in para C above other than Non Executive Directors, amounting to ₹ 10.41 crore, which is pending



**Note 69 Capital work in progress includes Machinery in stock, construction / erection materials, and also include the following pre -operation expenses pending allocation.**

	(₹ in Crores)	
	2016-17	2015-16
Raw Material Consumed	33.06	1.10
Stores and Spares	1.60	-
Power & Fuel	4.77	0.40
Salaries and Wages	1.61	3.13
Contribution to Provident and Other Funds	0.09	0.08
Staff Welfare expenses	0.31	0.49
Insurance	0.36	0.35
Rates and Taxes	1.06	0.17
Transport, Clearing and Forwarding Charges	5.94	-
Rent	0.06	0.07
Travelling, Consultancy & Miscellaneous Expenses	5.13	1.44
Finance costs*	19.35	23.45
	<b>73.34</b>	<b>30.68</b>
Less: Sales	43.77	-
Stock of Finished Goods transferred to Statement of Profit and Loss	2.26	-
Stock of Work -in -Process transferred to statement of Profit and Loss	2.34	-
	<b>24.97</b>	30.68
Add : Expenditure upto previous year	50.97	65.74
Less : Transferred to Fixed Assets ( Includes interest ₹ 17.90 crore, previous year ₹ 31.31 crore).	26.00	45.45
	<b>49.94</b>	<b>50.97</b>

\* Includes other borrowing charges of ₹ 0.46 crore (Previous year ₹ 0.56 crore)

**Note 70 Other Particulars :**

The Company has paid dividend in respect of Shares dividend in respect of Shares held by Non-Resident on repatriation basis. The Company has paid an amount of ₹ 0.38 crore (Previous year ₹ 3.45 crore) to Non Resident in INR during the financial year 2016-17, for the financial year 2015-16.

**Note 71 Other Particulars :**

	(₹ in Crores)	
	2016-17	2015-16
<b>a) Expenditure in Foreign Currency on account of</b>		
i) Consultancy and know-how fee	0.18	0.31
ii) Interest	1.51	0.64
iii) Others	1.15	0.70
	<b>2.84</b>	<b>1.65</b>
<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	7.57	10.43
ii) Power & Fuel	114.86	99.57
iii) Stores and Spares	9.07	17.70
iv) Capital Goods	25.82	8.92
	<b>157.32</b>	<b>136.62</b>

**Note 72** Previous year's figures have been re-grouped /re-classified wherever necessary and figures less than ₹ 50000 have been shown as actual in bracket.

For LODHA & CO.  
Chartered Accountants

N.K.Lodha  
Partner  
Firm Registration No.:301051E  
Membership No.:85155  
New Delhi, the 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

B.H.SINGHANIA

VINITA SINGHANIA

B.V. BHARGAVA  
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, 2017

₹ In Crore (10 Million)

	2016 - 17		2015 - 16	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before Tax and Exceptional Items	74.20		(38.95)	
<u>Adjustments for:</u>				
Depreciation and Amortization Expense (net)	172.37		162.88	
Interest & Dividend Income	(2.18)		(3.50)	
Profit on sale of Assets (Net)	(0.59)		(0.45)	
Profit on sale of Current Investments (net)	(47.60)		(48.97)	
Gain / (Loss) on Fair Valuation of Current Investment	(7.20)		18.36	
Finance Costs	188.65		196.69	
Provision for Doubtful Debts	0.54		-	
Foreign Exchange Difference (net)	0.08		(0.06)	
Exceptional Items	-		(10.73)	
Operating Profit before Working Capital changes	378.27		275.27	
<u>Adjustments for:</u>				
Trade and Other Receivables	(21.37)		(3.57)	
Inventories	(37.09)		(17.08)	
Trade and Other Payables	45.72		47.63	
<u>Cash generated from Operations</u>	365.53		302.25	
Income Tax Payments (Net)	(2.60)		(4.70)	
<b>Net Cash from Operating Activities</b>		<b>362.93</b>		<b>297.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment and Intangible Assets	(126.99)		(147.02)	
Sale of Property, Plant and Equipment and Intangible Assets	1.91		1.24	
(Purchase) / Sale of Investments (net)	(292.86)		72.48	
Dividend Received	-		1.33	
Interest Received	2.33		1.97	
<b>Net Cash from / (used in) Investing Activities</b>		<b>(415.61)</b>		<b>(70.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-term Borrowings	473.33		183.80	
Repayment of Long-term Borrowings	(295.91)		(229.72)	
Short-term borrowings (net)	78.41		64.77	
Interest paid	(201.58)		(221.80)	
Dividend paid (including Dividend Distribution Tax)	(4.35)		(28.13)	
<b>Net Cash from / (used in) Financing Activities</b>		<b>49.90</b>		<b>(231.08)</b>
D. Increase / (Decrease) in Cash and Cash Equivalents		<b>(2.78)</b>		<b>(3.53)</b>
E. Cash and Cash Equivalents as at the beginning of the year		<b>11.76</b>		15.29
F. Cash and Cash Equivalents as at the close of the year (Note 12 & 13)		<b>8.98</b>		11.76
1. Cash and Cash Equivalents include:				
- Cash, Cheques in hand and remittances in transit (Note 12)		0.31		0.35
- Balances with Scheduled Banks		8.67		11.41
		<b>8.98</b>		<b>11.76</b>

- Previous year's figures have been re-arranged and re-cast wherever necessary.
- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

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 17th May, 2017

B.K. DAGA  
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S.K WALI

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

Directors

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF JK LAKSHMI CEMENT LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **JK LAKSHMI CEMENT LIMITED** ("hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. 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 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group and its Associate, as at 31st March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

### Other Matters

We did not audit the financial statements of two subsidiaries namely, Hansdeep Industries and Trading Company Limited and Udaipur Cement Works Limited; whose financial statements reflect total assets of Rs. 1,475.63 crore and net assets Rs. 253.80 crore as at 31st March 2017, total revenues of Rs. 252.26 crore and net cash outflow amounting to Rs. 20.04 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial



statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion the consolidated Ind AS 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-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

Our opinion on the consolidated Ind AS 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**

1. As required by Section 143(3) 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 Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate Company incorporated in India, none of the Directors of the Group companies, its Associate Company incorporated in India is disqualified as on 31st March 2017 from being appointed as a Director of that Company 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associate. Refer Note 49, 50, 51, 52 and 53 to the consolidated Ind AS 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 subsidiary companies, Associate Company incorporated in India; and
  - iv. The Holding Company and subsidiaries have provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Holding Company and its Subsidiaries. Refer Note 46 to the consolidated Ind AS financial statements.

For LODHA & CO,  
Chartered Accountants  
ICAI Firm Registration No.: 301051E

(N. K. LODHA)  
(Partner)  
Membership No. 085155

Place: New Delhi  
Dated:

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, 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 subsidiaries, 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.

#### **Auditors’ 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries as at 31st March 2017, 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 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 authorisations of management and directors of the Group (Holding Company and its subsidiaries, which are companies incorporated in India) ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the 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

31st March 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies, 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

ICAI Firm Registration No.: 301051E

N. K. LODHA

(Partner)

Membership No. 085155

Place: New Delhi

Dated: 17th May, 2017



# JK LAKSHMI CEMENT LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

₹ In Crore (10 Million)

S No.	Particulars	Note No.	31st March'2017	31st March'2016	1st April'2015
	<b>ASSETS</b>				
(1)	<b>Non-current Assets</b>				
	(a) Property, Plant and Equipment	2	3,375.18	2,778.30	2,630.31
	(b) Capital work-in-progress		307.10	632.96	454.94
	(c) Investment Property	3	108.25	0.80	0.85
	(d) Goodwill	4	70.51	71.85	74.83
	(e) Other Intangible Assets	4 A	1.91	1.05	1.74
	(f) Investment in an Associate	5	8.76	7.91	6.71
	(g) Financial Assets				
	(i) Loans	6	57.32	44.58	43.51
	(ii) Others	7	0.11	0.46	0.38
	(h) Deferred Tax Assets (Net)	8	23.98	7.71	-
	(i) Other Non-Current Assets	9	59.84	39.01	53.65
			<b>4,012.96</b>	<b>3,584.63</b>	<b>3,266.92</b>
(2)	<b>Current Assets</b>				
	(a) Inventories	10	321.20	246.95	227.68
	(b) Financial Assets				
	(i) Investments	11	522.42	262.01	292.92
	(ii) Trade Receivables	12	90.41	96.78	57.10
	(iii) Cash and Cash Equivalents	13	2.57	13.74	6.23
	(iv) Bank Balance other than (iii) above	14	7.63	19.06	12.65
	(v) Others	15	119.54	144.49	127.08
	(c) Current Tax Assets (Net)	16	0.47	2.38	0.07
	(d) Other Current Assets	17	114.25	120.81	141.41
			<b>1,178.49</b>	<b>906.22</b>	<b>865.14</b>
	<b>TOTAL ASSETS</b>		<b>5,191.45</b>	<b>4,490.85</b>	<b>4,132.06</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>				
	(a) Equity Share Capital	18	58.85	58.85	58.85
	(b) Other Equity		1,342.12	1,261.14	1,289.38
	(c) Non Controlling Interest		13.24	11.21	7.36
			<b>1,414.21</b>	<b>1,331.20</b>	<b>1,355.59</b>
	<b>LIABILITIES</b>				
(1)	<b>Non-current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	2,106.24	1,731.68	1,487.54
	(ii) Trade Payable		-	-	-
	(iii) Other Financial Liabilities	20	111.95	103.20	61.55
	(b) Provisions	21	11.19	9.65	8.14
	(c) Deferred Tax Liabilities (Net)	8	-	-	47.81
	(d) Other Non-Current Liabilities	22	4.83	3.64	6.94
			<b>2,234.21</b>	<b>1,848.17</b>	<b>1,611.98</b>
(2)	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	23	376.25	297.75	233.05
	(ii) Trade Payables	24	277.55	204.60	225.61
	(iii) Other Financial Liabilities	25	391.74	397.45	383.00
	(b) Other Current Liabilities	26	476.82	402.25	310.84
	(c) Provisions	27	8.53	9.43	9.18
	(d) Current Tax Liabilities (Net)	28	12.14	-	2.81
			<b>1,543.03</b>	<b>1,311.48</b>	<b>1,164.49</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,191.45</b>	<b>4,490.85</b>	<b>4,132.06</b>

Significant Accounting Policies  
Notes on financial statements

1  
2-62

B.H.SINGHANIA

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

VINITA SINGHANIA

As per our report of even date  
For LODHA & CO.  
Chartered Accountants

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

Directors

N.K.Lodha  
Partner  
Firm Registration No.: 301051E  
Membership No.: 85155  
New Delhi, the 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer



# JK LAKSHMI CEMENT LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31st MARCH 2017

₹ In Crore (10 Million)

S. No.	Particulars	Note No.	2016-17	2015-16
I.	Revenue from Operations	29	3,288.60	2,954.88
II.	Other Income	30	125.09	72.33
<b>III.</b>	<b>Total Income (I+II)</b>		<b>3,413.69</b>	<b>3,027.21</b>
IV.	<b>Expenses :</b>			
	Cost of Materials Consumed	31	585.30	518.74
	Purchases of Stock-in-Trade	32	147.82	182.61
	Change in Inventories of finished goods, work-in-progress and traded goods	33	13.76	(18.36)
	Employee Benefits Expense	34	212.07	197.59
	Finance Costs	35	244.35	222.16
	Depreciation and Amortization Expense (Net)	36	175.00	165.59
	Excise Duty		367.04	319.63
	Other Expenses	37	1,592.88	1,481.63
	<b>Total Expenses (IV)</b>		<b>3,338.22</b>	<b>3,069.59</b>
<b>V.</b>	<b>Profit before Exceptional Items and Tax (III-IV)</b>		<b>75.47</b>	<b>(42.38)</b>
VI.	Exceptional Items		(4.04)	8.29
VII.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.04)	(0.06)
<b>VIII.</b>	<b>Profit / (Loss) before Tax (V-VI+VII)</b>		<b>79.47</b>	<b>(50.73)</b>
IX.	Tax Expense			
	(1) Current Tax		16.71	-
	(2) MAT Credit Entitlements		(16.71)	-
	(3) Deferred Tax		(7.70)	(55.00)
	(4) Tax Adjustments for Earlier Years		(0.09)	0.01
	<b>Total Tax Expense (IX)</b>		<b>(7.79)</b>	<b>(54.99)</b>
<b>X.</b>	<b>Profit / (Loss) for the Year</b>		<b>87.26</b>	<b>4.26</b>
<b>XI.</b>	<b>Profit / (Loss) for the Year attributable to</b>			
	Owners of the Parent		85.76	1.34
	Non Controlling Interest		1.50	2.92
			<b>87.26</b>	<b>4.26</b>
<b>XII.</b>	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to Profit or Loss in subsequent periods</b>			
	(1) Re-measurement losses on defined benefit plans		(1.42)	(1.65)
	(2) Income tax effect on above		0.45	0.57
	<b>Total Other Comprehensive Income (XII)</b>		<b>(0.97)</b>	<b>(1.08)</b>
<b>XIII</b>	<b>Total Comprehensive Income For The Year (X + XII)</b>		<b>86.29</b>	<b>3.18</b>
<b>XIV</b>	<b>Total Comprehensive Income For The Year attributable to</b>			
	Owners of the Parent		84.83	0.26
	Non Controlling Interest		1.46	2.92
			<b>86.29</b>	<b>3.18</b>
<b>XV</b>	Earnings per share:			
	Basic Earnings per equity share (₹):		7.29	0.11
	Diluted Earnings per equity share (₹):		7.29	0.11

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 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

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VINITA SINGHANIA

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

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

Directors

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31ST MARCH 2017

### A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April'2015	Change in equity share Capital during 2014-15	Balance as at 31st March 2016	Change in equity share Capital during 2014-15	Balance as at 31st March 2017
Equity Shares	58.84	-	58.84	-	58.84
Add: Forfeited Shares	0.01	-	0.01	-	0.01
<b>Total</b>	<b>58.85</b>	<b>-</b>	<b>58.85</b>	<b>-</b>	<b>58.85</b>

### B. Other Equity

Particulars	Reserves and Surplus					Items of OCI that will not be reclassified to Profit and Loss Re-measurement of Net Defined Benefit Plans	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings		
<b>Balance as at 1st April'2015</b>	<b>25.64</b>	<b>88.65</b>	<b>27.01</b>	<b>950.74</b>	<b>197.34</b>	<b>-</b>	<b>1,289.38</b>
Profit / (Loss) for the year	-	-	-	-	1.34		1.34
Adjustment of Profit in Subsidiary on Sale of Shares					(0.18)		(0.18)
Dividend payment including dividend distribution tax (2014-15)					(28.32)		(28.32)
Transfer from Debenture redemption reserve			(4.30)		4.30		-
Transfer to Debenture redemption reserve			2.39		(2.39)		-
Other comprehensive Income						(1.08)	(1.08)
<b>Balance as at 31st March'2016</b>	<b>25.64</b>	<b>88.65</b>	<b>25.10</b>	<b>950.74</b>	<b>172.09</b>	<b>(1.08)</b>	<b>1,261.14</b>
Profit / (Loss) for the year	-	-	-	-	85.76		85.76
Adjustment of Profit in Subsidiary/Associates					(0.30)		(0.30)
Dividend payment including dividend distribution tax (2015-16)					(3.54)		(3.54)
Transfer from Debenture redemption reserve			(5.00)		5.00		-
Transfer to Debenture redemption reserve			40.00		(40.00)		-
Other comprehensive Income						(0.94)	(0.94)
<b>Balance as at 31st March'2017</b>	<b>25.64</b>	<b>88.65</b>	<b>60.10</b>	<b>950.74</b>	<b>219.01</b>	<b>(2.02)</b>	<b>1,342.12</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 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

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

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

Directors



## GROUP OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### Note-1

#### 1.1. (a) The Group Overview:

The Group, JK Lakshmi Cement Limited (JKLCL) (Parent Company) and its subsidiaries, majorly manufactures and markets Cement, Clinker, RMC and AAC Blocks. The manufacturing facilities of the Group are situated in India.

The Parent Company is a public limited Company domiciled and incorporated in India and its Shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Registered Office of the Company is situated at Jaykaypuram, Basantgarh, Distt. : Sirohi- 307019, Rajasthan.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on May 17, 2017.

#### (b) Statement of Compliance:

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

#### (c) Basis of preparation of Consolidated financial statements:

The consolidated financial statements of JK Lakshmi Cement Limited (JKLCL), its subsidiaries and associate. Subsidiaries are those entities in which JKLCL directly or indirectly has interest more than 50% of the voting power.

- 1.2. a) The Consolidated Financial Statements comprises of audited Financial statements of JK Lakshmi Cement Limited (Parent Company) and the followings as on 31/03/2017

(₹ in Crore)

Name	Proportion of ownership interest		Financial statements as on	For the period
	31/03/17	31/03/16		
<b>Subsidiaries and Indirect Subsidiary</b>				
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	100%	31/03/2017	12 months
Udaipur Cement Works Ltd. (UCWL)	71.03%	72.45%	31/03/2017	12 months
Ram Kanta Properties Pvt. Ltd. (RKPPL)	100%	-	31/03/2017	Since 10th Feb, 2017
<b>Associates:</b>				
Dwarkesh Energy Ltd. (DEL)	35.00%	35.00%	31/03/2017	12 Months

- b) The Financial Statements of the parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – “Consolidated Financial Statements”. The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.
- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent’s shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest. Impact of any significant and immaterial Non-controlling interest is not considered.

- d) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with IND AS 28 – Investment in Associates and Joint Ventures.
- e) Post-acquisition, the Company accounts for its share in the change in net assets of the associate (after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share) through its Statement of Profit and Loss in respect of the change attributable to the associates' Statement of Profit and Loss and through its reserves for the balance.
- f) The difference between the cost of investment and share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- g) The Accounting policies of the parent Company, its subsidiary, fellow subsidiary and associate are largely similar.
- h) Significant Accounting policies and notes accompanying to financial statements of the Company, its subsidiaries and fellow subsidiary are set out in their respective financial statements.
- i) Exemptions from retrospective application:

**Business Combination:** - The Company has opted to apply Ind AS 103 prospectively from the date of transition to Ind AS, i.e. 1st April, 2015 onwards. As such, previous GAAP balances relation to assets and liabilities acquired under business combinations entered into before transition date, have been carried forward without any adjustments.

**1.3. Significant accounting policies:** The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

- a) **Business Combination:** - Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquire. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. The interest of non-controlling shareholders in the acquire is initially measured at the non-controlling shareholder's proportionate share of the acquiree's identifiable net assets.
- b) **Goodwill:** - Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS.  
  
Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
- c) **Deferred Tax:** - The Company does not recognise deferred tax liability with respect to undistributed retained earnings of subsidiaries and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of subsidiaries as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.





**Note-2**
**Property, Plant and Equipment**

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
<b>Gross Block</b>									
<b>As at 1st April'2015</b>	201.12	47.51	182.78	2,162.11	3.68	3.53	20.32	9.26	2,630.31
Additions/Adjustments	28.14	2.27	5.89	269.03	0.35	1.14	5.26	1.17	313.25
	a								
Disposals/Adjustments	-	-	-	-	0.01	-	0.94	-	0.95
<b>As at 31st March'2016</b>	229.26	49.78	188.67	2,431.14	4.02	4.67	24.64	10.43	2,942.61
Additions/Adjustments	1.67	3.46	30.47	729.98	0.42	0.68	6.19	-	772.87
Disposals/Adjustments	-	-	-	0.48	-	-	1.50	-	1.98
<b>As at 31st March'2017</b>	230.93	53.24	219.14	3,160.64	4.44	5.35	29.33	10.43	3,713.50
	b								
<b>Accumulated Depreciation</b>									
<b>As at 1st April'2015</b>	-	-	-	-	-	-	-	-	-
Charged For the Year	-	0.44	11.22	141.60	1.11	1.24	8.23	0.63	164.47
Disposal	-	-	-	-	-	-	0.16	-	0.16
<b>As at 31st March'2016</b>	-	0.44	11.22	141.60	1.11	1.24	8.07	0.63	164.31
Charged For the Year	-	0.44	12.43	150.39	0.83	1.21	8.69	0.68	174.67
Disposal	-	-	-	0.05	-	-	0.61	-	0.66
<b>As at 31st March'2017</b>	-	0.88	23.65	291.94	1.94	2.45	16.15	1.31	338.32
<b>Net Carrying Amount</b>									
<b>As at 1st April'2015</b>	201.12	47.51	182.78	2,162.11	3.68	3.53	20.32	9.26	2,630.31
<b>As at 31st March'2016</b>	229.26	49.34	177.45	2,289.54	2.91	3.43	16.57	9.80	2,778.30
<b>As at 31st March'2017</b>	<b>230.93</b>	<b>52.36</b>	<b>195.49</b>	<b>2,868.70</b>	<b>2.50</b>	<b>2.90</b>	<b>13.18</b>	<b>9.12</b>	<b>3,375.18</b>

a) Includes compensation of ₹ 26.87 crore paid / payable to land owners.

b) Includes ₹ 1.82 crore pending transfer of title in the name of the Group

c) 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 valuer 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 2017 includes aggregate revaluation / business valuation of ₹ 396.71 crore (Previous year ₹ 396.71 crore).

**Note-3**
**Investment Property**

Particulars	Freehold Land	Leasehold Land	Buildings	Total
<b>Gross Block</b>				
<b>As at 1st April'2015</b>	<b>0.10</b>	<b>0.04</b>	<b>0.71</b>	<b>0.85</b>
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>As at 31st March'2016</b>	<b>0.10</b>	<b>0.04</b>	<b>0.71</b>	<b>0.85</b>
Additions/Adjustments #	107.50	-	-	107.50
Disposals/Adjustments	-	-	-	-
<b>As at 31st March'2017</b>	<b>107.60</b>	<b>0.04</b>	<b>0.71</b>	<b>108.35</b>

**Investment Property**

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
<b>Accumulated Depreciation</b>				
As at 1st April'2015	-	-	-	-
Charged For the Year	-	-	0.05	0.05
Disposal	-	-	-	-
<b>As at 31st March'2016</b>	-	-	<b>0.05</b>	<b>0.05</b>
Charged For the Year	-	-	0.05	0.05
Disposal	-	-	-	-
<b>As at 31st March'2017</b>	-	-	<b>0.10</b>	<b>0.10</b>
<b>Net Carrying Amount</b>				
As at 1st April'2015	0.10	0.04	0.71	0.85
As at 31st March'2016	0.10	0.04	0.66	0.80
As at 31st March'2017	107.60	0.04	0.61	108.25
<b>Fair Value *</b>				
As at 1st April'2015				14.53
As at 31st April'2016				14.01
As at 31st April'2017				121.86
<b>Rental Income</b>				
For the FY 2015 - 16				0.40
For the FY 2016-17				0.45

# Refer Note 57

\* as calculated by independent valuer on the basis of market rate / realisation.

**Note-4 Goodwill**

Goodwill acquired in business combination is allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows

Goodwill on Consolidations	As at 31st March'2017	As at 31st March'2016	As at 1st April'2015
Udaipur Cement Works Limited (UCWL)	70.44	71.85	74.83
Ram Kanta Properties Private Limited (RKPPL)	0.07	-	-
<b>Total</b>	<b>70.51</b>	<b>71.85</b>	<b>74.83</b>

There are no impairment of the goodwill.

**Note-4A**
**Other Intangible Assets**

Particulars	Software
<b>Gross Block</b>	
As at 1st April'2015	1.74
Additions/Adjustments	0.36
Disposals/Adjustments	-
<b>As at 31st March'2016</b>	<b>2.10</b>
Additions/Adjustments	1.17
Disposals/Adjustments	-
<b>As at 31st March'2017</b>	<b>3.27</b>



Particulars	Software
<b><u>Accumulated Amortisation</u></b>	
<b>As at 1st April'2015</b>	-
Charged For the Year	1.05
Disposal	-
<b>As at 31st March'2016</b>	<b>1.05</b>
Charged For the Year	0.31
Disposal	-
<b>As at 31st March'2017</b>	<b>1.36</b>
<b><u>Net Carrying Amount</u></b>	
<b>As at 1st April'2015</b>	<b>1.74</b>
<b>As at 31st March'2016</b>	<b>1.05</b>
<b>As at 31st March'2017</b>	<b>1.91</b>

**Note-5****Investment in an Associate\***

	31st March'2017		31st March'2016		1st April'2015	
	Number	Amount	Number	Amount	Number	Amount
<b>Dwarkesh Energy Ltd.</b>						
Equity Shares of face value Rs.10 unquoted	<b>350000</b>	<b>0.23</b>	350000	0.28	350000	0.33
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value Rs. 100/- unquoted	<b>1100000</b>	<b>8.53</b>	1100000	7.63	1000000	6.38
		<b>8.76</b>		<b>7.91</b>		<b>6.71</b>
Aggregate carrying amount of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate amount of unquoted investments		<b>8.76</b>		7.91		6.71

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

	31st March'2017	31st March'2016	1st April'2015
<b>Note-6</b>			
<b>Non-Current Loans</b>			
<b>Unsecured, Considered Good:</b>			
Security Deposits	<b>43.95</b>	29.98	27.81
Loan to Related Party	<b>13.37</b>	14.60	15.70
	<b>57.32</b>	<b>44.58</b>	<b>43.51</b>
<b>Note-7</b>			
<b>Other Non-current Financial Assets</b>			
<b>Unsecured, considered good:</b>			
Bank Deposits with original maturity for more than 12 months	<b>0.11</b>	0.46	0.38
	<b>0.11</b>	<b>0.46</b>	<b>0.38</b>

₹ In Crore (10 Million)

	31st March'2017	31st March'2016	1st April'2015
<b>Note-8</b>			
<b>Deferred tax (Asset)/Liabilities (Net)</b>			
<b>Deferred Tax Liability</b>			
Related to Property, Plant and Equipments	375.53	333.32	279.37
Others	1.91	0.96	1.14
<b>Less: Deferred Tax Assets</b>			
Expenses / Provisions allowable	76.32	68.24	52.76
Unabsorbed Depreciation & Brought Forward Business Losses	204.18	161.25	68.92
Others	5.01	4.70	3.18
<b>Deferred Tax Liability / (Assets) - Net</b>	<b>91.93</b>	<b>100.09</b>	<b>155.65</b>
Less : MAT Credit Entitlement	(115.91)	(107.80)	(107.84)
<b>Deferred Tax (Asset)/Liabilities (Net)</b>	<b>(23.98)</b>	<b>(7.71)</b>	<b>47.81</b>
<b>Note-9</b>			
<b>Other Non-Current Assets</b>			
<b>Unsecured, considered good:</b>			
Capital Advances	47.43	34.51	48.91
MAT Credit Entitlements (Net of Deferred Tax Liability)*	8.65	-	-
Deferred Expenditure	3.76	4.50	4.74
	<b>59.84</b>	<b>39.01</b>	<b>53.65</b>
* Related to Parent Company			
<b>Note-10</b>			
<b>Inventories</b>			
Raw Materials (including in transit ₹ 5.31 Crore in March'17, ₹ 5.14 Crore in March'16 and ₹ 6.62 Crore on 1st April'15)	19.76	21.48	22.22
Work -in -progress	98.64	72.21	61.52
Finished Goods	29.46	39.18	29.16
Stock-in -Trade	0.88	0.30	0.57
Stores and Spares (including in transit ₹ 63.61 Crore in March'17, ₹ 31.72 Crore in March'16 and ₹42.26 Crore on 1st April'15)	172.46	113.78	114.21
	<b>321.20</b>	<b>246.95</b>	<b>227.68</b>



**Note-11****Current Investment**

₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Number	Amount	Number	Amount	Number	Amount
<b>Investment in Bonds at Amortised Cost</b>						
Indian Railways Finance Corporation Ltd (8.10%,Tax free)	10,875.00	1.09	10,875.00	1.09	10,875.00	1.09
Power Finance Corporation Limited (8.30%,Tax free)	14,239.00	1.42	14,239.00	1.42	14,239.00	1.42
<b>Investment in Non Convertible Debentures at FVTPL</b>						
Edelweiss Finance & Investment Ltd.	-	-	-	-	500.00	5.17
Edelweiss Finance & Investment Ltd.	-	-	2,500.00	26.90	-	-
Edelweiss Finance & Investment Ltd.	-	-	1,000.00	10.52	-	-
India Infoline Finance Ltd. - PPSRNC MLD - 1-045	-	-	250.00	27.74	250.00	25.21
India Infoline Finance Ltd. Principal Protected Secured Redeemable Non Convertible	250.00	27.65	2,500.00	25.29	-	-
Reliance Capital Ltd	-	-	1,500.00	15.68	-	-
Reliance Capital Ltd Series B/227 - Type I	-	-	-	-	1,000.00	11.00
ECLF - Market Linked Non Convertible Debentures C8D601	250.07	27.26	-	-	-	-
IIFL - PPS RNC MLD -I-046	250.00	27.14	-	-	-	-
IIFL - PPS RNC MLD -I-046	250.00	26.84	-	-	-	-
EFIL - Market Linked Non Convertible Debentures - I7I605	2,500.00	26.10	-	-	-	-
Reliance Capital Ltd - Market Linked Non Convertible Debentures	2,500.00	26.04	-	-	-	-
<b>Investment in Preference Shares at Amortised Cost</b>						
India Infoline Finance Ltd. 9.25% Compulsory Redeemable Non Convertible	-	-	1,50,00,000.00	15.00	-	-
<b>Investment in Mutual Funds at FVTPL</b>						
Birla Sun Life Income Plus Regular Plan Gr.	-	-	-	-	19,01,451.57	12.00
DSP BR Strategic Bond Fund Direct Plan Gr.	-	-	1,05,571.26	18.96	1,05,571.26	17.78
HDFC FMP 1161 D Feb 2016(1) Regular Gr. Series 35	2,50,00,000.00	27.68	2,50,00,000.00	25.28	-	-
HDFC FMP- 1190 d March 2016(1)- Regular Gr. Series 36	1,50,00,000.00	16.50	1,50,00,000.00	15.04	-	-
HDFC FMP- 1167 D Jan 2016(1) - Direct Gr. Series 35	1,00,00,000.00	10.91	1,00,41,825.00	10.17	-	-
HDFC Income Fund - Gr.	-	-	-	-	37,33,753.51	11.96
HSBC Flexi Debt Fund - Gr.	-	-	-	-	15,42,048.58	2.98
ICICI Prudential FM P Series 73-369 Days Plan S Direct Plan Cum	-	-	-	-	50,00,000.00	5.46
ICICI Prudential FM P Series 74-368 Days Plan H Direct Plan Cum	-	-	-	-	50,00,000.00	5.43
ICICI Prudential Income Opportunities Fund Reg. Plan Gr.	-	-	-	-	31,21,527.00	6.07
IDFC Dynamic Bond Fund - Regular Plan Gr.	-	-	35,24,750.80	6.28	1,07,45,384.48	18.23
Edelweiss Govt. Securities Fund Regular Plan Gr.	44,33,803.32	6.07	44,33,803.32	5.53	44,33,803.32	5.21
Kotak Bond Fund Plan A - Growth	-	-	-	-	29,68,116.49	11.85
L&T Income Opportunities Fund - Gr	-	-	-	-	75,70,595.81	11.78
L&T Triple Ace Bond Fund Bonus Op Original.	-	-	26,81,856.70	3.91	26,81,856.70	3.72
Reliance Dynamic Bond Fund - Direct Plan Gr.	-	-	60,07,557.51	12.32	1,24,22,213.71	23.97
Reliance Dynamic Bond Fund - Gr.	-	-	-	-	15,93,188.80	3.03
Reliance Fixed Horizon Fund XXVI Series 8 Direct Plan Gr.	-	-	-	-	50,09,551.36	5.47
Reliance Income. Fund Bonus Op. Gr.	-	-	4,20,572.25	0.58	1,72,43,462.36	22.58
Reliance Income Fund - Gr.	-	-	7,71,107.10	3.70	7,71,107.10	3.51
Reliance Regular Saving Fund Debt Plan Gr.	-	-	1,41,85,604.45	29.29	1,41,85,604.45	26.96
Religare Invesco FMP-Sr. 22-Plan F (15 Months)-Direct Plan Gr.	-	-	-	-	50,00,000.00	5.56
SBI Dynamic Bond Fund - Direct Plan Gr.	-	-	-	-	68,63,276.67	11.95
Franklin India Short Term Income Retail Plan Gr.	-	-	-	-	94,717.31	27.22



₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Number	Amount	Number	Amount	Number	Amount
UTI Bond Fund Direct Plan - Gr.	-	-	-	-	14,39,727.26	6.18
Reliance Fixed Horizon Fund - XXXI - Series 2 - Growth	2,50,00,000.00	26.72	-	-	-	-
DSP BlackRock FMP - Series 196 - 37M - Regular - Growth	1,00,00,000.00	10.69	-	-	-	-
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	2,50,00,000.00	26.11	-	-	-	-
HDFC FMP - 1302 D Sept 2016 (1) - Regular Growth	2,50,00,000.00	26.07	-	-	-	-
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	2,50,00,000.00	26.11	-	-	-	-
Reliance Fixed Horizon FD XXXII Sr4 Regular FMP-19Oct 2016 - Regular Growth	2,50,00,000.00	25.52	-	-	-	-
L&T FMP - Series XIV - Scheme A - Regular Plan Gr.	2,50,00,000.00	25.39	-	-	-	-
UTI Dynamic Bond Fund - Direct Plan Gr.	29,02,757.62	5.71	-	-	-	-
BSL Medium Term Plan - Direct Plan Gr.	52,24,087.22	10.94	-	-	-	-
Kotak medium Term Fund Direct Plan Gr.	79,39,847.71	11.07	-	-	-	-
HDFC Corporate Debt Opportunities Fund-Direct Plan - Gr.	39,74,373.24	5.53	-	-	-	-
Reliance Gilt Security Fund - Direct Plan Gr.	24,93,516.86	5.70	-	-	-	-
Sundaram Money India - Direct Plan Gr.	14,58,291.41	5.00	-	-	-	-
DSP BlackRock Liquidity Fund - Direct Plan Gr.	21,503.75	5.00	-	-	-	-
Franklin India Ultra Short Term Bond - Regular Plan Gr.	2,26,20,135.54	50.36	-	-	-	-
Mahindra Alp Samay Bacchat Yojna- Direct Plan Gr.	10,000.00	1.01	-	-	-	-
DSP BR Short Term Fund - Direct Plan Gr.	67,57,327.00	8.05	-	-	-	-
Reliance Fixed Horizon Fund -XXVI - Series 2- Direct Plan Growth	20,425.06	0.03	20,425.06	0.02	20,425.06	0.02
Reliance Money Manager Fund Growth	25.42	0.01	25.42	0.01	25.42	-
Reliance Medium Term Fund - Growth	3,779.26	0.01	3,779.26	0.01	3,779.26	0.01
UTI Dynamic Bond Fund	62,634.66	0.12	62,634.67	0.11	62,634.67	0.10
Taurus Liquid Fund Sup Insti - Direct Plan Gr.	-	-	30,077.36	4.94	-	-
JM High Liquidity Fund - Direct Plan Gr.	-	-	5,11,703.75	2.12	-	-
Franklin India Short Term Bond Fund Regular Plan Gr.	63,59,927.82	14.16	-	-	-	-
Baroda Pioneer Treasury Advantage Fund - Direct Plan Gr.	1,576.58	0.30	-	-	-	-
Taurus Liquid Fund Sup Insti - Direct Plan Gr.	2,127.17	0.35	-	-	-	-
Taurus Short Term Income Fund - Direct Plan Gr.	25,925.98	6.62	-	-	-	-
Baroda Pioneer Liquid Fund - Plan B Growth	5,557.89	1.04	-	-	-	-
Reliance Liquid fund - Cash Plan - Growth	426.10	0.11	426.10	0.10	-	-
		<b>522.42</b>		<b>262.01</b>		<b>292.92</b>

Aggregate book value of quoted investments	522.42	262.01	292.92
Aggregate market value of quoted investments	522.42	262.01	292.92
Aggregate book value of unquoted investments	-	-	-

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

#### Note-12

##### Trade Receivables

	31st March'2017	31st March'2016	1st April'2015
Unsecured			
Considered good	90.41	96.78	57.10
Considered doubtful	2.05	1.51	1.51
Less :- Provision / Allowances for doubtful debts	(2.05)	(1.51)	(1.51)
	<b>90.41</b>	<b>96.78</b>	<b>57.10</b>



₹ In Crore (10 Million)

	31st March'2017	31st March'2016	1st April'2015
<b>Note-13</b>			
<b>Cash and Cash Equivalents</b>			
Balances with Banks			
On Current Account	1.99	4.33	3.90
Fixed Deposits with maturity of Less than three months	0.23	9.04	0.49
Cheques , DD on hand/transit	0.05	0.13	1.63
Cash on hand	0.30	0.24	0.21
	<u>2.57</u>	<u>13.74</u>	<u>6.23</u>
<b>Note-14</b>			
<b>Other Bank Balances</b>			
Deposits with original maturity for more than 3 months but less than 12 months	6.11	16.73	9.30
On Unpaid Dividend / Interest Accounts	1.52	2.33	2.14
Margin Money Deposits maturity less than 12 months	-	-	1.21
	<u>7.63</u>	<u>19.06</u>	<u>12.65</u>
<b>Note-15</b>			
<b>Other Current Financial Assets</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)	122.05	147.15	129.82
Less: Provision / Allowances for doubtful claims	(4.22)	(4.22)	(4.22)
	<u>117.83</u>	<u>142.93</u>	<u>125.60</u>
Interest Receivable from Banks and others	1.33	1.48	1.28
Loans to Employees	0.38	0.08	0.20
	<u>119.54</u>	<u>144.49</u>	<u>127.08</u>
<b>Note-16</b>			
<b>Current Tax Assets (Net)</b>			
Advance Income Tax (Net of Provision)	0.47	2.38	0.07
	<u>0.47</u>	<u>2.38</u>	<u>0.07</u>
<b>Note-17</b>			
<b>Other Current Assets</b>			
Prepaid expenses	12.07	6.70	7.27
Balance with Govt. Authorities	60.28	76.08	93.72
Other Advances*	40.79	33.96	35.61
Assets held for Sale	0.37	3.33	4.11
Deferred Expenditure	0.74	0.74	0.70
	<u>114.25</u>	<u>120.81</u>	<u>141.41</u>

\* Includes advances to related party amounting of ₹ 3.33 crore as at 31st March'17, ₹ 3.33 crore as at 31st March'16 and ₹ 3.33 crore as at 1st April'15. Read with note no. 58 (b) and 60.

₹ In Crore (10 Million)

	31st March'2017	31st March'2016	1st April'2015
<b>Note-18</b>			
<b>Equity Share Capital</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised :</b>			
Equity Shares - 250,000,000 of ₹ 5 each (Previous year 250,000,000 of ₹ 5 each)	125.00	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹ 100 each	50.00	50.00	50.00
Unclassified Shares	25.00	25.00	25.00
	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
<b>Issued, Subscribed and Paid up :</b>			
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	58.84
Add: Forfeited Shares	0.01	0.01	0.01
	<b>58.85</b>	<b>58.85</b>	<b>58.85</b>

a. Reconciliation of number of Share Outstanding :	31st March'2017	31st March'2016	1st April'2015
Opening Balance	117,670,066	117,670,066	117,670,066
Shares Issued During the year	-	-	-
Shares Outstanding at the end of the year	117,670,066	117,670,066	117,670,066
b. List of shareholders holding more than 5% of the equity share capital of the Company:	Number	Number	Number
Bengal & Assam Company Ltd.	28,056,895	27,921,455	27,921,455
Florence Investech Ltd.	13,645,040	13,645,040	13,645,040
JK Fenner (India) Ltd.	-	10,259,400	10,259,400
HDFC Standard Life Insurance Company Ltd.	-	-	6,552,546
BMF Investment Ltd	11,011,386	-	-

**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.

**d.** The Company bought back and extinguished 7,000 and 4,681,858 equity Shares in 2011-12 and 2012-13 respectively.

**Nature of Reserves :-**

Capital Redemption Reserve :- Represents the statutory reserve created when capital is redeemed.

Securities Premium Reserve :- Represents the amount received in excess of Par value of securities.

Debenture Redemption Reserve :- Represents the Statutory Reserve of Non Convertibles issued by the Company.



**Note-19****Borrowings**

₹ In Crore (10 Million)

	31st March'2017		31st March'2016		1st April'2015	
	Non Current	Current*	Non Current	Current*	Non Current	Current*
<b>SECURED LOANS</b>						
<b>Bonds/Debentures</b>						
Redeemable Non- Convertible Debentures	902.65	20.00	448.19	20.00	128.12	20.00
Zero Coupon Preference Shares	-	-	-	5.10	5.10	-
<b>Term Loans</b>						
From Financial Institutions	-	-	-	-	-	-
Banks	1187.23	170.38	1264.57	191.76	1351.90	200.89
	<b>2,089.88</b>	<b>190.38</b>	<b>1,712.76</b>	<b>216.86</b>	<b>1,485.12</b>	<b>220.89</b>
<b>UNSECURED LOANS</b>						
From Bank	5.00	10.00	15.00	10.00	-	-
Fixed Deposits	11.36	3.87	3.92	2.07	2.42	8.12
	<b>16.36</b>	<b>13.87</b>	<b>18.92</b>	<b>12.07</b>	<b>2.42</b>	<b>8.12</b>
	<b>2106.24</b>	<b>204.25</b>	<b>1731.68</b>	<b>228.93</b>	<b>1487.54</b>	<b>229.01</b>
Amount disclosed under the head other Current Liabilities (Note no. 25)	-	204.25	-	228.93	-	229.01
	<b>2106.24</b>	<b>-</b>	<b>1731.68</b>	<b>-</b>	<b>1487.54</b>	<b>-</b>

\*Due and Payable within one year

Note in respect of security clause &amp; repayment are disclosed in separate respective financial statements of the Company and its subsidiaries.

	31st March'2017	31st March'2016	1st April'2015
<b>Note-20</b>			
<b>Other Financial Liabilities</b>			
Trade and other deposits	88.25	80.63	61.55
Other Liabilities	23.70	22.57	-
	<b>111.95</b>	<b>103.20</b>	<b>61.55</b>
<b>Note-21</b>			
<b>Long-term provisions</b>			
Provision for Employees' Benefits	11.19	9.65	8.14
	<b>11.19</b>	<b>9.65</b>	<b>8.14</b>
<b>Note-22</b>			
<b>Other non-current liabilities</b>			
Deferred Revenue	-	0.35	0.81
Liability for Employees Subsidised Car Scheme	3.63	3.29	3.34
Govt. & Other Dues	1.20	-	2.79
	<b>4.83</b>	<b>3.64</b>	<b>6.94</b>
<b>Note-23</b>			
<b>Short Term Borrowings</b>			
<b>Secured Loans</b>			
Working Capital Borrowing from Banks	35.99	71.04	92.60
Buyer's Credit from Banks	92.61	70.93	90.11
<b>Unsecured Loans</b>			
Fixed Deposits	2.68	0.82	0.42
Commercial Papers	244.97	154.96	49.92
	<b>376.25</b>	<b>297.75</b>	<b>233.05</b>

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

₹ In Crore (10 Million)

	31st March'2017	31st March'2016	1st April'2015
<b>Note-24</b>			
<b>Trade Payables</b>			
Micro Enterprises and Small Enterprises	0.52	0.27	0.46
Other	277.03	204.33	225.15
	<b>277.55</b>	<b>204.60</b>	<b>225.61</b>
<b>Note-25</b>			
<b>Other Financial Liabilities</b>			
Current maturities of long-term debts (Refer Note 19)	204.25	228.93	229.01
Interest Accrued but not due on borrowings	10.03	3.61	5.27
Unclaimed dividends #	1.52	2.33	2.14
Unclaimed matured Deposits and interest #	0.33	0.29	0.29
Capital Creditors	35.65	41.57	63.39
Other liabilities	139.96	120.72	82.90
	<b>391.74</b>	<b>397.45</b>	<b>383.00</b>
# Investor Education and Protection Fund will be credited as and when due.			
<b>Note-26</b>			
<b>Other current liabilities</b>			
Advance from Customers	85.48	52.92	37.48
Govt. and other dues	390.99	348.87	272.90
Deferred Revenue	0.35	0.46	0.46
	<b>476.82</b>	<b>402.25</b>	<b>310.84</b>
<b>Note-27</b>			
<b>Provisions</b>			
Provision for Employees' Benefit	8.53	9.43	9.18
	<b>8.53</b>	<b>9.43</b>	<b>9.18</b>
<b>Note-28</b>			
<b>Current Tax Liabilities (Net)</b>			
Provision for Taxation(Net of Taxes paid)	12.14	-	2.81
	<b>12.14</b>	<b>-</b>	<b>2.81</b>





₹ In Crore (10 Million)

**Note-29**

**Revenue From Operation**

**Sale of products**

Cement	2,739.60	2,574.69
Others	542.28	373.14
Other Operating Revenues	6.72	7.05
	<u>3,288.60</u>	<u>2,954.88</u>

**Note-30**

**Other Income**

Interest Income	56.48	20.39
Dividend Income	-	1.33
Profit on sale* of		
Long Term Investments	8.16	8.48
Current Investments	48.21	26.46
Profit/(loss) on Sale of Assets (Net)	0.59	0.45
Other Non - Operating Income	11.65	15.22
	<u>125.09</u>	<u>72.33</u>

\* Net of fair value gain of ₹ 7.20 crore (Previous year loss of ₹ 18.36 crore)

**Note-31**

**Cost of Material Consumed**

Raw Material Consumed	585.30	518.74
	<u>585.30</u>	<u>518.74</u>

**Note-32**

**Purchase of Stock - in -Trade**

Stock in Trade	147.82	182.61
	<u>147.82</u>	<u>182.61</u>

**Note-33**

**Change In Inventories of Finished Goods, Work-In-Progress and Stock- In -Trade**

**Opening Stocks**

Stock-in-progress	72.21	61.52
Finished Goods	39.18	29.16
Stock-in-Trade	0.30	0.57
	<u>111.69</u>	<u>91.25</u>

**Closing Stocks**

Stock-in-progress	98.64	72.21
Finished Goods	29.46	39.18
Stock-in-Trade	0.88	0.30
	<u>128.98</u>	<u>111.69</u>

Add/(Less) : Excise Duty Variance on Stocks	(1.42)	2.08
Less : Preoperative period Stocks	(32.47)	-
(Increase) /Decrease in Stocks	<u>13.76</u>	<u>(18.36)</u>

₹ In Crore (10 Million)

**Note-34**

**Employee Benefits Expense**

Salaries and Wages	173.53	160.88
Contribution to Provident and Other Funds	13.72	13.61
Staff Welfare Expenses	24.82	23.10
	<u>212.07</u>	<u>197.59</u>

**Note-35**

**Finance Costs**

Interest Expenses	239.42	221.49
Other borrowing cost	4.93	0.67
	<u>244.35</u>	<u>222.16</u>

**Note-36**

**Depreciation and Amortization Expense (Net)**

Depreciation on Tangible Assets	174.72	164.54
Amortisation on Intangible Assets	0.31	1.05
Less: Charged to Capital work in progress	0.03	-
	<u>175.00</u>	<u>165.59</u>

**Note-37**

**Other Expenses**

Consumption of Stores and Spares	89.60	72.17
Power & Fuel	573.64	551.74
Rent (Net of realisation ₹ 0.55 crore, Previous year ₹ 0.46 crore)	16.65	15.70
Repairs to Buildings	8.28	7.48
Repairs to Machinery	50.68	47.71
Insurance	2.88	4.02
Rates and Taxes	1.81	2.58
Transport, Clearing and Forwarding Charges	725.11	668.93
Commission on Sales	34.01	28.94
Directors' Fee & Commission	0.64	0.25
Provision for Doubtful Debts	0.54	-
Advertisement, Travelling, Consultancy & Misc. expenses etc.	89.04	82.11
	<u>1,592.88</u>	<u>1,481.63</u>



# JK LAKSHMI CEMENT LIMITED

## CONSOLIDATED NOTES ACCOMPANYING

### THE FINANCIAL STATEMENT

#### Note 38. Financial Risk Management Objectives and Policies.

The Group's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Group's Financial Risk Management Policy is set by the Board of Directors. The Group's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

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

The Group has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

- a) Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group makes certain imports in foreign currency & therefore is exposed to Foreign Exchange Risk.

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

#### Foreign Currency Sensitivity.

The following table demonstrates the sensitivity to a reasonable possible change of US \$ with all other variables held constant. The impact on the Group's Profit / (Loss) Before Tax due to changes in Foreign Exchange Rate:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Change in USD	+ Rs.0.25	+ Rs.0.25	+ Rs.0.25
Effect on profit / (loss) before tax	(0.36)	(0.26)	(0.36)
Change in USD	- Rs.0.25	- Rs.0.25	- Rs.0.25
Effect on profit / (loss) before tax	0.36	0.26	0.36

- b) Interest Rate Risk:-** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings as also a mix of Rupee & Foreign Currency Borrowings. The following Table shows the blend of Group's Fixed & Floating Rate Borrowings in Indian Rupee & in Foreign Currency :

(₹ in Crore)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	<b>Loans in Rupees</b>			
	- Fixed Rate	1,185.53	635.06	264.10
	- Floating Rate	1,408.60	1,552.37	1,595.39
	<b>Total</b>	<b>2,594.13</b>	<b>2,187.43</b>	<b>1,859.49</b>
2	<b>Loans in US \$</b>			
	- Fixed Rate	92.61	70.93	90.11
	- Floating Rate	-	-	-
	<b>Total</b>	<b>92.61</b>	<b>70.93</b>	<b>90.11</b>
3	<b>Grand Total (1+2)</b>	<b>2,686.74</b>	<b>2,258.36</b>	<b>1,949.60</b>

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

**Interest Rate Sensitivity:**

The following Table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Group's profit / (loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Change in Basis Points	+ 25	+ 25	+ 25
Effect on profit / (loss) before tax	(3.52)	(3.88)	(3.99)
Change in Basis Points	- 25	- 25	- 25
Effect on profit / (loss) before tax	3.52	3.88	3.99

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**(c) Commodity Price Risk and Sensitivity:**

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

**38.2 Credit Risk:**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade Receivable:-** Customer Credit Risk is managed based on Group's established policy, procedures and controls. The group periodically assesses the financial reliability of customers, taking into trade the financial conditions, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques. The Outstandings of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting date on an individual basis.

**The Aging of Trade Receivables are as below:-**

(₹ in Crore)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 Months	
<b>As at 31st March'2017</b>					
Secured	-	-	-	-	-
Unsecured	62.81	21.46	5.10	3.09	92.46
<b>Gross Total</b>	<b>62.81</b>	<b>21.46</b>	<b>5.10</b>	<b>3.09</b>	<b>92.46</b>
Provision for Doubtful	-	-	-	(2.05)	(2.05)
<b>Net Total</b>	<b>62.81</b>	<b>21.46</b>	<b>5.10</b>	<b>1.04</b>	<b>90.41</b>
<b>As at 31st March'2016</b>					
Secured	-	-	-	-	-
Unsecured	70.67	23.45	1.06	3.11	98.29
<b>Gross Total</b>	<b>70.67</b>	<b>23.45</b>	<b>1.06</b>	<b>3.11</b>	<b>98.29</b>
Provision for Doubtful	-	-	-	(1.51)	(1.51)
<b>Net Total</b>	<b>70.67</b>	<b>23.45</b>	<b>1.06</b>	<b>1.60</b>	<b>96.78</b>
<b>As at 1st April' 2015</b>					
Secured	-	-	-	-	-
Unsecured	35.66	20.84	0.60	1.51	58.61
<b>Gross Total</b>	<b>35.66</b>	<b>20.84</b>	<b>0.60</b>	<b>1.51</b>	<b>58.61</b>
Provision for Doubtful	-	-	-	(1.51)	(1.51)
<b>Net Total</b>	<b>35.66</b>	<b>20.84</b>	<b>0.60</b>	<b>-</b>	<b>57.10</b>



### Financial Instruments and Deposits with Banks:

The Group considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operation.

### 38.3 Liquidity Risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Group relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

### Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities\* into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date

(₹ in Crore)

Sr. No.	Particulars	Carrying Amount	Due within 1 year	Due between 1-5 year	Due after 5 years	Total
1	<b>As on 31st March, 2017</b>					
	- Borrowings	2,686.74	580.49	1,621.54	484.71	2,686.74
	- Trade Payables	277.55	277.55	-	-	277.55
	- Other Liabilities*	690.44	581.77	13.73	94.94	690.44
	<b>Total</b>	<b>3,654.73</b>	<b>1,439.81</b>	<b>1,635.27</b>	<b>579.65</b>	<b>3,654.73</b>
2	<b>As on 31st March, 2016</b>					
	- Borrowings	2,258.36	526.68	1,144.54	587.14	2,258.36
	- Trade Payables	204.60	204.60	-	-	204.60
	- Other Liabilities*	620.59	520.72	13.56	86.31	620.59
	<b>Total</b>	<b>3,083.55</b>	<b>1,252.00</b>	<b>1,158.10</b>	<b>673.45</b>	<b>3,083.55</b>
3	<b>As on 1st April, 2015</b>					
	- Borrowings	1,949.60	462.06	747.89	739.65	1,949.60
	- Trade Payables	225.61	225.61	-	-	225.61
	- Other Liabilities*	488.44	426.89	-	61.55	488.44
	<b>Total</b>	<b>2,663.65</b>	<b>1,114.56</b>	<b>747.89</b>	<b>801.20</b>	<b>2,663.65</b>

\*Including Govt. dues.

### Note 39. Capital Risk Management:

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, Securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.



(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Borrowings	2,686.74	2,258.36	1,949.60
Less: Cash and Cash equivalents (including current investment)	532.62	294.81	311.80
<b>Net debt</b>	<b>2,154.12</b>	<b>1,963.55</b>	<b>1,637.80</b>
Equity Share Capital	58.85	58.85	58.85
Other Equity	1,342.12	1,261.14	1,289.55
<b>Total Capital</b>	<b>1,400.97</b>	<b>1,319.99</b>	<b>1,348.40</b>
<b>Capital and net debt</b>	<b>3,555.09</b>	<b>3,283.54</b>	<b>2,986.20</b>
<b>Gearing ratio</b>	<b>60.59%</b>	<b>59.80%</b>	<b>54.85%</b>

The Group monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

#### Note 40. Fair Value of Financial Assets and Liabilities:

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

(₹ in Crore)

Particulars	31st March'17		31st March'16		1st April'15	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets</b>						
<b>(i) At Fair Value through Profit and Loss :-</b>						
Investments						
- Mutual Funds.	358.88	358.88	138.37	138.37	249.04	249.04
- Bonds & NCD's	161.03	161.03	106.13	106.13	41.37	41.37
- Preference Shares	8.53	8.53	7.63	7.63	6.38	6.38
<b>(ii) At Amortized Cost :-</b>						
a) Bank FDs.	6.12	6.12	17.19	17.19	9.68	9.68
b) Cash & Bank Balances	4.09	4.09	16.07	16.07	9.58	9.58
c) Investments	2.51	2.51	17.51	17.51	2.51	2.51
d) Trade Receivables	90.41	90.41	96.78	96.78	57.10	57.10
e) Loans	57.32	57.32	44.58	44.58	43.51	43.51
f) Others	119.54	119.54	144.49	144.49	127.08	127.08
<b>Total</b>	<b>808.43</b>	<b>808.43</b>	<b>588.75</b>	<b>588.75</b>	<b>546.25</b>	<b>546.25</b>
<b>B. Financial Liabilities</b>						
<b>(i) At Amortized Cost</b>						
- Borrowings	2,686.74	2,686.74	2,258.36	2,258.36	1,949.60	1,949.60
- Trade Payables	277.55	277.55	204.60	204.60	225.61	225.61
- Other Financial Liabilities	503.69	503.69	500.65	500.65	444.55	444.55
<b>Total</b>	<b>3,467.98</b>	<b>3,467.98</b>	<b>2,963.61</b>	<b>2,963.61</b>	<b>2,619.76</b>	<b>2,619.76</b>

#### Fair Valuation Techniques:

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

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.



3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

**Fair Value Hierarchy:**

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

- i. **Level 1:** Quoted prices in active markets.
- ii. **Level 2:** Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- iii. **Level 3:** Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(₹ in Crore)			
Particulars	Level 1	Level 2	Level 3
<b>31st March, 2017</b>			
<b>Financial Assets</b>			
- Unquoted Preference Shares		8.53	
- Mutual Funds	358.88		
- Bonds & NCDs		161.03	
<b>31st March, 2016</b>			
<b>Financial Assets</b>			
- Unquoted Preference Shares		7.63	
- Mutual Funds	138.37		
- Bonds & NCDs		106.13	
<b>1st April, 2015</b>			
<b>Financial Assets</b>			
- Unquoted Preference Shares		6.38	
- Mutual Funds	249.04		
- Bonds & NCDs		41.37	

**Note 41. Segment Information:**

The Group is engaged primarily into manufacturing of Cement. The Group has only one business segment as identified by management namely Cementitious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the VC&MD of the respective entities of the group (Chief Operating Decision Maker).

**Note 42.** For the purpose of the first Financial Statements under IND AS, subsidiary Company named UCWL has opted for the fair value of Property Plant and Equipment on the date of transition. However, to be in line with the Accounting policy of parent Company, the Company has considered the financial statements of subsidiary Company without considering the fair value adjustments in consolidated financial statements.

**Note 43. Deferred Revenue:**

(₹ in Crore)			
Particulars	As at 31st March'17	As at 31st March'16	As at 1st April'15
Opening	0.81	1.27	-
Deferred during the year	-	-	1.27
Released to profit and loss	0.46	0.46	-
Closing	0.35	0.81	1.27
Current	0.35	0.46	0.46
Non-Current	-	0.35	0.81

**Note 44. Income Tax Expense:****i. Amount recognized in statement of profit and loss :-****(₹ in Crore)**

Particulars	2016-17	2015-16
Current Tax	16.71	-
Deferred Tax (Relating to origination and reversal of temporary difference)	(7.70)	(55.00)
Adjustments in respect of current income tax of previous year	(0.09)	0.01
<b>MAT</b>		
MAT Credit Entitlement	16.71	-
MAT Credit Utilization	-	-

**ii. Income Tax recognized in Other Comprehensive Income:****(₹ in Crore)**

Particulars	2016-17	2015-16
Deferred Tax (Gain)/Loss on defined benefit	(0.45)	(0.57)

**iii. Reconciliation of effective tax rate****(₹ in Crore)**

Particulars	2016-17	2015-16
<b>Accounting Profit/(Loss) before income tax</b>	<b>79.47</b>	<b>(50.73)</b>
At applicable Statutory Income tax rate	34.61%	34.61%
Computed Income Tax Expense/(Income)	27.50	(17.56)
<b>Increase/(Reduction) in taxes on account of :-</b>		
Income not taxable	(17.47)	(24.94)
Investment allowance u/s-32AC of Income Tax	(10.90)	(13.80)
R & D u/s- 35(2AB) of Income Tax	(1.73)	(1.73)
Deferred Tax related to Property, Plant & Equipment	(7.91)	(1.34)
Previous year tax adjustments	(0.10)	0.01
Tax on which deduction is not admissible	2.82	4.37
<b>Income Tax Expense/(Income) Reported to Profit &amp; Loss</b>	<b>(7.79)</b>	<b>(54.99)</b>

**iv. Reconciliation of deferred tax liabilities (Net):****(₹ in Crore)**

Particulars	2016-17	2015-16
Opening Balance	100.09	155.65
Deferred Tax recognized in Statement of Profit & Loss	(7.70)	(55.00)
Other Comprehensive Income	(0.45)	(0.57)
<b>Closing Balance</b>	<b>91.93</b>	<b>100.09</b>

**v. Deferred Tax:**

Deferred Tax relates to the followings:

**(₹ in Crore)**

S.No.	Particulars	2016-17	2015-16
1.	Book base and tax base of Property, Plant & Equipment	42.22	52.82
2.	Disallowance/Allowance (net) under Income Tax & Others	(6.99)	(15.48)
3.	Brought Forward losses setoff	(42.93)	(92.34)
4.	<b>Total</b>	<b>(7.70)</b>	<b>(55.00)</b>



**Note 45. Dividends:-**

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

(₹ in Crore)

Particulars	2016-17	2015-16
For the year ended 31st March'2016 – 5% i.e. ₹ 0.25 per equity share, (31st March'2015 -40% i.e. ₹ 2.00 per equity share)	2.94	23.53
Dividend distribution tax thereon	0.60	4.79
<b>Total</b>	<b>3.54</b>	<b>28.32</b>

The following dividends were proposed by the board of directors in their meeting held on 17th may'2017, subject to approval of shareholders at the Annual General Meeting and are not recognized as liability. Dividend would attract dividend distribution tax when declared or paid.

(₹ in Crore)

Particulars	2016-17	2015-16
For the year ended 31st March'2017-15% i.e. ₹ 0.75 per equity share, (31st March'2016 – 5% i.e. ₹ 0.25 per equity share)	8.83	2.94
<b>Total</b>	<b>8.83</b>	<b>2.94</b>

**Note 46.** In pursuant to Notification No. GSR 308(E) dated 30th March'2017, details of specified Bank Notes (SBNs) held and transacted during the period from 8th November'2016 to 30th Decemeber'2016 as provided below :-

(₹ in Crore)

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total
<b>Closing cash in hand as at 8th November'2016</b>	<b>0.45</b>	<b>0.33</b>	<b>0.78</b>
Add:- Permitted receipts	-	1.12	1.12
Less:- Permitted payments	-	1.11	1.11
Less:- Amount deposited in Banks	0.45	-	0.45
<b>Closing cash in hand as at 30th December'2016</b>	<b>-</b>	<b>0.34</b>	<b>0.34</b>

**Note 47. Reconciliations:-**

The following reconciliations provide a quantification of the effect of significant differences arising as a result of transition from Pervious GAAP (IGAAP) to IND AS in accordance with IND AS 101.

- Balance Sheet as at 1st April'2015
- Equity as at 1st April'2015
- Statement of profit and loss for the year ended 31st March'2016.
- Balance Sheet as at 31st March'2016.
- Equity as at 31st March'2016

**Reconciliation of Balance Sheet as at 1st April, 2015**

(₹ in Crore)

S No.	Particulars	Reference Explanation	Previous GAAP as at 01.04.2015	IND AS Impact	IND AS as at 01.04.2015
<b>ASSETS</b>					
<b>(1)</b>	<b>Non-current Assets</b>				
	(a) Property, Plant and Equipment	A	2,631.16	(0.85)	2,630.31
	(b) Capital work-in-progress		454.94	-	454.94
	(c) Investment Property	A	-	0.85	0.85
	(d) Goodwill		74.83	-	74.83
	(e) Other Intangible Assets		1.74	-	1.74
	(f) Investment in Associates	B	10.32	(3.61)	6.71
	(g) Financial Assets				
	(i) Investments	B	8.31	(8.31)	-
	(ii) Loans	C	59.14	(15.63)	43.51
	(iii) Others		0.38	-	0.38
	(h) Deferred Tax Asset		-	-	-
	(i) Other Non-Current Assets	D, I	156.76	(103.11)	53.65
			<b>3,397.58</b>	<b>(130.66)</b>	<b>3,266.92</b>
<b>(2)</b>	<b>Current Assets</b>				
	(a) Inventories		227.68	-	227.68
	(b) Financial Assets				
	(i) Investments	E	254.12	38.80	292.92
	(ii) Trade Receivables		57.10	-	57.10
	(iii) Cash and Cash Equivalents		6.23	-	6.23
	(iv) Bank Balance other than (iii) above		12.65	-	12.65
	(v) Others		134.81	(7.73)	127.08
	(c) Current Tax Assets (Net)		0.07	-	0.07
	(d) Other Current Assets	D	132.97	8.44	141.41
			<b>825.63</b>	<b>39.51</b>	<b>865.14</b>
	<b>TOTAL ASSETS</b>		<b>4,223.21</b>	<b>(91.15)</b>	<b>4,132.06</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
	(a) Equity Share Capital		58.85	-	58.85
	(b) Other Equity		1,279.01	10.37	1,289.38
		F	1,337.86	10.37	1,348.23
	(c) Non Controlling interests		12.13	(4.77)	7.36
			<b>1,349.99</b>	<b>5.60</b>	<b>1,355.59</b>
<b>LIABILITIES</b>					
<b>(1)</b>	<b>Non-current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	G	1,487.08	0.46	1,487.54
	(ii) Trade Payable		-	-	-
	(iii) Other Financial Liabilities	H	66.46	(4.91)	61.55
	(b) Provisions		8.14	-	8.14
	(c) Deferred Tax Liabilities (Net)	I	116.33	(68.52)	47.81
	(d) Other Non-Current Liabilities	H	2.79	4.15	6.94
			<b>1,680.80</b>	<b>(68.82)</b>	<b>1,611.98</b>
<b>(2)</b>	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	G	233.13	(0.08)	233.05
	(ii) Trade Payables		225.61	-	225.61
	(iii) Other Financial Liabilities		383.00	-	383.00
	(b) Other Current Liabilities	H	310.37	0.47	310.84
	(c) Provisions	J	37.50	(28.32)	9.18
	(d) Current Tax Liabilities (Net)		2.81	-	2.81
			<b>1,192.42</b>	<b>(27.93)</b>	<b>1,164.49</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,223.21</b>	<b>(91.15)</b>	<b>4,132.06</b>





## Explanations for reconciliation of Balance Sheet as previously reported under previous GAAP to IND AS

- A Under IND AS, Investment properties are reclassified from Property plant & equipment and presented separately.
- B Under IND AS, Investments are valued at 'Fair Value / Amortised Cost', as the case may be, unlike under previous GAAP, where Non current investments were measured at cost less provision for diminution, if such a decline was other than temporary and current investments were valued at lower of cost or market value.
- C Under IND AS, interest free loan is valued at amortised cost.
- D Under IND AS, interest free Securities Deposits given are valued at amortised cost.
- E Under IND AS, current Investments are valued at fair value through profit and loss.

F Equity Reconciliation as on 01st April' 2015 (₹ in crore)

<b>Balance as per IGAAP</b>	<b>1,337.86</b>
Impact of IND AS :-	
Investment as per Amortised cost/Fair Value	30.96
Borrowings at amortised cost	4.41
Deferred Tax Liability	(39.32)
Financial Assets and Liabilities at fair value/amortised cost	(14.00)
Proposed Dividend including tax thereon	28.32
<b>Net Impact of IND AS</b>	<b>10.37</b>
Balance as per IND AS	<b>1,348.23</b>

- G As per IND AS, borrowings are valued at amortised cost using effective interest rate method, unlike under previous GAAP, where such borrowing were stated at initial transaction value.
- H Under IND AS, interest free Securities Deposits taken are valued at amortised cost and some liabilities are reclassified.
- I The additional Deferred Tax Liability / Asset has also been recognised due to different accounting treatment in respect of certain items as per IND AS. On transition to IND AS, MAT Credit entitlement being in the nature of Deferred Tax Assets, has been netted from Deferred Tax Liabilities.
- J Under previous GAAP, Proposed Dividend was recognised as liability in the period to which it was related. Under IND AS, Proposed Dividend is recognised as liability in the period in which it is approved by shareholders.

**Reconciliation of Balance Sheet as at 31st March, 2016**

(₹ in Crore)

S No.	Particulars	Reference Explanation	Previous GAAP as at 31.03.2016	IND AS Impact	IND AS as at 31.03.2016
<b>ASSETS</b>					
<b>(1)</b>	<b>Non-current Assets</b>				
(a)	Property, Plant and Equipment	A	2,832.87	(54.57)	2,778.30
(b)	Capital work-in-progress	B	641.75	(8.79)	632.96
(c)	Investment Property	A	-	0.80	0.80
(d)	Goodwill		71.85	-	71.85
(e)	Other Intangible Assets		1.05	-	1.05
(f)	Investment in Associates	C	11.27	(3.36)	7.91
(g)	Financial Assets				
(i)	Investments	C	8.30	(8.30)	-
(ii)	Loans	D	57.77	(13.19)	44.58
(iii)	Others		0.46	-	0.46
(h)	Deferred Tax Asset	I	-	7.71	7.71
(i)	Other Non-Current Assets	E, I	142.31	(103.30)	39.01
			<b>3,767.63</b>	<b>(183.00)</b>	<b>3,584.63</b>
<b>(2)</b>	<b>Current Assets</b>				
(a)	Inventories		246.95	-	246.95
(b)	Financial Assets				
(i)	Investments	F	241.39	20.62	262.01
(ii)	Trade Receivables		96.78	-	96.78
(iii)	Cash and Cash Equivalents		13.74	-	13.74
(iv)	Bank Balance other than (iii) above		19.06	-	19.06
(v)	Others		151.80	(7.31)	144.49
(c)	Current Tax Assets (Net)		2.38	-	2.38
(d)	Other Current Assets	E	112.75	8.06	120.81
			<b>884.85</b>	<b>21.37</b>	<b>906.22</b>
	<b>TOTAL ASSETS</b>		<b>4,652.48</b>	<b>(161.63)</b>	<b>4,490.85</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a)	Equity Share Capital		58.85	-	58.85
(b)	Other Equity		1,290.30	(29.16)	1,261.14
		G	1,349.15	(29.16)	1,319.99
(c)	Non Controlling interests		16.30	(5.09)	11.21
			<b>1,365.45</b>	<b>(34.25)</b>	<b>1,331.20</b>
<b>LIABILITIES</b>					
<b>(1)</b>	<b>Non-current Liabilities</b>				
(a)	Financial Liabilities				
(i)	Borrowings	B	1,746.25	(14.57)	1,731.68
(ii)	Trade Payable		-	-	-
(iii)	Other Financial Liabilities	A&H	158.96	(55.76)	103.20
(b)	Provisions		9.65	-	9.65
(c)	Deferred Tax Liabilities (Net)	I	62.67	(62.67)	-
(d)	Other Non-Current Liabilities	H	-	3.64	3.64
			<b>1,977.53</b>	<b>(129.36)</b>	<b>1,848.17</b>
<b>(2)</b>	<b>Current Liabilities</b>				
(a)	Financial Liabilities				
(i)	Borrowings	B	297.79	(0.04)	297.75
(ii)	Trade Payables		204.60	-	204.60
(iii)	Other Financial Liabilities	H	392.35	5.10	397.45
(b)	Other Current Liabilities	H	401.79	0.46	402.25
(c)	Provisions	J	12.97	(3.54)	9.43
(d)	Current Tax Liabilities (Net)		-	-	-
			<b>1,309.50</b>	<b>1.98</b>	<b>1,311.48</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,652.48</b>	<b>(161.63)</b>	<b>4,490.85</b>



## Explanations for reconciliation of Balance Sheet as previously reported under previous GAAP to IND AS

- A Under IND AS, Liability of Rehabilitations and Recompensations is measured at the present value of compensation paid to land owners & Investment properties are reclassified from Property Plant & Equipment and presented separately.
- B As per IND AS, borrowings are valued at amortised cost using effective interest rate method, unlike under previous GAAP, where such borrowing were stated at initial transaction value.
- C Under IND AS, Investments are valued at 'Fair Value / Amortised Cost', as the case may be, unlike under previous GAAP, where Non current investments were measured at cost less provision for diminution, if such a decline was other than temporary and current investments were valued at lower of cost or market value.
- D Under IND AS, interest free loan is valued at amortised cost.
- E Under IND AS, interest free Securities Deposits given are valued at amortised cost.
- F Under IND AS, Current Investments are valued at fair value through profit and loss.

G Equity Reconciliation as on 31st March' 2016 (₹ in crore)

<b>Balance as per IGAAP</b>	<b>1,349.15</b>
<b>Impact of IND AS :-</b>	
Investment as per Amortised cost/Fair Value	(14.69)
Borrowings at amortised cost	(1.55)
Deferred Tax Liability	1.91
Financial Assets and Liabilities at fair value	(0.42)
Proposed Dividend including tax thereon	(24.78)
IND AS Impact as at 1st April'2015	10.37
<b>Net Impact of IND AS</b>	<b>(29.16)</b>
<b>Balance as per IND AS</b>	<b>1,319.99</b>

- H Under IND AS, interest free Securities Deposits taken are valued at amortised cost and some liabilities are reclassified.
- I The additional Deferred Tax Liability / Asset has also been recognised due to different accounting treatment in respect of certain items as per IND AS and MAT Credit entitlement being in the nature of Deferred Tax Assets, has been netted from Deferred Tax Liabilities.
- J Under previous GAAP, Proposed Dividend was recognised as liability in the period to which it was related. Under IND AS, Proposed Dividend is recognised as liability in the period in which it is approved by shareholders.

**Reconciliation of Statement of Profit and Loss for the year ended 31st March'2016**

(₹ in Crore)

S No.	Particulars	Reference Explanation	Previous GAAP 31st March'2016	IND AS Impact	IND AS Year ended 31st March'2016
I.	Revenue from Operations		2,954.88	-	2,954.88
II.	Other Income	A	65.98	6.35	72.33
III.	<b>Total Income (I+II)</b>		<b>3,020.86</b>	<b>6.35</b>	<b>3,027.21</b>
IV.	<b>Expenses :</b>				
	Cost of Materials Consumed		518.74	-	518.74
	Purchases of Stock-in-Trade		182.61	-	182.61
	Change in inventories of finished goods, work-in-progress and traded goods		(18.36)	-	(18.36)
	Employee Benefits Expense	B	200.20	(2.61)	197.59
	Finance Costs	C	198.58	23.58	222.16
	Depreciation and Amortization Expense (Net)		165.59	-	165.59
	Excise Duty		319.63	-	319.63
	Other Expenses	A	1,480.91	0.72	1,481.63
	<b>Total Expenses (IV)</b>		<b>3,047.90</b>	<b>21.69</b>	<b>3,069.59</b>
V.	<b>Profit before Exceptional Items and Tax (III-IV)</b>		<b>(27.04)</b>	<b>(15.34)</b>	<b>(42.38)</b>
VI.	Exceptional Items		8.29	-	8.29
VII.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.06)	-	(0.06)
VIII.	<b>Profit / (Loss) before Tax (V-VI+VII)</b>		<b>(35.39)</b>	<b>(15.34)</b>	<b>(50.73)</b>
IX.	Tax Expense				
	(1) Current Tax		-	-	-
	(2) MAT Credit Entitlements		-	-	-
	(3) Deferred Tax		(53.66)	(1.34)	(55.00)
	(4) Tax Adjustments for Earlier Years		0.01	-	0.01
	<b>Total Tax Expense (IX)</b>		<b>(53.65)</b>	<b>(1.34)</b>	<b>(54.99)</b>
X.	<b>Profit / (Loss) for the Year</b>		<b>18.26</b>	<b>(14.00)</b>	<b>4.26</b>
XI.	<b>Profit / (Loss) for the Year attributable to</b>				
	Owners of the Parent		14.94	(13.60)	1.34
	Non Controlling Interest		3.32	(0.40)	2.92
			<b>18.26</b>	<b>(14.00)</b>	<b>4.26</b>
XII.	<b>Other Comprehensive Income</b>				
	<b>Items that will not be reclassified to Profit or Loss in subsequent periods</b>				
	(1) Re-measurement losses on defined benefit plans		-	(1.65)	(1.65)
	(2) Income tax effect on above		-	0.57	0.57
	<b>Total Other Comprehensive Income (XII)</b>		<b>-</b>	<b>(1.08)</b>	<b>(1.08)</b>
XIII	<b>Total Comprehensive Income For The Year (X + XII)</b>		<b>18.26</b>	<b>(15.08)</b>	<b>3.18</b>
XIII	<b>Total Comprehensive Income For The Year attributable to</b>				
	Owners of the Parent		14.94	(14.68)	0.26
	Non Controlling Interest		3.32	(0.40)	2.92
			<b>18.26</b>	<b>(15.08)</b>	<b>3.18</b>

**Explanation for reconciliation of Balance Sheet as previously reported under previous GAAP to IND AS**

- A Under IND AS Current investments and other financial assets and liabilities are valued at amortised cost/fair value through Profit and Loss as the case may be.
- B Under previous GAAP actuarial gains and losses were recognised in the statement of profit and loss. Under IND AS, the actuarial gains and losses from part of remeasurement of the net defined benefit liability / assets, which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under IND AS instead of the statement of profit and loss.
- C As per IND AS, borrowing are valued at amortised cost using effective interest rate method, unlike under previous GAAP, were such borrowing were stated at initial transaction value.



**Note 48.** Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 83.26 crore (Previous year ₹ 135.28 crore)

**Note 49.** Contingent liabilities in respect of claims not accepted by the Group (matters in appeals) and not provided for are as follows:

(₹ in Crore)

	31st March, 2017	31st March, 2016
a) Service Tax	17.83	17.21
b) Sales tax	136.26	136.26
c) Income Tax	4.65	0.32
d) Land tax	-	10.29
e) Renewal Energy Obligation	20.21	20.21
f) Excise Duty @	1.01	3.03
g) Other matters	6.60	6.47
<b>Total</b>	<b>186.56</b>	<b>193.79</b>

@excludes show cause notices of ₹ 115 crore (previous year ₹ 98.60 Crore)

**Note 50.** In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

**Note 51.** Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

**Note 52.** Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a penalty of ₹ 6.55 crore on the Parent Company pursuant to a reference filed by the Government of Haryana. The Parent Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. Based on legal opinion, the Parent Company believes that it has a good case and accordingly no provision has been made in the accounts.

**Note 53.** Rajasthan Government had granted the benefit of 75% exemption to the Parent Company for a period of 9 years vide its notification dated 28th April, 2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. During the FY 2014-15 the Parent Company had received Demand Notices of ₹ 225.25 crore (as at 31st March, 2017 ₹ 225.25 crore) consisting of Sales Tax Exemption of ₹ 49.19 crore availed upto March 2006, balance of Sales Tax Deferment of ₹ 56.57 crore for the period 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 Parent Company by the Department, the Parent Company had paid under protest the full principal demand, toward Sales Tax Exemption and Sales Tax Deferment of ₹ 105.77 crore during the year 2014-15, pending judgment from the judicial authorities.

Based on the fact that the grounds under which the Parent Company had been granted these benefits 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 Parent Company believes it has sufficient strong ground eventually to get favorable judgment in its favour.

However out of abundant caution the Parent Company had made provision and shown as Exceptional Item for ₹ 49.19 crore during 2014-15 against the Sales Tax Exemption and interest of ₹ 119.49 crore has been considered as a contingent liability.

**Note 54. a)** Forward contracts of ₹ 97.57 crore – USD 14.37 Mn (previous year ₹ 78.85 crore – USD 10.47 Mn & EURO 0.87 Mn) taken for the purpose of hedging of payables NIL (previous year ₹ 13.24 crore -USD 1.98 Mn) against letter of credit.

b) Un-hedged Nil (previous year ₹ 5.48 crore – Euro 0.73 Mn) against letter of credit outstanding as at 31st March, 2017.



**Note 55. With respect to subsidiary UCWL**

- The Company has created Deferred Tax Asset of ₹ 23.98 crore only (Previous period ₹ 23.98 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 01st December, 1993 (date of take-over of the cement undertaking from Bajaj Hindustan Ltd will be borne by Bajaj Hindustan Ltd).
- The Company has successfully completed its revival & rehabilitation scheme with start of commercial production from 31st March 2017 at its integrated Cement plant at Udaipur.
- Details of Material Non-Controlling Interest

Summarized financial information of UCWL, which has material non- controlling interest:

(₹ in Crore)

Particulars	As at 31st March'17	As at 31st March'16
<b>Assets</b>		
Non-Current Assets	680.24	439.11
Current Assets	84.09	54.66
<b>Liabilities</b>		
Non-current Liabilities	590.15	402.21
Current Liabilities	128.46	50.87
<b>Equity</b>	45.72	40.69
Percentage of Ownership held by Non-controlling Interest	28.97%	27.55%
<b>Accumulated non controlling interest</b>	13.24	11.21
Revenue	97.71	100.56
Net Profit / (Loss)	5.14	10.69
Other Comprehensive Income	(0.11)	(0.02)
Total Comprehensive Income	5.03	10.67
<b>Total Comprehensive Income allocated to Non controlling interests</b>	1.46	2.92
Net Cash Inflow / (Outflow) from Operating Activities	15.69	(1.26)
Net Cash Inflow / (Outflow) from Investing Activities	(72.48)	(76.36)
Net Cash Inflow / (Outflow) from Financing Activities	50.92	82.38
<b>Net Cash Inflow / (Outflow)</b>	(5.87)	4.76

**Note 56.** With respect to subsidiary HITCL, in view of inadequacy of profits no Debenture Redemption Reserve (DRR) has been created.

**Note 57.** During the year the Parent Company has acquired 100% Equity Share holding of Company Ram Kanta Properties Pvt. Ltd. (RKPPPL) through its wholly owned subsidiary Hansdeep Industries & Trading Company Ltd (HITCL). Total investment made by HITCL for this purpose is ₹ 107.84 crore (net assets acquired ₹ 107.77 crore).

**Note 58.a)** JK Lakshmi Cement Ltd., parent Company is listed on Stock Exchanges (BSE/NSE) in India. Parent Company has prepared standalone financial statement as required under Companies Act, 2013 and listing requirements. The standalone financial statement is available on Parent's website for public issue.

- Loans and Advances pursuant to Regulation 23(3) read with schedule of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015:

An amount of ₹ 26.67 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 30.00 crore) (Maximum balance due ₹ 30.00 crore, previous year ₹ 33.33 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Group's policy are not considered.)

**Note 59.a)** The summarized aggregate financial information of associates as follows: -

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Carrying Amount of Interest in Associates	8.76	7.91	6.71
- Share in Profit	(0.04)	(0.06)	(0.04)
- Share in Total Comprehensive Income	(0.04)	(0.06)	(0.04)
Dividend Received	-	-	-



b) Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement.

Name Of Company	Net Assets(TA-TL)		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount ₹ In Crore	As % of Consolidated Total Comprehensive Income	Amount ₹ In Crore
<b>Holding Company :-</b> JK Lakshmi Cement Ltd.	98.62%	1,381.69	95.65%	81.14
<b>Subsidiary Company:-</b> Udaipur Cement Works Ltd. Hansdeep Industries & Trading Company Ltd. Ram Kanta Properties P. Ltd.	7.75% 10.36% 7.68%	108.63 145.17 107.70	5.93% 0.25% (0.07%)	5.03 0.22 (0.06)
<b>Non Controlling Interest</b>	<b>(0.94%)</b>	<b>(13.24)</b>	<b>(1.72%)</b>	<b>(1.46)</b>
<b>Associates :-</b> Dwarkesh Energy Ltd. Total Elimination	- (23.47%)	(0.12) (328.86)	(0.04%) (1.72%)	(0.04) (1.46)
<b>Total</b>	<b>100%</b>	<b>1400.97</b>	<b>100%</b>	<b>84.83</b>

**Note 60 Related Party Disclosure**

**List of Related Parties:**

a) **Associates**

Dwarkesh Energy Ltd.

b) **Key Management Personnel (KMP)- as per Companies Act ,2013 :**

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania #	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	VP & Company Secretary
Shri RK Gupta	Whole-time Director, Chief Finance Officer & Company Secretary

**Additional KMPs ( Pursuant to Ind AS 24)**

Shri B.V. Bhargava	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Shri K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjunwala	Independent & Non Executive Director
Shri Pradeep Dinodia	Independent & Non Executive Director
Shri O.N. Rai	Independent & Non Executive Director
Shri Ganpat Singh	Non Executive Director
Shri Vinit Marwah	Non Executive Director
Smt. Poonam Singh	Independent & Non Executive Director

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

Bengal & Assam Company Ltd. (BACL)

d) Trusts under common control

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund  
 JK Lakshmi Cement Ltd. Officers Superannuation Fund  
 JK Lakshmi Cement Ltd. Employees Gratuity Fund  
 JK Udaipur Udyog Ltd. Employees Provident Fund Trust  
 JK Udaipur Udyog Ltd. Officers' Superannuation Fund Trust  
 JK Udaipur Udyog Ltd. Employees' Group Gratuity Fund Trust

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

i)

₹ in Crore (10 Million)

Nature of Transactions	Associates	Enterprise which holds more than 20% of Equity share	Trust under common control	2016-17			2015-16		
				Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control
- Sharing of Expenses received	0.07	0.05	-	0.07	0.05	-	0.07	0.05	-
- Payment of Expenses #	-	1.47	-	-	1.35	-	-	1.35	-
- Investments	-	-	-	1.00	-	-	1.00	-	-
- Advances given	-	0.09	-	-	-	-	-	-	-
- Advances Received back	-	3.33	-	-	3.33	-	-	3.33	-
- Contribution	-	-	9.27	-	-	9.27	-	-	9.36
<b>Outstanding as at year end:</b>									
- Receivable / (Payable):	-	27.19	(3.86)	-	30.42	(5.42)	-	30.42	(5.42)

# Interest paid on Fixed Deposits ₹ NIL (Previous year - ₹ 0.01 crore)

ii) **Remuneration Paid to KMPs**

	2016-17	2015-16
Short Term Employee benefits	20.04	17.42
Post Employment benefits*	-	-
Other Payments	0.68	0.25

\*As the liability for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, The amount pertaining to KMPs are not included above.

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 directors. However in view of inadequate profit during the year 2016-17, JKLC has applied to the Central Government for the approval of payment to the directors, amounting to ₹ 10.41 crore which is pending.

**Note 61** Some of the Balances of debtors and creditors are in process of confirmation.

**Note 62** Previous year's figures have been regrouped / re-classified wherever necessary and figures less than ₹ 50000 have been shown as actual

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 17th May, 2017

B.K. DAGA  
 Vice President &  
 Company Secretary

SUDHIR A. BIDKAR  
 Chief Financial Officer

B.H.SINGHANIA

VINITA SINGHANIA

B.V. BHARGAVA  
 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 CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In Crore (10 Million)

	2016 - 17		2015 - 16	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before Tax and Exceptional Items	75.47		(42.38)	
<u>Adjustments for:</u>				
Depreciation and Amortization Expense (net)	175.00		165.59	
Interest & Dividend Income	(56.48)		(21.72)	
Profit on sale of Assets (Net)	(0.59)		(0.45)	
Profit on sale of Current Investments (net)	(49.17)		(53.30)	
Gain / (Loss) on Fair Valuation of Current Investment	(7.20)		18.36	
Finance Costs	244.35		222.16	
Provision for Doubtful Debts	0.54		-	
Foreign Exchange Difference (net)	0.08		(0.06)	
Exceptional Items	4.04		(8.29)	
Operating Profit before Working Capital changes	386.04		279.91	
<u>Adjustments for:</u>				
Trade and Other Receivables	25.54		(36.88)	
Inventories	(74.25)		(19.10)	
Trade and Other Payables	76.14		44.75	
<u>Cash generated from Operations</u>	413.47		268.68	
Income Tax Payments (Net)	(2.66)		(5.12)	
Share of Minority in Profits / Associate	1.73		3.21	
<b>Net Cash from Operating Activities</b>		412.54		266.77
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, plant and Equipment and Intangible Assets	(480.06)		(398.30)	
Sale of Property, Plant and Equipment and Intangible Assets	1.91		1.24	
(Purchase) / Sale of Investments (net)	(180.28)		89.26	
Dividend Received	-		1.33	
Interest Received	56.63		20.19	
<b>Net Cash from / (used in) Investing Activities</b>		(601.80)		(286.28)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-term Borrowings	648.33		533.80	
Repayment of Long-term Borrowings	(298.45)		(289.74)	
Short-term borrowings (net)	78.41		64.76	
Interest paid	(257.28)		(247.26)	
Dividend paid (including Dividend Distribution Tax)	(4.35)		(28.13)	
<b>Net Cash from / (used in) Financing Activities</b>		166.66		33.43
D. Increase / (Decrease) in Cash and Cash Equivalents		(22.60)		13.92
E. Cash and Cash Equivalents as at the beginning of the year		32.80		18.88
F. Cash and Cash Equivalents as at the close of the year (Note 13 & 14)		10.20		32.80
1. Cash and Cash Equivalents include:				
- Cash, Cheques in hand and remittances in transit (Note 13)		0.35		0.37
- Balances with Scheduled Banks		9.85		32.43
		10.20		32.80

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

3. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

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 17th May, 2017

B.K. DAGA  
Vice President &  
Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

B.H.SINGHANIA

VINITA SINGHANIA

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S.K WALI

Chairman &  
Managing Director  
Vice Chairman &  
Managing Director

Directors

## Financial Information of Direct & Indirect 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			
	Name of Subsidiary	HANSDEEP INDUSTRIES & TRADING Company LIMITED	RAM KANTA PROPERTIES PVT LTD	UDAIPUR CEMENT WORKS LIMITED
1		Direct Subsidiary	Indirect Subsidiary	Direct Subsidiary
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.
3	Reporting Currency	INR	INR	INR
4	Closing Exchange Rate	N.A.	N.A.	N.A.
5	Equity Share Capital	11605	87.40	11,808.21
6	Other Equity	2911.85	10,682.58	10,352.91
7	Total Assets	71,130.65	10,771.11	87,730.49
8	Total Liabilities	56,613.80	1.13	65,569.37
9	Investments	2274.45	-	-
10	Turnover	15,454.80	1.57	9,770.95
11	Profit / (Loss) before taxation	21.92	6.21	284.82
12	Provision for taxation	0.28	0.11	-
13	Profit / (Loss) after taxation	21.64	6.32	284.82
14	Proposed Dividend	-	-	-
15	% of Shareholding	100	100	71.03

#### 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	Dwarkesh Energy Limited (DEL)
1	Latest audited Balance Sheet Date	31.03.2017
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 to DEL Considered in Consolidation Not Considered in Consolidation	1.11 0.37 0.74

**Note:-**

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

SUDHIR A. BIDKAR  
Chief Financial Officer

B.H.SINGHANIA

Chairman &  
Managing Director

VINITA SINGHANIA

Vice Chairman &  
Managing Director

BV BHARGAVA

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Dr. RAGHUPATI SINGHANIA

Dr S CHOUKSEY

SK WALI



Directors

B K DAGA  
Vice President & Company Secretary

## JK LAKSHMI CEMENT LIMITED

(CIN: L74999RJ1938PLC019511)

Regd. Office: Jaykaypuram - 307 019

District Sirohi, Rajasthan

Administrative Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi -110 002

Email: jklc.investors@jkmil.com

Website: www.jklakshmicement.com, Phone: 91-11-30179860-861

## NOTICE

NOTICE is hereby given that the **77th Annual General Meeting** of the Members of **JK LAKSHMI CEMENT LIMITED** will be held at the Registered Office of the Company at Jaykaypuram-307 019, Dist. Sirohi, Rajasthan, on **Thursday, the 7th September 2017 at 12.30 P.M.** to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company (including audited consolidated financial statements) for the Financial Year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Smt. Vinita Singhania (DIN: 00042983), who retires by rotation and being eligible, has offered herself for re-appointment.
4. To appoint Auditors and fix their remuneration and in connection therewith to consider and if thought fit to pass, the following as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S.S.Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N) be and are hereby appointed as Auditors of the Company for a term of three consecutive years to hold office from the conclusion of the 77th Annual General Meeting (AGM) till the conclusion of the 80th AGM to be held in the year 2020, subject to ratification of their appointment by the Members at every subsequent AGM to be held during its term, on a remuneration of ₹ 16 Lakh (Rupees Sixteen Lakh only) per annum, up to the conclusion of the next AGM excluding Service Tax/GST, as applicable, and reimbursement of traveling and other out-of-pocket expenses actually incurred by them in connection with the audit and the Board of Directors of the Company be and is hereby authorized to fix the remuneration for the remaining tenure of the Auditors.”

### As Special Business

5. To consider and if thought fit to pass, the following as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. R.J. Goel & Co., the Cost

Accountants, appointed by the Board of Directors of the Company as the Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year 2017-18 ending 31st March 2018, of ₹ 1.25 Lakh (Rupees One Lakh Twenty-five Thousand only) per annum, excluding Service Tax/GST, as applicable, and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto.”

6. To consider and if thought fit to pass, the following as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and also including any relevant provisions of the Companies Act, 1956 to the extent such provisions have not been superseded by the Companies Act, 2013 (“**Companies Act**”), the provisions of the Memorandum and Articles of Association of the Company, and in accordance with any other applicable laws or regulations, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (“**SEBI Debt Listing Regulations**”), the Securities and Exchange Board of India (Issue and Listing of Non-convertible Redeemable Preference Shares) Regulations, 2013, as amended (“**SEBI Preference Shares Listing Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), the Listing Agreements entered into with the respective Stock Exchanges where the Equity Shares of the Company are listed (“**Stock Exchanges**”), the provisions of the Foreign Exchange Management Act, 1999, as amended (“**FEMA**”), and other rules and regulations made thereunder, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, the



Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**GoI**”), from time to time, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by GoI, Reserve Bank of India (“**RBI**”), the Securities and Exchange Board of India (“**SEBI**”), the relevant Registrar of Companies (“**RoC**”), the Stock Exchanges, and/or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions from the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), SEBI, RoC, RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and / or sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee thereof), to create, offer, issue, and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted under applicable laws), either in India or in the course of international offering(s) in one or more foreign markets, Equity Shares of the Company with a face value of ₹ 5 (Rupees Five only) each (“**Equity Shares**”), Preference Shares, whether or not convertible into Equity Shares (“**Preference Shares**”), Global Depository Receipts (“**GDRs**”), American Depository Receipts (“**ADRs**”), Foreign Currency Convertible Bonds (“**FCCBs**”) and/or other financial instruments, fully or partly convertible, into or exchangeable for Equity Shares (including Warrants, or otherwise, in registered or bearer form), fully or partly convertible Debentures, Non-convertible Debentures with or without Warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the “**Securities**”) or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, through public and/or private offerings and/or on preferential allotment basis, including without limitation through a Qualified Institutions Placement (“**QIP**”) in accordance with Chapter VIII of the SEBI ICDR Regulations, or any combination thereof or by issue of prospectus and/or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to Qualified Institutional Buyers (as defined in the SEBI ICDR Regulations) (“**QIBs**”) or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds,

foreign portfolio investors (including foreign institutional investors), Indian and/or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds and/or any other categories of investors whether or not such investors are Members of the Company (collectively referred to as the “**Investors**”), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore only) or equivalent thereof in any foreign currency, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and / or underwriter(s) and / or other advisor(s) for such issue.

RESOLVED FURTHER that in case of issue of the Securities, which are convertible into or exchangeable with Equity Shares at a later date, the number and /or price of such Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER that if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as “**Eligible Securities**” within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination thereof as may be decided by the Board shall be completed within 12 (twelve) months from the date of approval of the Members of the Company by way of a Special Resolution for approving QIP or such other time as may be allowed under the SEBI ICDR Regulations at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, offer a discount of not more than 5% (five per cent) or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations and the Eligible Securities shall be allotted as fully paid-up (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Eligible Securities shall not exceed 60 (sixty) months from the date of allotment), and the aggregate of all QIPs made by the Company in the same Financial Year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous Financial Year.

RESOLVED FURTHER that in the event that the Equity Shares are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "Relevant Date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "Relevant Date" for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time.

RESOLVED FURTHER that the Relevant Date for determination of the applicable price for issue of any other Securities shall be as per the regulations/guidelines prescribed by SEBI, the Ministry of Finance, RBI, GoI through their various departments, or any other Regulator, as the case may be, and the pricing of any Equity Shares issued upon the conversion of such Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER that in pursuance of the aforesaid resolution:

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) any Equity Shares that may be created, offered, issued and allotted by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER that in addition to all applicable Indian laws, the Securities issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be marketed or listed, or that may in any other manner apply in this relation.

RESOLVED FURTHER that for the purpose of giving effect to the Resolution described above, the Board be and is hereby authorized on behalf of the Company to do all such acts,

deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable laws (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/charge in accordance with the provisions of the Companies Act, 2013 in respect of any Securities as may be required either on pari passu basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by SEBI, RoC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this Resolution may be exercised by the Board, to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board, in connection with any matter(s) referred to or contemplated in any of the foregoing Resolution be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER that the Board be and is hereby authorized to engage/appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER that subject to applicable laws, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Directors or any other officer or officers of the Company to give effect to the aforesaid Resolution."

**Regd. Office:**

Jaykaypuram-307 019  
Dist. Sirohi (Rajasthan)

Date: 5th June 2017

**By Order of the Board**

**B.K. Daga**  
Vice President & Company Secretary



# NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE Company. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE Company NOT LESS THAN 48 HOURS BEFORE THE MEETING.  
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE Company. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE Company MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item Nos. 5 & 6 of the Notice, is annexed hereto.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing such representatives to attend and vote at the AGM.
4. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection at the Registered office and the copies thereof at the Administrative Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of the AGM and also at the venue of the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st september 2017 to 7th september 2017 (both days inclusive)
6. The Dividend of ₹ 0.75 per Equity Share of ₹ 5 each (15%) as recommended by the Board of Directors, if declared at the AGM, will be paid within three weeks of the date of the AGM to the Members whose names are borne on the Register of Members of the Company on 7th September 2017 or to their mandatees. In respect of shares held by the Members in dematerialized form, the Dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for the Financial Year 2016-17, the Notice of the 77th AGM of the Company along with Admission Slip and Proxy Form are being sent to all the Members whose email addresses are registered/ available with the Company/Depository Participants. These Documents will also be available on the Company's website [www.jklakshmicement.com](http://www.jklakshmicement.com). Physical copies of the aforesaid documents will be sent on request by any such Member.
8. Physical copy of the Annual Report for the Financial Year 2016-17, the Notice of the 77th AGM of the Company along with Admission Slip and Proxy Form are being sent to those Members who have not registered their email addresses with the Company/Depository Participants. We request such Members to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. **Appointment of Director:**  
The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the Director seeking re-appointment under Item No. 3 of the Notice is given hereunder:

<b>Name</b>	<b>Smt. Vinita Singhania</b>
DIN	00042983
Age	65 Years
Qualification	Graduate
Expertise in Specific Functional Areas	Rich business experience in managing cement business
Date of Appointment on the Board	11th August 1989
Directorships held in other public companies (as per Section 165 of the Companies Act 2013 and excluding private and other companies)	(a) JK Paper Limited (b) Bengal & Assam Company Limited (c) HEG Limited (d) JKLC Employees Welfare Association Limited



<b>Name</b>	<b>Smt. Vinita Singhania</b>
Memberships/ Chairmanships of committees of other public companies [includes only Audit Committee and Stakeholders' Relationship Committee in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	Nil
Number of Equity Shares held in the Company	88,758
No. of Board Meetings attended during the Financial Year 2016-17	Four
Terms & conditions of re-appointment	The terms and conditions of re-appointment including remuneration of Smt. Singhania as Vice Chairman & Managing Director of the Company are as approved by the Members at the Annual General Meeting held on 7th September 2016
Details of remuneration	Please refer Corporate Governance Report
Remuneration proposed to be paid	As per the existing terms & conditions
Relationships with other Directors /KMP	Nil

10. Remote e-voting procedure:
- In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members, facility to exercise their right to vote at the 77th AGM by electronic means and the business may be transacted through remote e-voting (e-voting) services provided by Central Depository Services (India) Limited (CDSL). E-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by e-voting shall be able to exercise their right to cast vote at the AGM.
- The instructions for Members for remote e-voting are as under:**
- (i) The e-voting period begins on Monday, 4th September 2017 (10:00 A.M.) and ends on Wednesday, 6th September 2017 (5:00 P.M.) During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 31st August 2017 i.e. cut-off date, may cast their vote electronically.
- The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the AGM date may attend the AGM but shall not be entitled to vote at the AGM.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders/Members".
- (v) Now Enter your User ID
- (a) For CDSL: 16 digits beneficiary ID,
- (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the character displayed on the image verification and Click on Login.
- (vii) Members holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) For first time users follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in Capital letters followed by 8 digits of the sequence number in the PAN field. The sequence number is printed on the Address Slip on the envelope.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the sequence number and after the first two characters of the name in Capital letters. Eg. If your name is Ramesh Kumar and sequence number is 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).





- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant for JK Lakshmi Cement Limited.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Members and Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Limited, 16th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001; Phone No. 18002005533 or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxiii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.
- (xxiv) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. -12094) of M/s. Ronak Jhuthawat & Co., Company Secretary in practice, as Scrutinizer to scrutinize the voting (at AGM venue) and e-voting process in a fair and transparent manner.
- (xxv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
11. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners

maintained by the Depositories as on the cut-off date and who has not cast vote by e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.

12. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.jklakshmicement.com](http://www.jklakshmicement.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchanges. The result of the voting will also be displayed at the notice board at the Registered and the Administrative office.

## **STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013**

### **Item No. 5**

The Board at its meeting held on 17th May 2017, appointed M/s R.J. Goel & Co., Cost Accountants, as the Cost Auditors, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year 2017-18 commencing 1st April 2017 at a remuneration as mentioned in the Resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. The resolution is accordingly recommended for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

### **Item No. 6**

Pursuant to the relevant provisions of the Companies Act, including without limitation, Section 62 of the Companies Act 2013, any offer or issue of securities in the Company to persons other than Members of the Company requires prior approval of the Members by way of Special Resolution.

In view of the changed Market scenario, prevailing Interest Rate regime & likely Interest Rate scenario in foreseeable future, it is considered necessary to provide greater flexibility to the Board of Directors for restructuring the borrowings of the Company in an optimal manner. Accordingly, it is proposed to take omnibus approval of Members of the Company authorising the Board to raise funds as it may deem appropriate from time to time, through an issuance of any one or more types of securities for an aggregate amount not exceeding Rs. 500 Crore or its equivalent in any foreign currency, in one or more tranches, as stated in the resolution, based on capital market conditions

and other relevant factors and where necessary in consultation with the financial advisors. This is an enabling Resolution and the Company may issue new Securities, subject to applicable laws and necessary compliances as mentioned in the Resolution.

The proposed issue will not result in any major change in the Company's Financial Leverage, as some of the existing borrowings may be replaced with new securities to minimize the cost of borrowings. The proceeds may also be used for other miscellaneous business purposes, including but not limited to meet the ongoing capital expenditure, working capital requirements of the Company and/or its subsidiaries, affiliates including investment in subsidiaries, affiliates, repayment of debt and other general corporate purposes.

This Special Resolution, among other things, seeks to enable the Board of Directors (including any duly authorised Committee thereof) to undertake a Qualified Institutions Placement to Qualified Institutional Buyers in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ( "SEBI ICDR Regulations") for the purposes mentioned above, without the need for fresh approval from the Members .

**Basis or Justification of Price:** The pricing of the Securities to be issued to Qualified Institutional Buyers shall be determined by the Board in accordance with the regulations on pricing of securities under Chapter VIII of the SEBI ICDR Regulations. The "Relevant Date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, and in case of convertible securities, either the date of the meeting in which the Board decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares as provided under Chapter VIII of the SEBI ICDR Regulations. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% (five per cent) or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also enables the Board to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board deems fit. The Company with this resolution intends to retain the right and flexibility to issue securities as specified in the resolution including but not limited to non-convertible debentures, GDRs, ADRs, FCCBs and Equity Shares.

The detailed terms and conditions for the issue/offer will be determined by the Board in consultation with the lead manager(s) and other advisors appointed in relation to the proposed issue/offer and such other



authorities as may be required, taking into consideration market conditions and in accordance with applicable laws. The Equity Shares allotted or arising out of conversion of any Securities will be listed and traded on stock exchanges where Equity Shares of the Company are currently listed ("Stock Exchanges"), subject to obtaining necessary approvals. The offer/issue/allotment/conversion/ redemption of Securities would be subject to obtaining regulatory approvals, if any by the Company. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the

Stock Exchanges as may be required under the Regulations, as amended.

The resolution is accordingly recommended for approval of the Members by way of a Special Resolution, in the best interest of the Company and shall remain valid for a period of 12 months from the date of its passing at the AGM.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution.

**Regd. Office:**

Jaykaypuram-307 019  
Dist. Sirohi (Rajasthan)

Date: 5th June 2017

**By Order of the Board**

**B.K. Daga**

Vice President & Company Secretary

# FOR ATTENTION OF THE MEMBERS

1. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip printed on the envelope and advise correction, if any, therein. Also please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Requests for transfer of Equity Shares and related correspondence should be addressed to the **Company's Registrar and Share Transfer Agents: MCS Share Transfer Agent Limited**, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA). The Members holding any shares in demat may approach depository participant for registration of change in their addresses, bank mandates, nominations, etc.
4. Any person seeking transfer of shares in physical form should furnish copy of the PAN card of the Transferor and Transferee to the Company / RTA for registration of transfer of shares.
5. Members having multiple folios are requested to write to the Company / RTA for consolidation of the Folios to save the administrative or servicing cost.
6. Dividend Warrants, Share transfer etc.:

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory for the Company to print the Bank Account details of the investors on dividend payment instrument. Accordingly, the Members are requested to register/ update their correct bank account details with the Company/RTA/Depository Participant, as the case may be along with MICR/NECS details.

7. Investor Grievances can be lodged electronically online with the RTA. Please log on to [www.mcsregistrars.com](http://www.mcsregistrars.com) and click on Investors Services to register your queries/ grievances which will be promptly responded by the RTA. Please write to the Company Secretary at Secretarial Department at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi-110 002 or **E-mail: [bkdaga@jkm.com](mailto:bkdaga@jkm.com)** in case their response is not received within a week's time.
8. **Unclaimed Dividends- Transfer to Investor Education and Protection Fund**
  - (a) Pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Investor Education and

Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the unclaimed dividend will be transferred to the Investor Education and Protection Fund (IE & PF) on expiry of 7 years from the date of transfer of such dividend to unpaid Dividend Account of the Company.

- (b) The unclaimed Dividend (Final) for the Financial Year 2009-10 ended 31st March 2010 will become due for transfer to IE & PF on 17th August 2017 and unclaimed Dividend for the Financial Year 2010-11 will become due for transfer to IE & PF on 15th August 2018.
  - (c) Members who have not claimed their dividend for the Financial Year 2009-10 and for subsequent years may send their unclaimed dividend warrants to the Company Secretary for revalidation at the address given at Point No. 7 above.
  - (d) As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company has therefore, sent notice to all the Members whose dividends are lying unclaimed against their name for seven consecutive years or more to claim the same at the earliest.
9. **Nomination:** Pursuant to Section 72 of the Act, individual Members holding shares in the Company in single name or joint names may nominate an individual to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Holders. Members holding shares in physical form, may send their nomination in the prescribed Form SH-13, duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialized form are requested to contact their Depository Participant for recording their nomination.
  10. **Dematerialisation of Shares and Liquidity:** Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN is INE786A01032.
  11. Members are requested to quote their Folio No./ DP ID - Client ID and details of shares held in physical/demat mode, e-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.
  12. This Notice contains Route Map of the AGM Venue which is given on the reverse of this page.

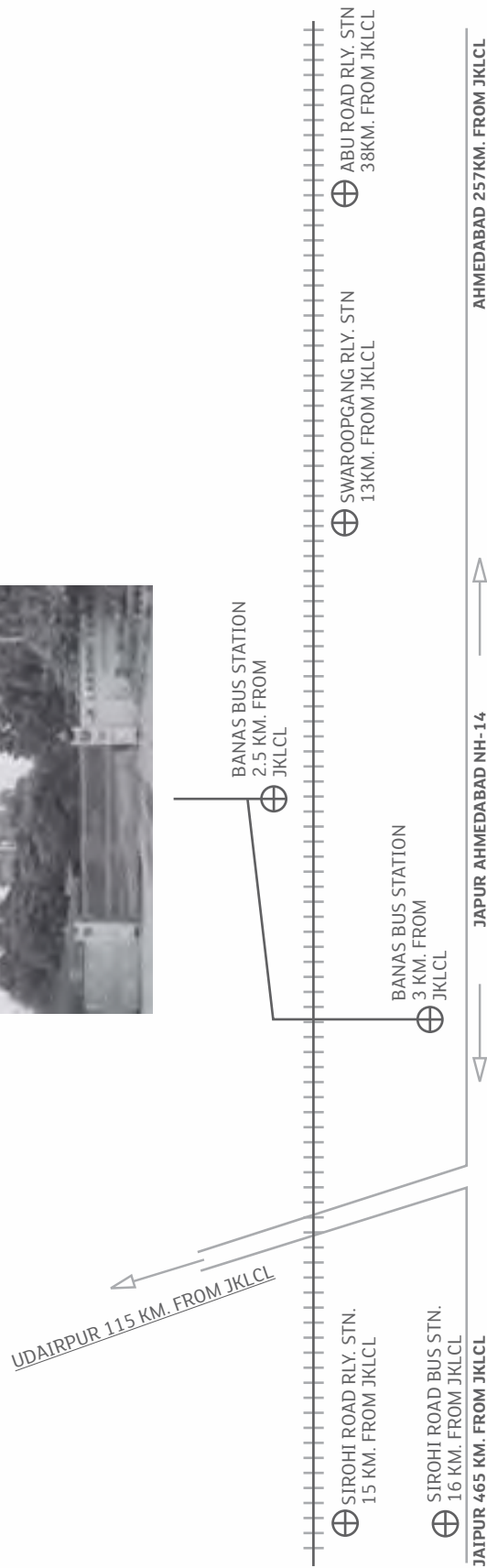


### **Green Initiative in Corporate Governance: Register E-mail Address**

The Ministry of Corporate Affairs has permitted companies to send various notices/ documents under the Companies Act, 1956, to its Members, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with MCS Share Transfer Agent Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request: Folio No./ DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).

Further, pursuant to Section 101 of the Companies Act, 2013 and the Rules made thereunder, the Company may follow above mode.

# Route Map to AGM Venue







CIN: L74999RJ1938PLC019511

Regd. Office: Jaykaypuram-307 019, Dist. Sirohi, Rajasthan

Email: jklc.investors@jklmail.com | Website: www.jklakshmicement.com | Ph No.: 91-11-30179860-861

(Sequence Number)

**ADMISSION SLIP**

Folio No. / DP ID - Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 77th Annual General Meeting of the Company being held at Jaykaypuram-307 019, Dist. Sirohi, Rajasthan on **Thursday**, the **7th September 2017** at **12.30 P.M.**

Name of the Members (in block letter)
Name of Proxy / Authorised Representative attending* (in block letter)

\*Strike out whichever is not applicable

#Applicable for Members holding shares in dematerialised form.

\_\_\_\_\_  
Signature of the attending Member/Proxy/Authorised Representative\*

**Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Members intending to appoint a proxy may use the Proxy Form given below.**



[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]



PROXY FORM

CIN: L74999RJ1938PLC019511

Regd. Office: Jaykaypuram-307 019, Dist. Sirohi, Rajasthan

Email: jklc.investors@jksmail.com | Website: www.jklakshmicement.com | Ph No.: 91-11-30179860-861

Name of the Member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Folio No./Client ID: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being the Member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint  
Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_ Signature \_\_\_\_\_

**or failing him/her**

Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_ Signature \_\_\_\_\_

**or failing him/her**

Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_ Signature \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 77th Annual General Meeting of the Company, to be held on Thursday, the 7th September 2017 at 12.30 P.M. at Jaykaypuram-307 019, Dist. Sirohi (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
1	Consideration and adoption of the financial statements of the Company (including consolidated financial statements) for the Financial Year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon.
2	Declaration of Dividend.
3	Re-appointment of Smt. Vinita Singhania (DIN: 00042983), who retires by rotation.
4	Appointment of Auditors and their remuneration.
5	Ratification of remuneration of Cost Auditors.
6	Issue of Securities of upto Rs. 500 Crore.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Affix  
Revenue  
Stamp

Signature of Members

Signature of Proxy holder(s)

**Notes:** This form of proxy in order to be effective should be duly completed, signed and stamped, and, deposited at the Registered Office of the Company at Jaykaypuram- 307019, Dist. Sirohi, Rajasthan, not less than 48 hours before the commencement of the Meeting.









Shri B. H. Singhania, CMD - JKLC announcing winners  
during Lakshmipat Singhania, IIM Lucknow - National Leadership Award Function, 2017  
Chaired by "The Hon'ble President of India"







**JK LAKSHMI**  
C E M E N T Ltd. 

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New Delhi 110 002

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☎ Toll Free No. : 1800-102-5097

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