

**JK Cement LTD.**

CIN: L17229UP1994PLC017199

ISO 9001:2000 & ISO 14001 CERTIFIED COMPANY

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Registered & Corporate Office :  
Kamla Tower, Kanpur-208 001 (U.P.) INDIA

13<sup>th</sup> August, 2018

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Mumbai-400051  
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**SCRIP CODE JKCEMENT**

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25<sup>th</sup> floor, Dalal Street,  
Mumbai-400023  
FAX NO.02222722041/22722061  
Email:corp.relations@bseindia.com  
**SCRIP CODE 532644**

Dear Sirs,

We are pleased to attach:-

- 1) Audited Printed Annual Accounts of J.K. Cement Ltd. for the year 2017-18.
- 2) Business Responsibility Report of the Company for the financial year 2017-18.

Please take aforesaid on record and oblige.

Thanking you,

Yours faithfully  
For J.K. Cement Ltd.

(Shambhu Singh)  
Assistant Vice President (Legal) & Co. Secretary.



Encl: 1. Audited Printed Annual Accounts for 2017-18  
2. Business Responsibility Report of J.K. Cement Ltd. for 2017-18



UNITS:

J. K. Cement Works, Nimbahera  
J. K. Cement Works, Mangrol  
J. K. Cement Works, Gotan  
J. K. Cement Works, Muddapur

J. K. Cement Works, Jharli  
J. K. White Cement Works, Gotan  
J. K. White, Katni  
J. K. Power, Bamania



# DELIVERING

ON OUR VISION



ON OUR ASPIRATIONS



ON OUR STRATEGY



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## HIGHLIGHTS OF FY 2017-18

### REVENUE

₹4,758.17 CRORE 9% ▲

### EBITDA

₹760.65 CRORE 10% ▲

### PAT

₹341.87 CRORE 62% ▲

### EPS

₹48.89 62% ▲

## MARKET CAPITALISATION

₹7,098 CRORE 8.56% ▲

AS ON 31 MARCH 2018

COMPARED TO 31 MARCH 2017

▲ GROWTH OVER FY 2016-17



# OUR CMD NAMED THE BEST CEO IN THE CEMENT INDUSTRY

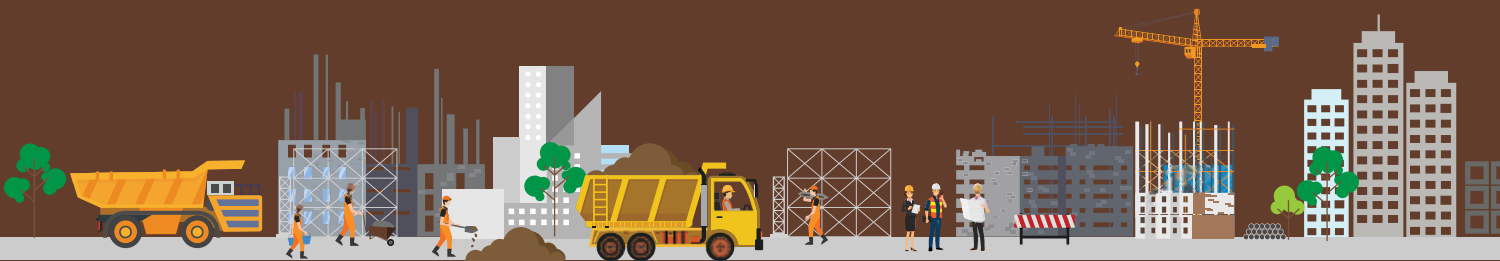


Mr. Yadupati Singhania, our Chairman and Managing Director, was conferred with the prestigious Best CEO Award in the cement industry by Business Today magazine. This prestigious award comes as a result of years of hard work, dedication and perseverance.

Under Mr. Singhania's leadership, J.K. Cement has recorded strong accomplishments, positioning itself as a premier contributor to the industry. His dynamic vision and pursuit for excellence positioned J.K. Cement amongst the best-run cement companies in India. He was also ranked 28<sup>th</sup> among the best CEOs in India.



**WE ARE THINKING FORWARD  
AND OPERATING ON A VIVID,  
PROGRESSIVE AND EXPANSIVE  
ROADMAP FOR THE FUTURE.  
OUR VISION IS TO CONTINUE  
TO PARTNER NATION-BUILDING  
AND CREATE STAKEHOLDER  
VALUE THAT ENDURES FOR THE  
LONG-TERM.**



**AS A PART OF THAT OVERARCHING VISION, WE HAVE CONSISTENTLY ENHANCED CAPACITIES, INVESTED IN VALUE-ADDED PRODUCTS AND DELIVERED HIGHER FREE CASH FLOW. OUR ASPIRATION TO STEADILY GROW THE SCALE AND SCOPE OF THE BUSINESS IS ALSO A LOGICAL EXTENSION OF OUR VISION.**

**OUR BROAD STRATEGY IS TO BRING ON STREAM NEW CAPACITIES, ELIMINATE OPERATIONAL BOTTLENECKS, ENRICH PRODUCTS AND SOLUTIONS, ENERGISE OUR BRANDS,**

**REDUCE ENVIRONMENT FOOTPRINT, BUILD A FORMIDABLE TALENT POOL AND DRIVE COMMUNITY INITIATIVES.**

**WE HAVE OUTLINED A CAPEX PLAN OF OVER ₹5,000 CRORE FOR THE NEXT FIVE YEARS TO GROW OUR GREY CEMENT CAPACITY TO 18 MNTPA, WHICH IS ALMOST DOUBLE OF THE PRESENT LEVEL.**

**WE BELIEVE DELIVERY IS A MOVING TARGET. THEREFORE, WE ARE WORKING WITH A FLEXIBLE AND FEASIBLE BLUEPRINT TO DELIVER ON OUR VISION, ASPIRATION AND STRATEGY.**





## OUR IDENTITY

# CREATING VALUE THAT ENDURES

**WE HAVE ALWAYS BELIEVED IN CREATING VALUE FOR THE NATION IN A SUSTAINABLE MANNER AND HAVE SERVED AS AN AGENT OF EMPOWERMENT FOR ALL STAKEHOLDERS.**

J.K. Cement Limited is part of the industrial conglomerate J.K. Organisation, which was founded by Late Lala Kamlapat Singhania, and has been in business since the early 1900s.

As one of the India's leading cement companies, we are consistently growing our capacity and enriching our product portfolio. The objective is to reinforce our footprint in existing geographies and foray into unexplored terrains. Our focus has been to ensure product quality, drive operational excellence, strengthen marketing and distribution network and nurture our talent pool to sustain our growth trajectory.

### VISION

To be the preferred manufacturer of cement and cement-based products that partners in nation building, engages with its community and cares for all stakeholders.



### MISSION

J.K. Cement aims to deliver innovative products and solutions that meet the needs of its customers. Together with our exceptional people and strong stakeholder relationships, we commit to the highest standards of quality, productivity, sustainability and performance that drive shareholder value and long-term success.



## OUR ASSETS

### Nimbahera, Chittorgarh (Rajasthan)

**Commencement:** 1975

**Grey Cement:** 3.25 MnTPA

**Thermal Power Plant:** 20 MW

**Waste Heat Recovery:** 13.2 MW

### Mangrol, Chittorgarh (Rajasthan)

**Commencement:** 2001

**Grey Cement:** 2.25 MnTPA

**Thermal Power Plant:** 25 MW

**Waste Heat Recovery:** 10 MW

### Muddapur, Bagalkot (Karnataka)

**Commencement:** 2009

**Grey Cement:** 3.00 MnTPA

**Thermal Power Plant:** 50 MW

### Gotan, Nagaur (Rajasthan)

**Commencement:** 1984

**White Cement:** 0.6 MnTPA

**Grey Cement:** 0.47 MnTPA

**Wall Putty:** 0.5 MnTPA

**Thermal Power Plant:** 7.5 MW



## OUR CAPACITIES

**10.50 MNTPA****Grey Cement****1.20 MNTPA****White Cement****0.7 MNTPA****Wall Putty**

▶ A view of the Nimbahera plant

## VALUES

**Integrity****Honour our commitments**

We are committed to being honest and ethical in all interactions, maintaining the highest ethical standards in all our markets, financial and operational practices.

**Quality****Strive for perfection**

We are passionate about creating a culture of perfection that encourages and promotes excellence in products and services through innovation and continuous improvement.

**Trust****Take pride in our promises**

We are serious about accepting the responsibility to win and maintain the trust of our stakeholders.

**Care****Observe, understand, assist**

We genuinely care about our relationships and use compassion to observe and understand stakeholder needs; and be available to assist in improving the lives of all.

**People****Empower, inspire and respect**

We treat one another with respect and collaborate openly. All ideas are welcome, and we value diversity and perspective.

**Jharli, Jhajjar  
(Haryana)****Commencement: 2014****Split Grinding Unit: 1.5 MnTPA****Katni  
(Madhya Pradesh)****Commencement: 2016****Wall Putty: 0.2 MnTPA****Fujairah  
(UAE)****Commencement: 2014****White Cement: 0.60 MnTPA**



CORE STRENGTHS

## EQUIPPED TO PARTNER NATION-BUILDING

PROGRESSING CONFIDENTLY  
WITH OVER FOUR DECADES  
OF EXPERIENCE, PARTNERING  
NATION-BUILDING AND DELIVERING  
STAKEHOLDER VALUE

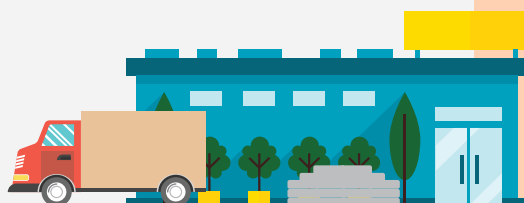
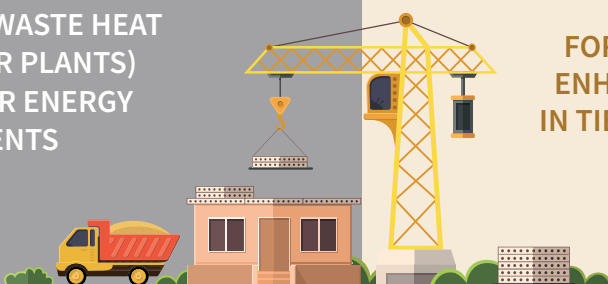
ONE OF INDIA'S  
LEADING GREY CEMENT  
MANUFACTURERS WITH AN  
INSTALLED CAPACITY OF  
**10.5 MNTPA**

A TOTAL OF  
**125.70 MW**  
(COAL-BASED AND WASTE HEAT  
RECOVERY POWER PLANTS)  
CATERING TO OUR ENERGY  
REQUIREMENTS

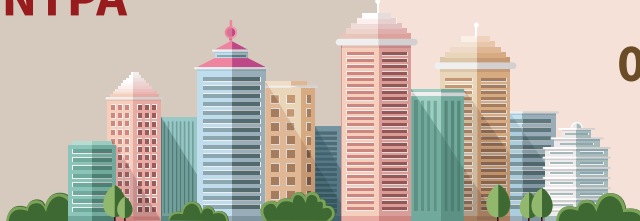
EXTENSIVE PAN-INDIA  
MARKET REACH ACROSS  
**15 STATES**  
FOR GREY CEMENT WITH  
ENHANCED PENETRATION  
IN TIER II AND TIER III CITIES

PAN-INDIA NETWORK OF  
**OVER 12,000 DEALERS**  
AND RETAILERS FOR OUR GREY  
CEMENT PRODUCTS

NATIONAL DISTRIBUTION  
NETWORK OF  
**42,000+ DEALERS**  
AND RETAILERS FOR MARKETING OUR  
WHITE CEMENT AND WHITE CEMENT-  
BASED WALL PUTTY



THIRD LARGEST WHITE  
CEMENT MANUFACTURER IN  
THE WORLD WITH  
**1.20 MNTPA**



SECOND LARGEST PRODUCER OF  
WALL PUTTY IN INDIA, WITH AN  
INSTALLED CAPACITY OF

**0.7 MNTPA**  
AND EXPANDING CAPACITY  
BY ANOTHER  
**0.2 MNTPA**

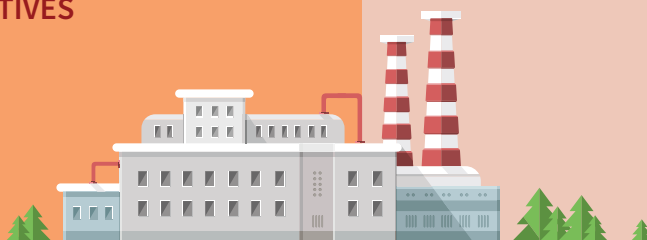
WIDENED GLOBAL REACH FOR  
WHITE CEMENT THROUGH  
EXPORTS IN  
**35 COUNTRIES**

ACCESS TO EXTENSIVE LIMESTONE  
RESERVES THAT ARE CAPABLE OF  
SUSTAINING PRODUCTION FOR AT LEAST  
**30 YEARS,**  
ENSURING SEAMLESS PRODUCTION



**TEAM OF 2,900+**  
PEOPLE, CONTRIBUTING  
TO ORGANISATIONAL  
OBJECTIVES

**₹5,000 CRORE+**  
CAPITAL EXPENDITURE OUTLAY  
FOR THE NEXT FIVE YEARS  
FROM 2017-18



## HIGHLIGHTS OF FY 2017-18

# GLIMPSE OF OUR OPERATIONAL CANVAS

Growth in 2017-18 over 2016-17

## GREY CEMENT

**17%**

**Production volumes**  
(from 6.77 MnTPA to  
7.89 MnTPA)

**29%**

**Net sales**  
(from ₹2,489.44 crore to  
₹3,211.71 crore)

## WHITE CEMENT AND WALL PUTTY

**2%**

**White Cement production  
volumes**  
(from 0.54 MnTPA to  
0.56 MnTPA)

**14%**

**Wall Putty production  
volumes**  
(from 0.54 MnTPA to  
0.62 MnTPA )

## BUSINESS SUSTAINABILITY

**49%**

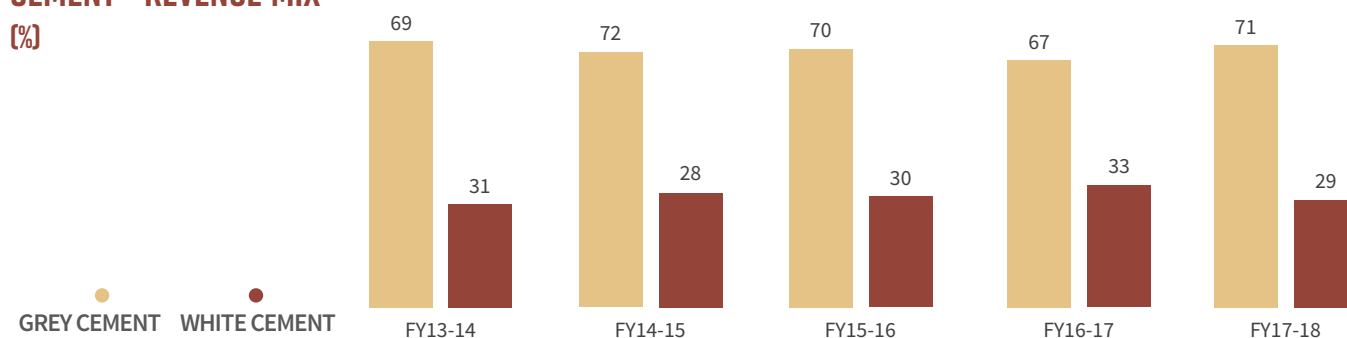
**CSR expenditure**  
(from ₹3.23 crore to  
₹4.81 crore)

**15%**

**Water recycling**  
(from 346,693 m3 to  
399,969 m3)

## GREY CEMENT VS WHITE CEMENT - REVENUE MIX

(%)



15%

**EBITDA**

(from ₹328.77 crore to ₹378.34 crore)

9%

**Net sales from business**

(from ₹1,216.28 crore to ₹1,330.99 crore)

5%

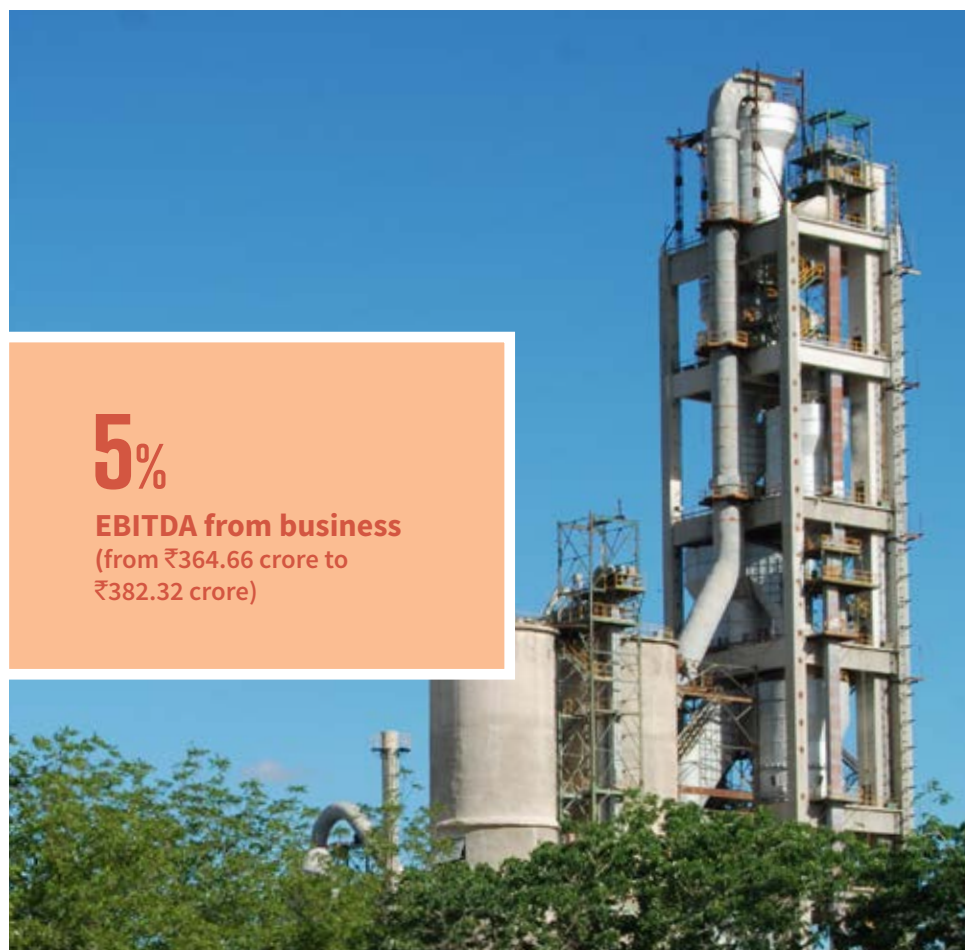
**EBITDA from business**

(from ₹364.66 crore to ₹382.32 crore)

102%

**Alternate fuels usage**

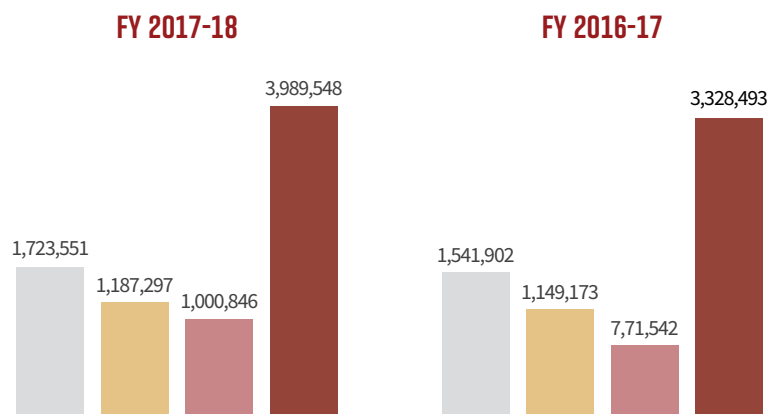
(from 43,884 MT to 88,684 MT)



▶ A view of the Gotan plant

### INCREASING SHARE OF SALES FROM NORTH AND SOUTH INDIA TO IMPROVE EBITDA (MT)

● NORTH ● SOUTH  
● WEST ● CENTRAL



## OUR FOOTPRINT

# EXPANDING OUR REACH

**WE HAVE EXTENSIVELY DEVELOPED OUR DEALER NETWORK IN ORDER TO DEEPEN OUR PENETRATION ACROSS INDIA AND INTERNATIONALLY. CURRENTLY, WE HAVE A SIGNIFICANT NUMBER OF DEALERS AND STOCKISTS IN THE GREY CEMENT AND WHITE CEMENT SEGMENTS AND HAVE PLANS TO INCREASE OUR CHANNEL STRENGTH IN THE COMING YEARS.**

## WHITE CEMENT MARKET (GLOBAL)

- |                 |                                |
|-----------------|--------------------------------|
| 1. Australia    | 19. Oman                       |
| 2. Bahrain      | 20. Peru                       |
| 3. Bangladesh   | 21. Philippines                |
| 4. Brazil       | 22. Qatar                      |
| 5. Djibouti     | 23. Rwanda                     |
| 6. Ecuador      | 24. Saudi Arabia               |
| 7. Hong Kong    | 25. South Africa               |
| 8. Iraq         | 26. South Korea                |
| 9. Japan        | 27. Sri Lanka                  |
| 10. Jordan      | 28. Taiwan                     |
| 11. Kenya       | 29. Tanzania                   |
| 12. Kuwait      | 30. Thailand                   |
| 13. Malawi      | 31. Uganda                     |
| 14. Mozambique  | 32. United Arab Emirates (UAE) |
| 15. Myanmar     | 33. USA                        |
| 16. Nepal       | 34. Yemen                      |
| 17. New Zealand | 35. Zambia                     |
| 18. Nigeria     |                                |

## GREY CEMENT MARKET (INDIA)

- |                    |                           |
|--------------------|---------------------------|
| 1. Andhra Pradesh  | 9. Madhya Pradesh         |
| 2. Delhi           | 10. Maharashtra           |
| 3. Goa             | 11. Punjab and Chandigarh |
| 4. Gujarat         | 12. Rajasthan             |
| 5. Haryana         | 13. Tamil Nadu            |
| 6. Jammu & Kashmir | 14. Uttaranchal           |
| 7. Karnataka       | 15. Uttar Pradesh         |
| 8. Kerala          |                           |

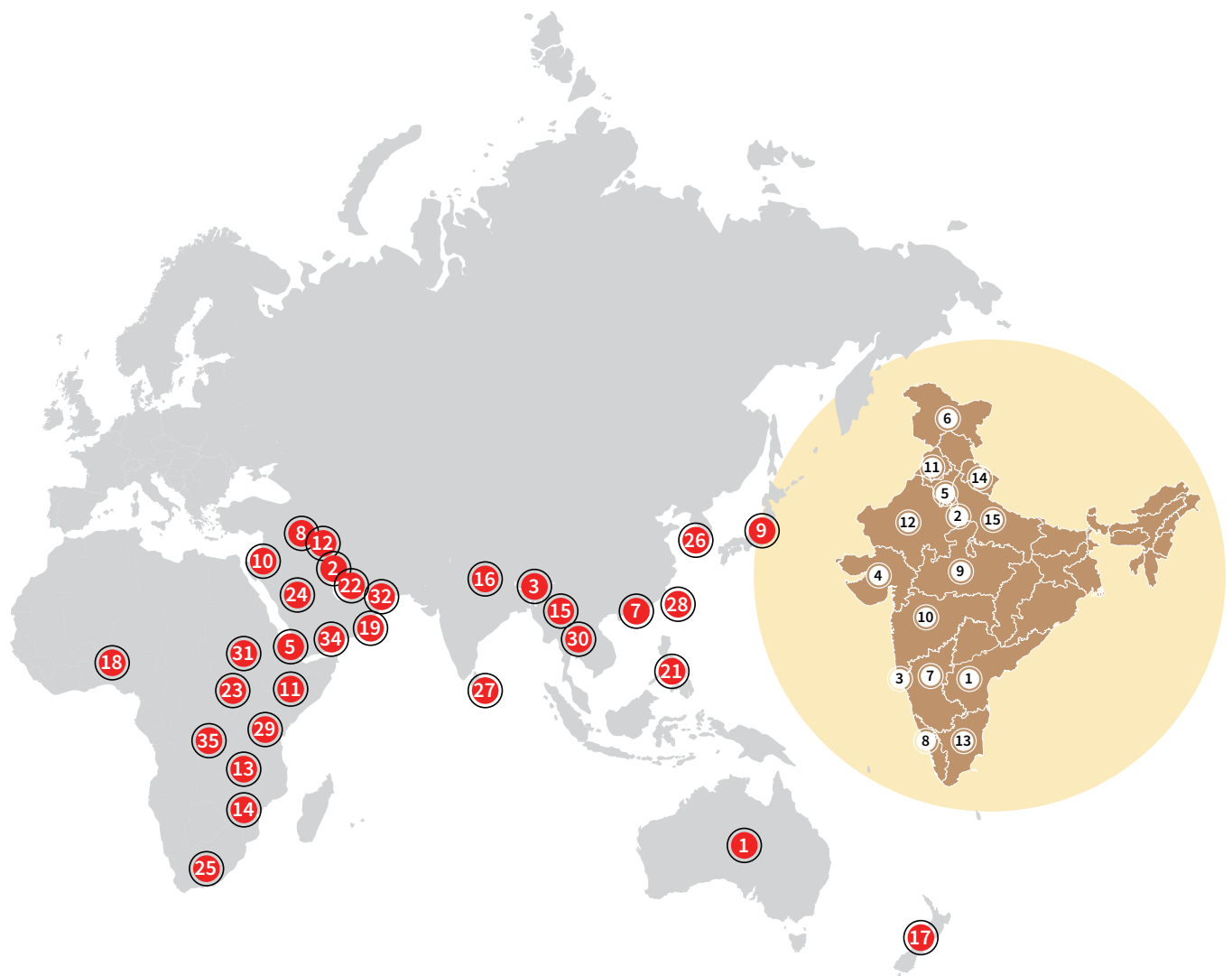


## STATE-WISE GREY CEMENT VOLUME

[%]



STATE	% OF VOLUME
RAJASTHAN	24.35
HARYANA	15.65
KARNATAKA	11.56
MADHYA PRADESH	10.55
MAHARASHTRA	10.22
UTTAR PRADESH	9.70
DELHI	5.16
PUNJAB AND CHANDIGARH	4.73
GUJARAT	3.60
OTHERS	4.47





## PRODUCT PROFILE

# OFFERINGS THAT SET INDUSTRY STANDARDS

## GREY CEMENT



Ordinary Portland Cement (OPC)



Portland Pozzolana Cement (PPC)



Portland Slag Cement (PSC)

## WHITE CEMENT



JK White Cement



JK Wall Putty

## VALUE-ADDED PRODUCTS



JK Primaxx



JK Super Grip

**Ordinary Portland Cement (OPC)**

It is much in demand for its extra strength and fineness. It is ideal for all kinds of construction jobs and concrete components production.

**Portland Pozzolana Cement (PPC)**

It is one of the premium and application-friendly Grey Cement brands in the country. It enjoys significant demand from the retail and institutional segments.

**Portland Slag Cement (PSC)**

It has compressive strength, primarily used in special structures like pre-stressed concrete. It has a high corrosive-resistance power. Hence, it is widely used in coastal areas.

**JK White Cement**

It is suitable for numerous decorative and architectural applications in white, light and dark colours, be it interiors or exteriors.

**JK Wall Putty**

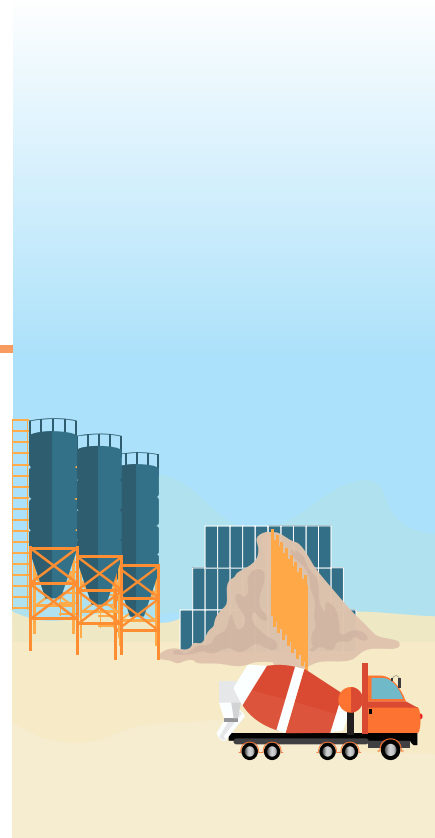
Its water-repelling and damp-resistant properties provide an ideal foundation for concrete / cement-plastered walls and ceilings, giving a smooth finish for further application of paints.

**JK Primaxx**

It is a White Cement-based primer, ideal as an undercoat for exterior cementitious surfaces, which enhances the quality and coverage of paints for a long-lasting, smooth and beautiful finish. It is a perfect blend of strength, adhesion and durability.

**JK Super Grip**

It is a premium product developed for fixing ceramic and vitrified tiles for interior walls and floors. It lends an excellent bond on cementitious surfaces such as concrete, cement plaster, cement mortar beds and others.



CHAIRMAN AND MD'S INSIGHT

## DELIVERING SUSTAINABLY



**WE ARE AIMING TO ALMOST DOUBLE OUR GREY CEMENT PRODUCTION CAPACITY TO 18 MNTPA IN THE NEXT FOUR-FIVE YEARS. WE PLAN TO FUND OUR EXPANSIONS THROUGH A PRUDENT MIX OF INTERNAL ACCRUALS AND DEBT.**



### DEAR SHAREHOLDERS,

Our strategy, aspirations and vision revolve around one overarching objective, nation building, as the India growth story continues to progress and evolve. The reforms undertaken by the Government of India in the preceding couple of years have considerably bolstered India's medium- and long-term outlook.

The size of India's economy is over USD 2.5 trillion, making it the world's sixth largest and it is growing at a healthy pace of 6.7% in FY 2017-18, despite unpredictable global headwinds. I strongly

believe that the next growth phase for the Indian economy is likely to be driven by wide-ranging infrastructure creation, investments and growing consumerism, facilitated by higher incomes and an expanding middle-class base.

The year saw the rapid rollout of the Goods and Services Tax (GST). It is a landmark reform in post-independent India, which is expected to expand the nation's formal sector considerably and widen the tax base. The GST is likely to contribute to economic activity and fiscal sustainability, going forward.

It is deeply encouraging to see the magnitude of change around us, as the Government of India is driving large-scale infrastructure programmes across sectors such as real estate, ports, roadways and energy. Flagship programmes - Housing for All, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Smart Cities mission - will transform India's urban and rural infrastructure across segments such as housing, mobility and waste management.

We believe, it is an exciting time for us to contribute to the nation's progress and we

are growing capacities, expanding reach, improving operational efficiencies and strengthening the reputation and recall of our brand.

### CAPACITY EXPANSION

We are aiming to almost double our Grey Cement production capacity to 18 MnTPA in the next four-five years. We plan to fund our expansions through a prudent mix of internal accruals and debt.

Aligned to our growth plans, we have initiated in the first phase, a brownfield expansion of 4.2 MnTPA to be on stream by March 2020. The expansion envisages a clinker capacity of 7,500 TPD at Mangrol, with additional grinding capacity of 1 MnTPA each at Nimbahera and Mangrol. Besides, two split grinding units of 1.5 MnTPA at Aligarh, Uttar Pradesh and 0.7 MnTPA at Balsinor, Gujarat are planned. The increased capacity will enable us to reinforce our prominence in the northern and western markets that promise attractive growth.

We are also commissioning an additional installed capacity of 0.20 MnTPA of White Cement-based Wall Putty at our Katni plant in Madhya Pradesh. Post expansion, our installed capacity for Wall Putty will reach 0.40 MnTPA and our total installed capacity will reach 0.90 MnTPA.

### SUSTAINABLE PERFORMANCE

I am happy to report another year of sustainable progress at J.K. Cement. During FY 2017-18, we reported 9% net revenue growth of ₹4,758.17 crore in FY 2017-18, compared to ₹4,379.83 crore in FY 2016-17, driven by volume growth across our core markets and multi-product strategy. Our EBITDA increased 10% to ₹760.65 crore in FY 2017-18 vis-à-vis ₹693.42 crore in FY 2016-17, owing to our steadfast focus on enhancing efficiencies across our plants.

## NET REVENUE

9% ▲

## EBITDA

10% ▲

## NET PROFIT

62% ▲

Our net profit grew by 62% to ₹341.87 crore in FY 2017-18, compared to ₹210.78 crore in FY 2016-17 and our Earnings per Share (EPS) stood at ₹48.89 in FY 2017-18 vis-à-vis ₹30.14 in FY 2016-17, a 62% growth. Our focus on higher realisations and expanded portfolio of value-added products ensured sustained profitability.

To improve our market share, we are continuously expanding our distribution network and also investing in brand promotion. We are strengthening our relationships with existing dealers and retailers through multiple engagement initiatives. Besides, we are undertaking programmes to impart training to teams on marketing and sales techniques and technical applications of cement products.

### PEOPLE MATTER AT J.K. CEMENT

The rich repertoire of experience and expertise that our teams bring on board

provides us a competitive advantage. We are helping our people consistently improve their skills through training, while at the same time, strengthening our leadership pipeline for the future.

### PROGRESS WITH RESPONSIBILITY

Taking forward the legacy of the J.K. Organisation, we continue to invest in community wellbeing. We facilitate various community development initiatives in the realm of education and vocational training, health and sanitation, water management, environment preservation and inequality.

At the same time, we are working towards resource efficiency and energy conservation by promoting blended cement and the use of alternative energy solutions to reduce our carbon footprint.

We are taking confident strides in all aspects of the business to deliver on stakeholder commitments and to contribute to India's socio-economic prosperity. On behalf of all members of the Board and Executive Committee, I thank all our stakeholders for their guidance and support.

Warm regards,

**Yadupati Singhania**

Chairman and Managing Director  
DIN - 00050364

## BUSINESS MODEL

# A RESILIENT BUSINESS MODEL THAT DELIVERS CONSISTENT VALUE

FOR OVER FOUR DECADES, J.K. CEMENT HAS PARTNERED INDIA'S MULTI SECTORAL INFRASTRUCTURE NEEDS ON THE STRENGTH OF ITS PRODUCT EXCELLENCE, CUSTOMER ORIENTATION AND TECHNOLOGY LEADERSHIP.

## KEY INPUTS

### MANUFACTURED CAPITAL

- All the manufacturing facilities that enable the entire process of cement production starting from the raw material extraction stage to the product packaging and dispersal stage

### NATURAL CAPITAL

- Primarily mineral reserves (limestone and additives)

### FINANCIAL CAPITAL

- Effective utilisation of equity, free cash flows and borrowings
- Judicious capital expenditure

### HUMAN CAPITAL

- Collective skills and expertise of people at J.K. Cement

### INTELLECTUAL CAPITAL

- Product and process innovation
- Technical expertise in developing cement and value-added products

### RELATIONSHIP CAPITAL

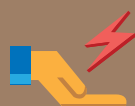
- Long-term relationships with customers, suppliers, dealers, shareholders and communities

## LEVERAGING OUR CORE STRENGTHS



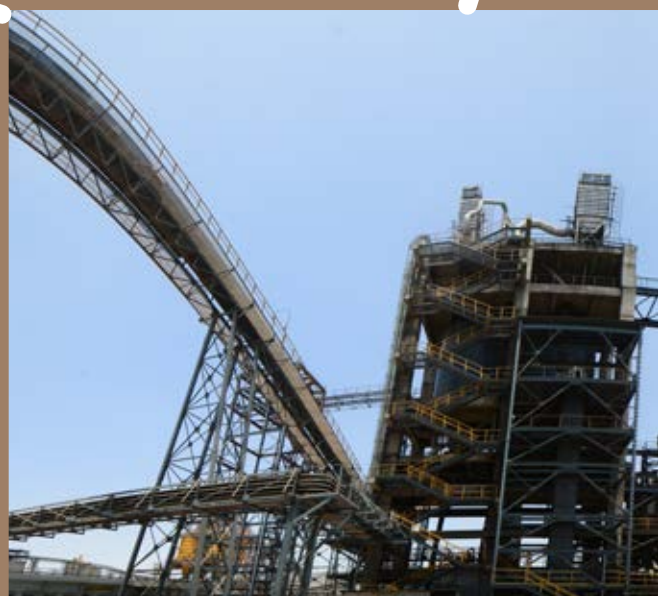
### STRATEGIC LOCATION

J.K. Cement's manufacturing facilities are adjacent to large reserves of high-quality limestone and core northern and southern markets.

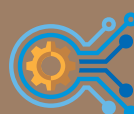


### ENERGY EFFICIENT

- Captive power generation to provide long-term sustained source of low-cost power
- Constant work towards reducing our energy footprint
- Exploring non-conventional energy sources



▶ A view of the Mangrol plant



### TECHNICAL EXPERTISE

- Adoption of advanced technology
- Constant technology upgradation and robust R&D initiatives
- Constant addition of value-added products



## CREATING VALUE FOR STAKEHOLDER GROUPS



### OPERATIONAL EFFICIENCY

- Superior product mix as one of the only two producers of White Cement in India
- The White Cement and Wall Putty segment contributes ~29% of top line, providing stability in cash flows
- Focus on improving operational efficiency to reduce costs



### MULTI-REGION PRESENCE

- Grey Cement plants and offices in strategic locations with wider market reach across Northern, Western and Southern regions
- Our White Cement and Wall Putty are marketed and sold across India and globally



### EXPANSION PLANS

- Proposed expansion of Grey Cement capacity by 40% - J.K. Cement well positioned to capture future growth
- Proposed expansion of Wall Putty capacity by 0.2 MnTPA by June 2018

### SHAREHOLDERS

- Dividend of ₹10 per share proposed in FY 2017-18
- 8.56% growth in market capitalisation in FY 2017-18
- Rewarding shareholders with consistent dividend payout for 10+ years.
- EBITDA growing sustainably at CAGR of 19.35% (FY 2014-15 to FY 2017-18)

### PEOPLE

Team members are recognised for their outstanding contribution towards the organisation

### CUSTOMERS

Consistent R&D investment made to meet evolving customer requirements

### COMMUNITY

Over ₹4.81 crore total community investments made in FY 2017-18

### PARTNERS/DEALERS

- Annual Grey Cement Dealers Conference held in Thailand with 450+ channel partners
- Annual White Cement Dealers Conference held in Shanghai with 150+ channel partners

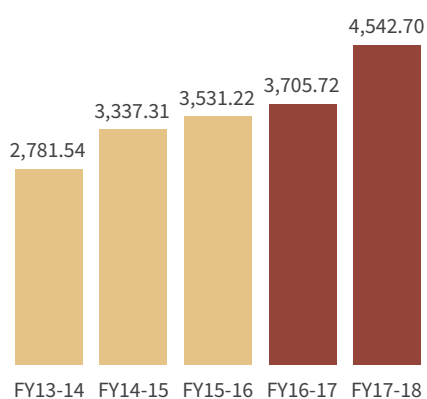


## KEY PERFORMANCE INDICATORS

## PROMISING PERFORMANCE

## NET SALES

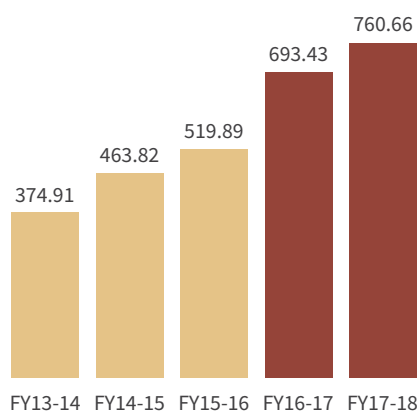
[₹ IN CRORE]



Our net sales increased owing to the growing volume in both Grey and White Cement, driven by demand across our core geographies.

## EBITDA

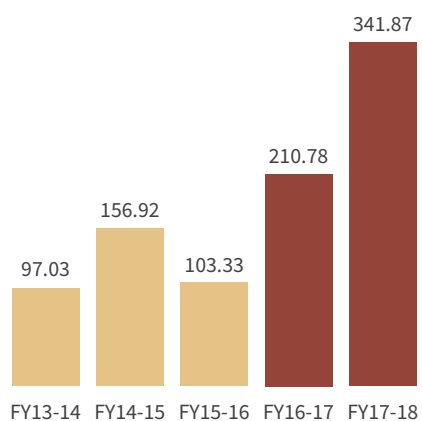
[₹ IN CRORE]



Our EBITDA rose owing to economies of scale and better realisation despite increase in input costs.

## PROFIT AFTER TAX (PAT)

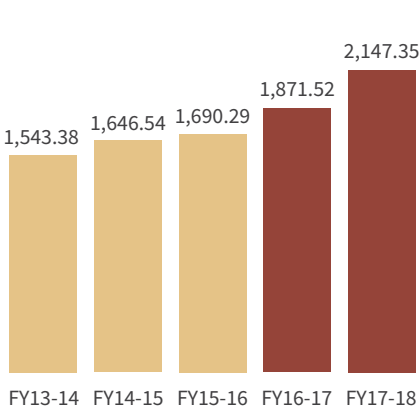
[₹ IN CRORE]



Our PAT strengthened on account of rationalised borrowings at lending lower interest cost as well as temporary deployment of free cash flows in return generating treasury products.

## NET WORTH

[₹ IN CRORE]



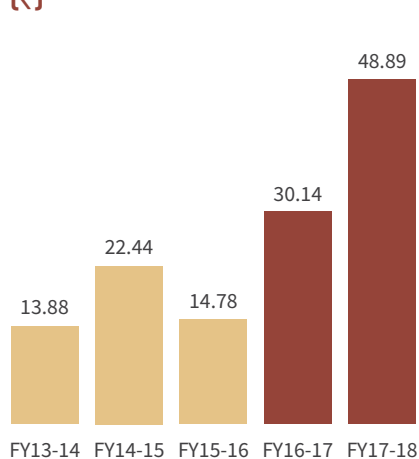
Our consistent escalation in net worth indicates sound financial health and demonstrates that our assets are growing faster vis-à-vis liabilities.

## KEY FINANCIAL RATIOS

	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
Debt equity ratio	1.37	1.40	1.45	1.32	1.04
Interest coverage ratio	2.88	2.37	2.15	2.87	3.62
Current ratio	1.32	1.22	1.10	1.18	1.34
Quick ratio	0.76	0.71	0.70	0.72	0.87
Fixed asset coverage ratio	1.09	1.42	1.44	1.49	1.61
Inventory turnover ratio	3.32	3.79	4.57	4.59	4.98

## EARNINGS PER SHARE (EPS)

[₹]



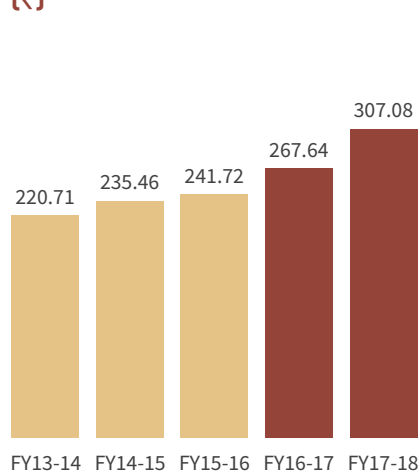
Our EPS grew owing to the Company's growth in overall operations and profitability.

**37.00%**  
CAGR

**62.19%**  
y-o-y growth

## BOOK VALUE PER SHARE

[₹]



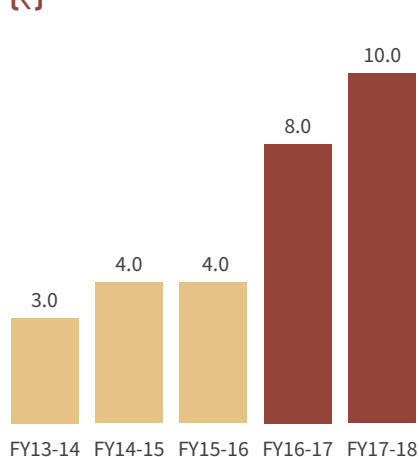
Our book value per share also showed an upward movement, reflecting steady growth in shareholder value.

**8.61%**  
CAGR

**14.74%**  
y-o-y growth

## DIVIDEND PAYOUT

[₹]



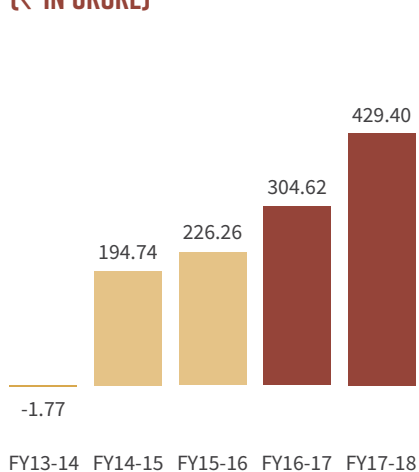
We remain steadfast on our commitment to grow shareholder value through consistent dividend payout

**35.12%**  
CAGR

**25.00%**  
y-o-y growth

## FREE CASH FLOW

[₹ IN CRORE]



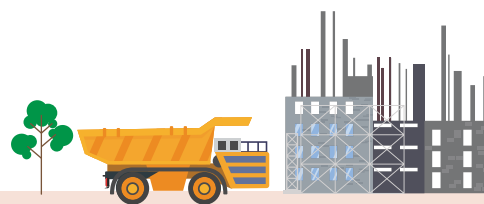
Growing free cash flow allows us to pursue opportunities that enhance shareholder value by pursuing capacity expansion, develop new products, pay dividends and reduce debt, among others.

**40.96%**  
y-o-y growth

## ECONOMIC TRENDS

# MACRO LANDSCAPE SHAPING OUR STRATEGIES

**AT J.K. CEMENT, WE ARE CONFIDENT ABOUT OUR CONSISTENT PROGRESS OWING TO THE IMMENSE GROWTH POTENTIAL INDIA OFFERS THROUGH MULTI-SECTORAL OPPORTUNITIES. WE CLOSELY ANALYSE THE BROAD OPERATING SCENARIO TO UNDERSTAND WHERE OPPORTUNITIES LIE AND HOW TO RESPOND TO THEM THROUGH ROBUST STRATEGIES.**



### Infra promise

The Union Budget FY 2018-19 increased allocation to this vital sector by 21% to USD 92.3 billion, creating significant opportunities for the cement industry. The Government has devised large-scale infrastructure programmes such as Sagarmala, Bharatmala and AMRUT spanning sectors such as real estate, ports, roads and power.

### Housing for All

The Union Budget FY 2017-18 allocated USD 123.57 million to achieve the Government's mission of 'Housing for All' by 2022. The housing sector accounts for nearly 67% of the total cement consumption in India, thereby paving the growth trajectory for the cement industry.

### Smart Cities

Over 95 million citizens across multiple upcoming cities are expected to be benefited by the Smart Cities Mission; 147 projects are already complete, with projects worth USD 21 billion under various stages of implementation. (Source: KPMG report – India Soars Higher)

### Railways gathers momentum

The Indian Railways is expected to execute projects worth USD 127.8 billion by 2030, to expand and build railways infrastructure across the country. The Indian Railways plans to develop infrastructure that will propel the cement industry. (Source: KPMG report – India Soars Higher)



### Urban Bharat

With growing urbanisation and an aspirational population with more disposable income, there is a strong consumer demand for value-added products.

### Cement with bitumen

The Government of India has decided to adopt cement instead of bitumen for the construction of roads. This is because cement is more durable and cost-effective to maintain compared to bitumen in the long-run. This is expected to boost demand for grey cement.



## KEY PRIORITIES

## OUR STRATEGIC ROADMAP

## Objectives



## What's on the radar



## Achievements, FY 2017-18

**Capacity expansion**

- Double Grey Cement capacity through brownfield and greenfield expansions
- Increase efficiency and debottlenecking of existing facilities

- Initiated brownfield expansion of 4.2 MnTPA

**Operational efficiency**

- Manage resources through product and technology innovations
- Setup plants in strategic locations near limestone-rich areas and growth markets
- Gain logistical advantages

- Enhanced input-output ratio in manufacturing
- Maintained EBITDA despite rise in fuel, diesel and grid power costs

**Consolidation**

- To maintain leadership in White Cement business by improving utilisation
- Increase Wall Putty capacity to maintain present revenue share

- Additional installed capacity of 0.20 MnTPA of White Cement-based Wall Putty at Katni, Madhya Pradesh to be commissioned in Q1 FY 2018-19
- Experienced encouraging response for newer products such as Primaxx

**Enhance brand visibility**

- Enhance brand visibility through print and online media and consumer promotions
- Expand and improve distribution network

- Sales volume increased by 16% over FY 2016-17
- Conducted strategic marketing campaigns
- Enhanced distribution strength

**Overseas opportunities**

- Strengthen position in international markets

- Increased export footprint of White Cement
- Steps taken to market other value-added products in the international markets

**Customer-centricity**

- Meet customers' rapidly changing expectations
- Provide rich customer experience
- Supply quality products at the right price
- Resolve customer grievances

- Adopted customer satisfaction practices
- Reinforced superior quality standards, ensuring customer satisfaction

**Water conservation**

- Work towards reducing our water footprint
- Generate awareness among our stakeholders to encourage judicious water use

- Recycled 399,969 m3 of water with ~25% of water consumption across our plant sites
- Adopted sustainable practices to ensure prudent use of water

**Environment protection**

- Strive to reduce Greenhouse Gas (GHG) and other air emissions associated with the cement industry through innovation in operations and installation of greener and cleaner technologies
- Use alternate fuels with lower emission impact
- Manage our waste, focusing on reduce, reuse and recycle

- Promoted the use of clean energy sources, minimising clinker factor and increasing the energy efficiency of our operations.
- Increased utilisation of alternative raw materials for the production of Grey Cement

CAPACITY EXPANSION

# NEW CAPACITIES UNLOCK EXCITING OPPORTUNITIES

THE GOVERNMENT OF INDIA IS NOW FOCUSING ON MEGA INFRASTRUCTURE DEVELOPMENT PLANS, WHICH INCLUDE ROADS, RAILWAYS, PORTS, AIRPORTS AND SMART CITIES. THIS WILL REQUIRE A HUGE HELPING HAND FROM THE CEMENT INDUSTRY. WE, AT J.K. CEMENT, HAVE CONSISTENTLY INVESTED IN GROWING OUR CEMENT CAPACITIES IN LINE WITH MARKET DEMAND ACROSS THE COUNTRY.

## GREY CEMENT CAPACITY EXPANSION

### PHASE 1

In FY 2017-18, we commenced our brownfield expansion of 4.2 MnTPA, which is expected to be ready by 2020. This involves a capital expenditure of about ₹2,000 crore.

#### OUR 4.2 MNTPA OUTLAY

To consolidate market share in core markets, we plan to expand the Grey Cement capacity at Mangrol in Rajasthan. Our plan is to add 2.5 MnTPA clinker capacity at Mangrol and two split grinding units of 1.5 MnTPA at Aligarh, Uttar Pradesh and 0.7 MnTPA at Balsinor, Gujarat, along with an additional grinding capacity of 1 MnTPA each at Nimbahera and Mangrol locations. The expansion is capital efficient at approximately USD 73/tonne. The new capacity is expected to reduce overall operating costs and administrative cost on account of better efficiencies.

#### LOCATION-WISE CAPACITY GROWTH (MnTPA)

1.0
Mangrol, Rajasthan
1.0
Nimbahera, Rajasthan
1.5
Aligarh, Uttar Pradesh
0.7
Balsinor, Gujarat

#### BENEFITS OF UPCOMING CAPACITIES

- Expansion to increase presence in Gujarat and gain market share in North India
- Split unit expected to reduce overall freight costs as well as fly ash cost due to close proximity to source and consumption markets
- Current waste heat recovery capacity to be increased by 13 MW for further reduction in power cost and to meet green energy requirement
- Installing a belt conveyor, which will reduce the transportation cost of limestone and be more environment friendly
- Cement-loading facility in wagons at Mangrol to further reduce overall transportation cost besides increasing the flexibility

**PHASE 2**

We are also planning a 3.5 MnTPA greenfield project with a capital expenditure of ₹2,500 crore.

**POST COMPLETION OF OUR TWO-PHASED EXPANSION PLAN, OUR PRODUCTION CAPACITY OF GREY CEMENT WILL BECOME 18 MNTPA IN THE NEXT FIVE YEARS.**

**WALL PUTTY CAPACITY GROWTH**

To further strengthen our base in the Central region, we are set to commission an additional installed capacity of 0.20 MnTPA of White Cement-based Wall Putty at our Katni plant in Madhya Pradesh by Q1 FY 2018-19. This would result in a total installed capacity of 0.90 MnTPA.

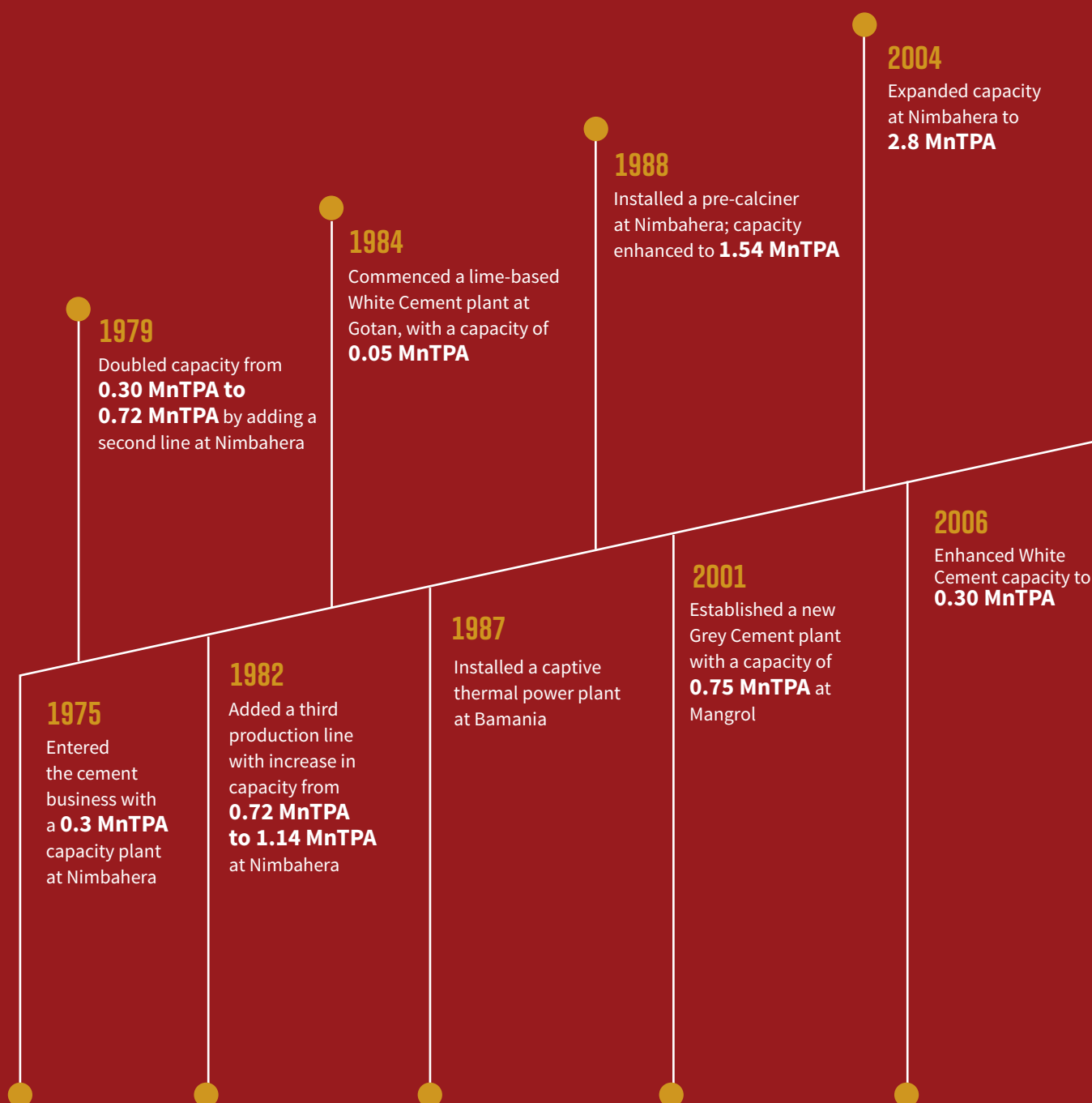


► Existing Mangrol plant, where we are further expanding capacity





# CAPACITY EXPANSION JOURNEY



## 2007

- Enhanced Grey Cement capacity at Nimbahera by **0.50 MnTPA**
- Set up a **20 MW** coal-based and **13.2 MW** heat-recovery-based power plant at Nimbahera
- Enhanced White Cement capacity to **0.4 MnTPA**
- Acquired a **0.1 MnTPA** White Cement unit at Gotan; converted the unit to produce **0.47 MnTPA** of Grey Cement
- Commissioned a **0.05 MnTPA** Wall Putty plant at Gotan, Rajasthan

## 2009

- Commissioned a **3 MnTPA** greenfield plant in South India at Muddapur, Karnataka
- Set up a coal-based **50 MW** power plant at Muddapur, Karnataka and **7.5 MW** coal-based power plant at Gotan, Rajasthan

## 2014

- Commissioned a **1.5 MnTPA** grinding unit for Grey Cement capacity at Jhajjar, Haryana
- Commissioned a **1.5 MnTPA** Grey Cement capacity at Mangrol, Rajasthan
- Commissioned a **0.6 MnTPA** White Cement capacity at Fujairah, UAE
- Commissioned a **25 MW** Coal-based power plant and **10 MW WHR** power plant at Mangrol, Rajasthan
- Expanded Wall Putty capacity to **0.5 MnTPA** at Gotan, Rajasthan

## 2012

- Enhanced White Cement capacity at Gotan by **0.2 MnTPA**, increasing total White Cement capacity to **0.6 MnTPA**
- Enhanced Wall Putty capacity to **0.3 MnTPA** at Gotan, Rajasthan

## 2016

Set up a **0.20 MnTPA** Wall Putty plant in Katni, Madhya Pradesh

## 2018

- Initiated work on **4.2 MnTPA** brownfield expansion for Grey Cement at Mangrol, Rajasthan, which is ~40% of existing capacity
- Enhancing Wall Putty capacity at Katni by **0.20 MnTPA**

## 2023

Intend to achieve Grey Cement capacity of **18 MnTPA**

## 2020

Targeted completion of our Phase 1 expansion of **4.2 MnTPA** Grey Cement

## OPERATIONAL EXCELLENCE

# STREAMLINED OPERATIONS FOR A SUSTAINABLE FUTURE

**WE ENSURE RAW MATERIAL SECURITY, ADVANCED OPERATIONS AND STRINGENT QUALITY STANDARDS TO GROW OUR PRODUCTION VOLUME AND DISPATCHES CONSISTENTLY. OUR ABILITY TO SWEAT OUR PLANTS BETTER AND OPERATE THEM AT A HIGHER CAPACITY ENABLES US TO BE CONFIDENT ABOUT MEETING OPPORTUNITIES OF THE FUTURE AND TEST OUR OPERATING VALUE-CHAIN AT OPTIMAL LEVELS. THAT IS EXACTLY WHAT WE DID IN FY 2017-18.**

### MINING STRENGTH

We are an integrated player with strategic advantage of access to high-quality limestone mines. We operate six limestone quarries in proximity to Nimbahera and Mangrol and two mines in South India to cater to the Muddapur plant. Based on geological surveys, limestone reserves for both Grey and White Cement are expected to meet the existing and planned limestone requirements for ~30 years. Recently, we were granted mining lease in Madhya Pradesh for two mines with an estimated reserve of ~518 MT – which provides ample opportunity for greenfield expansion up to 15 MnTPA.

We are making our mining processes more efficient to ensure that those are at par with global best practices. Our focus is on improving resource efficiency in clinker and cement production by optimising energy usage, utilising waste in production processes and targeting higher alternative fuel and raw material usage. We are also working towards reducing the emissions, effluents and wastes produced.

### OPERATIONAL EFFICIENCY

We are optimising our utilisation levels across all our plants. During the year,

the Company managed to grow its EBITDA despite a multi-pronged pressure on costs. Because of the increase in pet coke prices, the fuel cost went up by almost 15%. Similarly, ban on pet coke for power plant impacted captive power-generation costs by more than 20%. An increase of nearly 8% in diesel costs had an impact on the freight cost.

#### **We undertook various initiatives during the year for better operations and outcomes:**

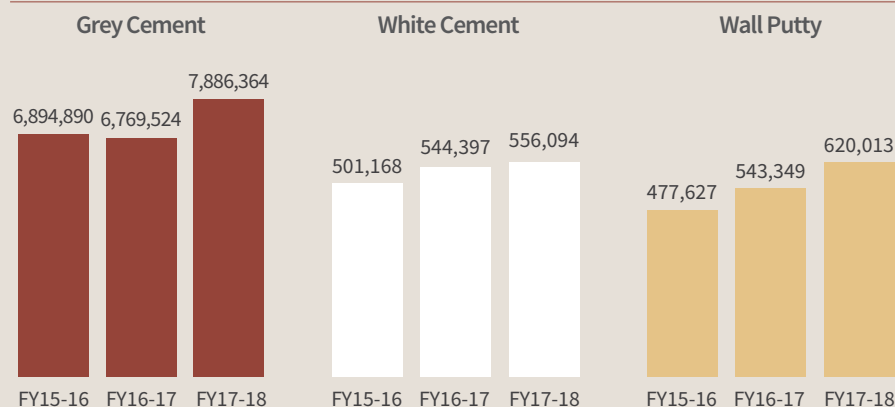
- Reduced our raw material utilisation
- Optimised the use of equipment

- Improved heat utilisation and losses
- Reduced wastage across processes
- Conducted preventive maintenance and part replacements for better efficiency

In the second half of the year, we witnessed a higher demand and that allowed us better manufacturing and preventive maintenance in order to run our plants at full capacity. This helped us test the readiness of our entire business value chain and be confident of handling higher volumes going forward.



## GROWING PRODUCTION VOLUMES (MT)



### ALTERNATIVE MATERIALS

In FY 2017-18, there was an increase in the utilisation of alternative raw materials for the production of Grey Cement. The use of industrial wastes such as fly ash and slag as alternative raw material helps to reduce the requirement of natural raw materials, without compromising product quality.

### ENHANCED PROFITABILITY

The realisations from White Cement and White Cement-based products are higher than that of Grey Cement and prices are less volatile. We are strengthening Wall Putty volumes through expansions to cater to the growing demand for wall putty in India.

### LOGISTICS EDGE

Our Nimbahera and Gotan plants have railway sidings at the plant sites, reducing transportation cost significantly. We are expanding the clinker-loading facility to cement-loading facility at Mangrol to decrease the logistics cost via transport of cement through rail.

Our strategy for new split grinding locations will give us quicker access-to-market and also provide significant advantage for logistics (both for fly ash and finished products).

## IMPROVING OPERATING METRICS

# 75%

Average capacity utilisation across all grey plants (64% in FY 2016-17)

# 93%

Capacity utilisation in White Cement plants (91% in FY 2016-17)

# 89%

Capacity utilisation in Wall Putty (78% in FY 2016-17)



► White Cement plant at Gotan

MARKETING AND BRANDING

# SMARTER STRATEGIES TO BUILD AGILE BRANDS

**WE ARE CONSTANTLY FOCUSING ON EMERGING MARKET TRENDS AND CONSUMER ASPIRATIONS TO RECRAFT OUR MARKETING AND DISTRIBUTION STRATEGY TO STRENGTHEN THE VISIBILITY AND OUTREACH OF OUR PRODUCT BRANDS.**

Our robust supply chain management ensures our products reach the right markets with speed to address the demand scenario. We leverage mass media, personal communication and professional forums to enhance our brand visibility. This comprises channel partners, dealers, specifiers, applicators and end customers. Our sales team works closely with a distribution channel that supports a strong network of stockists.

Our distribution strength is being further bolstered by policy initiatives such as the GST, which is allowing us to make greater direct dispatches and optimise our distribution presence and reach newer markets without investing in additional infrastructure such as depots and warehouses.

## GREY CEMENT

During the year, we revamped our Grey Cement brand identity to reinforce the assurance of safety and security. Our brand, JK Super Cement is driven by our core value of 'Build Safe'. Through our aggressive marketing and branding efforts, our Grey Cement volume has grown by 17%.



### ANNUAL DEALERS CONFERENCE, THAILAND – GREY CEMENT

The first-ever International Annual Dealers Conference for JK Super Cement's Gold and Platinum dealers was held on 30<sup>th</sup> July at Bangkok, Thailand. Our dealers have been indispensable in helping us achieve a higher growth and a stronger brand presence due to their incessant efforts. The meet was a small token of our appreciation for our channel partners as we gear up for new horizons of success together. The meet was attended by over 450 channel partners from across the country.

### ANNUAL DEALERS CONFERENCE, THAILAND



## 12,000+

Strong network of dealers and retailers for Grey Cement

## 201+

Feeder depots serviced by 21 sales offices for Grey Cement



## WHITE CEMENT

We have strengthened our marketing strategies in response to the ever-increasing need for a White Cement-based primer for external surface application. We re-launched JK Primaxx with the popular artist, Sunil Grover, as its brand ambassador. Its top-notch filling property inspired the new tagline 'Best Finish Best Nikhaar, Bahari Deewaron ka Sachha Yaar'.

Another TVC campaign was launched with our brand champion for JK Wall Putty, Shri Chhutkauri. These campaigns received widespread appreciation and participation from our social media fraternity.



## ANNUAL PLATINUM DEALERS CONFERENCE, SHANGHAI

We organised our first ever International Platinum Dealers Meet in February 2018. This landmark event was organised to celebrate the fierce passion of the channel partners and their contribution towards the Company's success story. This meet was a huge success and it motivated the indomitable spirits of our valued dealers and the Company officials, enabling us to forge ahead towards a brighter and successful future. It was attended by over 150 channel partners from across the country.

## ANNUAL DEALERS CONFERENCE, SHANGHAI



# 83

Feeder depots serviced by 32 sales offices for White Cement and White Cement-based Wall Putty

# 42,000+

Dealers and retailers for White Cement and White Cement-based Wall Putty



## HUMAN RESOURCE

# TEAM OF GO-GETTERS AT THE VANGUARD

**AT J.K. CEMENT, WE FOSTER A CONDUCTIVE, MERIT-BASED AND DIVERSE WORKPLACE THAT ATTRACTS AND RETAINS TALENT. WE UPSKILL OUR 2,900+ STRONG TEAM THROUGH FOCUSED TRAININGS AND EMPLOYEE ENGAGEMENT PROGRAMMES. AT THE SAME TIME, WE ENSURE THAT OUR WORK ENVIRONMENT IS SAFE AND HARMONIOUS SO THAT OUR PEOPLE CAN CONTRIBUTE THEIR BEST PERFORMANCE EVERY DAY.**

## TRAINING AND DEVELOPMENT

### IT CONCLAVE AT NIMBAHERA



We invest to provide relevant learning and career development opportunities to our people, with a focus on technical and soft skills training. We conduct leadership and problem-solving sessions in tandem with other trainings to enable individuals drive change in a dynamic operating environment.

We conduct trainings across hierarchies to promote a culture of knowledge share and continuous innovation.



### INITIATIVES UNDERTAKEN IN FY 2017-18

- Conducted multiple training programmes for both technical and management trainings in association with the Regional Training Centre (RTC)
- Organised Samanvaya 2018, a two-day leadership meet to train senior executives of Nimbahera and Mangrol plants on leadership and team building



## EMPLOYEE ENGAGEMENT



We recognise the importance of employee engagement and ensure to provide various activities that empower and engage our teams. We encourage open dialogue to create an inclusive workplace culture and enable our people to realise their full potential. Additionally, we celebrate various festivals and organise regular trips and excursions along with annual events for our people. These activities are aimed at building team spirit and adding vibrancy to the Company's work culture.

### INITIATIVES UNDERTAKEN IN FY 2017-18

- Organised a team-building session at Gotan for ~200 staff members
- Celebrated a colourful and vibrant Holi Milan function in association with Roshni Ladies Club
- Observed International Workers' Day at Jharli, with a Bhandara for all workers
- Conducted various dealer and employee outings

## SAFETY AND HEALTH



We provide a safe and healthy work environment for our employees and are constantly working towards achieving zero injuries across all our operations. We have a well-established Environment, Health and Safety (EHS) Management system that further reinforces our safety culture. During FY 2017-18, we conducted multiple health, safety and environmental trainings at all our locations.

Our safety practices across all manufacturing units are supervised by a safety committee. Apart from safety, the health of our people is one of our primary concerns, which translates to regular medical examinations and health camps for our people at different levels. We conduct bi-annual medical check-ups and provide medical counselling to our people.

We organise regular awareness sessions on various diseases such as Hepatitis B, HIV and blood transfusion diseases, first-aid training, high blood pressure, diabetes, obesity and abnormal lipid profile. We also arrange awareness and counselling sessions on seasonal diseases to promote the well-being of our people.

### INITIATIVES UNDERTAKEN IN FY 2017-18

- Conducted safety management workshops in mines, where risks and mitigations were discussed
- Celebrated National Safety Week across locations to build awareness, emergency preparedness and management
- Observed Fire Service Week during November 2017 across locations, with sessions on accident awareness, principles of fire-fighting and so on

CORPORATE SOCIAL RESPONSIBILITY

## CITIZENSHIP EFFORTS FOR SOCIETAL WELFARE

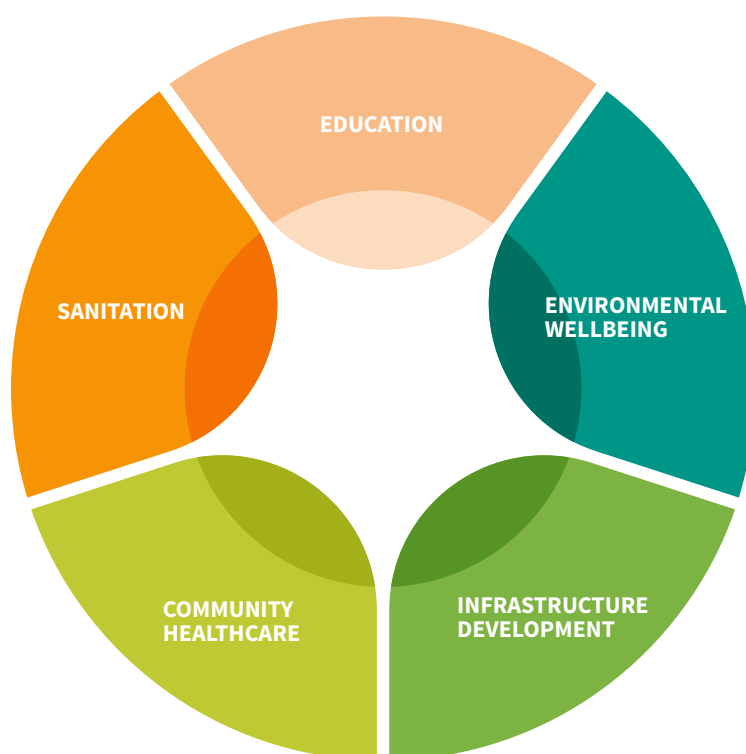
**AS A PART OF THE J.K. ORGANISATION, WE CONTINUE TO INVEST IN COMMUNITY WELL-BEING; AND OUR STRATEGY IS TO EXTEND OUR OUTREACH AND TOUCH LIVES IN DIVERSE WAYS. WE WORK PRIMARILY IN THE REALMS OF EDUCATION, HEALTHCARE, COMMUNITY INFRASTRUCTURE, SANITATION FACILITIES AND ENVIRONMENT PROTECTION.**

### KEY INITIATIVES

#### UNDERTAKEN IN FY 2017-18

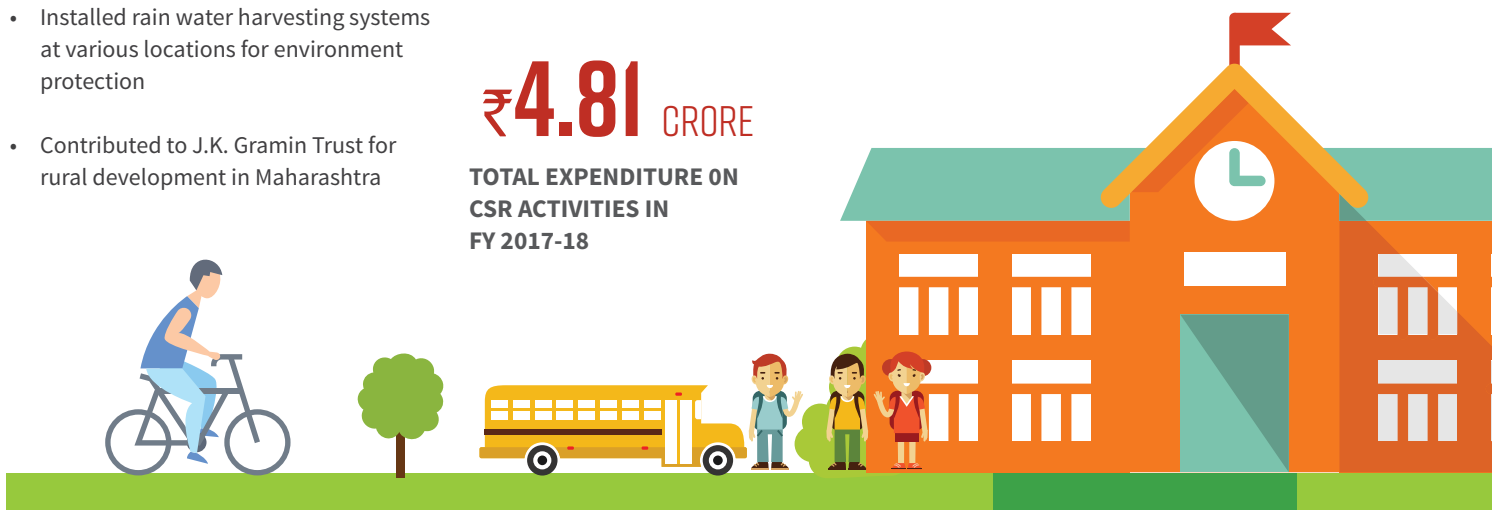
- Conducted various activities for art and culture promotions for preserving and encouraging cultural heritage and art at Nimbahera
- Executed infrastructural development at different cultural and religious places
- Collaborated with Non-Governmental Organisation (NGOs) to promote art- and culture-related activities
- Undertook development initiatives at Angarbari centres, constructed roads in rural areas and developed and maintained parks (at Ahirpura, Karunda, Mallikhera, Pipliya and Charliya)
- Provided potable water by establishing borewells and pipeline in and around Gotan and Mangrol
- Commenced Sparsh sanitary pad project that also generates livelihood for women self-help groups
- Installed rain water harvesting systems at various locations for environment protection
- Contributed to J.K. Gramin Trust for rural development in Maharashtra

### CSR FOCUS AREAS



**₹4.81** CRORE

**TOTAL EXPENDITURE ON  
CSR ACTIVITIES IN  
FY 2017-18**



## EDUCATION

Education is the key that unlocks the doors to many opportunities. Therefore, we inspire people from underprivileged communities near us to pursue education. Our pioneering institutes, Sir Padampat Singhanian University and L.K. Singhanian Education Centre, actively promote literacy and work towards carving a bright future for the youth. We provide adequate infrastructure and organise workshops and awareness camps to encourage education, thereby ushering in a constructive change in the society, and hence the nation.

## COMMUNITY HEALTHCARE

Healthy communities build a healthy nation. At J.K. Cement, community healthcare remains one of our core focus areas. We organise various medical camps such as eye check-up camps, vaccination camps, blood donation camps, cancer awareness camps for women and medical treatment camps free of cost to promote healthy living across communities around us.

## ENVIRONMENTAL WELLBEING

We give back what we take. We have always been proactive in reducing our carbon footprint through enhanced operations. During the reporting period, we planted trees in and around our operational areas, in addition to spreading awareness about the conservation of our environment.

## SANITATION

Effective sanitation facilities pave the way for good health and a clean atmosphere. We support the noble cause of Swachh Bharat Abhiyan that

helps keep the environment clean. We participated in this nation-wide campaign by conducting cleaning drives near our administrative building premises, packing plant area and residential colony at the Muddapur plant. We motivated our people and communities to enthusiastically participate in this activity.

## INFRASTRUCTURE DEVELOPMENT

Infrastructure development is crucial for economic growth. Our efforts have always been towards enhancing the available infrastructure and introducing new and innovative facilities. We aim to provide better rural-urban connectivity to assist in the growth of rural economy. With better connectivity between rural and urban regions, provision of services has become easier and cheaper.



▶ Promoting education



▶ ENT specialist examining a patient



▶ Plantation drive

## SWACHHABILITY RUN 2017



▶ SwachhAbility Run 2017

After the stupendous success of the maiden J.K. Cement SwachhAbility Run 2016, its second edition was organised in the year 2017. 13,000 citizens from five cities i.e. Goa, Belagavi, Hubballi, Mangaluru and Benagloru participated from all walks of life. After each run, the participants, including divyans (people with disabilities), helped run a cleanliness drive in each city. The run saw support from eminent personalities and dignitaries as well. J.K. Cement SwachhAbility run has successfully been able to string together the two causes of the Swachh Bharat Mission and inclusion of divyans as equals.



## BOARD OF DIRECTORS

# GUIDED BY EXPERIENCED LEADERSHIP

● COMMITTEE CHAIRMANSHIP

● COMMITTEE MEMBERSHIP

C1 Audit Committee

C2 Nomination and Remuneration Committee

C3 Stakeholders' Relationship Committee

C4 Corporate Social Responsibility Committee



### MR. YADUPATI SINGHANIA

**Chairman and Managing Director** (B.Tech from IIT Kanpur)

Mr. Yadupati Singhania has been associated with cement business since 1975. He holds a bachelor of technology degree from the Indian Institute of Technology, Kanpur. He is also a chief patron of Merchants Chamber of Uttar Pradesh and Kuladhipati of Dayanand Siksha Sansthan. Besides, being Chairman of the Board of Governors of Dr. Gaur Hari Singhania Institute of Management & Research, he is also President of Kanpur Productivity Council. He is presently the Vice President of J.K. Organisation and is also involved in various Educational and Social Organisations in the city of Kanpur like Juhari Devi Girls College, Kailashpat Singhania Sports Foundation, Uttar Pradesh Cricket Association and Agrawal Sabha among others.



### SMT. SUSHILA DEVI SINGHANIA

**Non-Executive, Non Independent Director**

Smt. Sushila Devi Singhania has been functioning as a Director of our Company since July 26, 2014. She is also a Director of Yadu International Limited and G. H. Securities Private Limited. She is a member of Managing Committee of Seth Anandram Jaipuria School, Kanpur, President of Juari Devi Girls Inter College, Kanpur and President of Juari Devi Girls Post Graduate College, Kanpur. She has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women, along with religious activities.

C4



### MR. ACHINTYA KARATI

**Non-Executive Independent Director** (Law Graduate from Calcutta University)

Mr. Achintya Karati has served as the country head of Government and Institutions, NCDEX and has also worked as senior advisor to ICICI Securities Limited, and also with ICICI Prudential Life Insurance Company Limited. He retired as the country head, Government and Institutional Solutions Group, ICICI Bank Limited in March, 2004. During his association with ICICI Limited, he served in various capacities, including as the Deputy Zonal Manager (North) and Head of Major Client Group (North). He has been associated with our Company since 2005.

C1

C2


**MR. JAYANT NARAYAN GODBOLE**

**Non-Executive Independent Director** (*B.Tech from IIT Mumbai, Certificate in Financial Management*)

Mr. Jayant Narayan Godbole has officiated as the Chairman and Managing Director of the Industrial Development Bank of India in 2005 and has also served as the Chairman of an empowered group working on the stabilisation of the corporate debt restructuring mechanism in India.

C1

C2

C4


**MR. K. N. KHANDELWAL**

**Non-Executive Non-Independent Director** (*Commerce Graduate and a Chartered Accountant*)

Mr. Kailash Nath Khandelwal has been the Director of our Company since 2004. He is a fellow of the Institute of Chartered Accountants of India and a practising Chartered Accountant. He has over 45 years of experience in the field of finance, accounts, and taxation. He has served as President (finance and accounts) of Jaykay Enterprises Limited (formerly J.K. Synthetics Limited). He commenced his career with J.K. Synthetics Limited in 1969.

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**DR. K. B. AGARWAL**

**Non-Executive Independent Director** (*Graduate of Law, PhD, ICWA and CS*)

Mr. Krishna Behari Agarwal has rich experience in the domains of finance, accounts and capital markets. He has served Merchants Chamber of Uttar Pradesh and Uttar Pradesh Stock Exchange Association Limited as their President. He has been a member of the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce & Industry of India.

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**MR. PAUL HEINZ HUGENTOBLER**

**Non-Executive Non-Independent Director** (*Civil Engineer & Degree in Economic Science*)

Mr. Paul Heinz Hugentobler has served as the area manager for Holcim's Asia Pacific region and was a member of the Holcim Executive Committee responsible for South Asia and ASEAN. He is also the Chairman of Siam City Cement Group having its operations in Thailand, Vietnam, Indonesia, Bangladesh and Sri Lanka.



**MR. RAJ KUMAR LOHIA**

**Non-Executive Independent Director** (*Bachelor of Arts in Economics*)

Mr. Raj Kumar Lohia joined our Board in 2004 and is also on the Board of Directors of several other companies.

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**MR. SUPARAS BHANDARI**

**Non-Executive Independent Director** (*Graduate of Science and Law*)

Mr. Suparas Bhandari is the Founder, Chairman and Managing Director of Agriculture Insurance Company of India Limited and has served as the General Manager of Oriental Insurance Company of India Limited and as the Assistant General Manager of United India Insurance Company Limited.

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**MR. SHYAM LAL BANSAL**

**Non-Executive Independent Director** (*M. Com from Delhi University, B. Com from Shri Ram College of Commerce, New Delhi, and CA [Inter]*)

Mr. Shyam Lal Bansal superannuated as Chairman and Managing Director from Oriental Bank of Commerce. He was actively involved as an Executive Director in the financial inclusion plan of United Bank of India in the whole of West Bengal and North East India, as part of the banks' responsibility as state-level bankers' committee convener in Tripura and West Bengal and lead bank responsibility in 10 districts of Assam. He is also acting as an Independent Director of IL&FS Tamil Nadu Power Company Limited, Indiabulls Ventures Limited and Indiabulls Asset Reconstruction Company Limited. He has been functioning as a Director of our Company since February 6, 2016.

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## ACCOLADES

## AWARDS THAT INSPIRE



► Rajasthan Chamber of Commerce and Industry conferred the Lifetime Achievement Award on Mr. Yadupati Singhania for his exemplary contribution to the Cement Industry



► Our Chief People Officer (Mr. Andleeb Jain) was awarded the '100 HR Super Achievers Award' at the Global HR Excellence Award



► Awarded the India's Most Desirable 30 Power Brands 2018 by the Indian Council of Market Research (ICMR)



► Bestowed with the prestigious Rajasthan Energy Conservation Award 2017 by the Rajasthan Government



► Bagged the 'CSR Campaign of the Year' for J.K. Cement SwachhAbility Run and 'Best Social Media Campaign' for JK Super Cement — Build Safe at the Realty Plus Interior Exterior (INEX), Awards 2018



# MANAGEMENT DISCUSSION & ANALYSIS

## GLOBAL ECONOMY

The world economy has strengthened during FY 2017-18, as lingering fragilities in the global financial markets began subsiding. According to IMF – World Economy Report, global growth is projected to rise at 3.9% in 2018 vis-à-vis 3.8% in 2017. The improvement in global economy provides an opportunity to countries to adopt more sustainable policies that work towards low-carbon economic growth, economic diversification, reducing inequalities and eliminating deep-rooted barriers to the growth and development of an economy.

## INDIAN ECONOMY

During FY 2017-18, India's economy was marked by various structural reform initiatives aimed at strengthening the country's macro-economic scenario for sustainable future developments. Despite a tepid performance in the first half of FY 2017-18, owing to disruptions like the implementation of Goods and Services Tax (GST), India maintained its stability to record a growth of ~6.7%.

India has also emerged as a major global investment economy, gaining the top 5th spot as an international investment destination. Moreover, Moody's Investors Service upgraded India's sovereign rating to Baa2 with stable economic conditions. According to the World Bank report, India has improved its ranking by 30 spots in terms of 'Ease of Doing Business' and is ranked at 100 out of the 190 countries.

## INDIA'S GDP GROWTH (%)

2014-15	2015-16	2016-17	2017-18
7.3	7.6	7.1	6.7

Source: Central Statistics Office (CSO)

## OUTLOOK

India's GDP is expected to reach US\$ 6 trillion by FY 2027 owing to consistent reforms, digitisation, globalisation and favourable demographic conditions. Over the next 10-15 years, India is expected to be among the top three economic powers, backed by its strong democracy and partnerships.

Government initiatives for infrastructure development, emphasis on creation of smart cities and focus on affordable housing programme is likely to bolster India's industrial development. Additionally, the services sector is expected to continue to thrive owing to services exports, financial inclusion and rising per capita income. The GDP growth of the country is estimated to rise to ~7.4% in FY 2018-19.

## INDIAN CEMENT INDUSTRY

India is the world's second largest cement market, both in terms of production and consumption. During FY 2017-18, the cement sector grew by 6% owing to increased infrastructure spending by the Government of India and re-materialisation of demand from the private sector.



A view of Mangrol plant

India needs an investment of ₹ 50 lacs crore in the infrastructure sector and the Government of India has undertaken various infrastructure projects to facilitate it including:

- Selected cities for the Smart City project with a cost of ₹ 2.04 lacs crore
- Planned ~35,000 km of road development under the Bharatmala project Phase I with an outlay of ₹ 5.35 lacs crore
- Chalked out construction plan of 10 million houses in rural India and 20 million toilets under Pradhan Mantri Awas Yojana and Swachh Bharat mission, respectively

Additionally, the implementation of GST has eliminated multiple points of taxations and increased access across markets for the organised sector, allowing smoother movement of goods. Also, the introduction of Real Estate Regulatory Act (RERA) ensures accountability for all real estate projects and assures timely completions, which are likely to increase buyer confidence. These factors will impact the cement industry positively by facilitating access to various markets and bolstering the real estate market.

### INDUSTRY TRENDS

- Increasing presence of small and mid-sized cement players diminishing market concentration
- Growing adoption of cement instead of bitumen in construction of roads
- Huge investments in infrastructure development by the government

#### Grey Cement

As per IBEF Report, June 2018 India has a cement production capacity of ~455 MT, of which almost 98% is dominated by the private sector. The top 20 companies account for ~70% of the total production. Grey cement is one of the most important building materials used in construction and infrastructure activities. The rise in real estate sector, housing demand and infrastructure spending will augment grey cement demand.

#### Performance

Grey cement registered a growth of 16% in production volumes over the last year. The North and South region recorded a rise to the tune of 17% and 14%, respectively.

#### White Cement

White cement provides a classy touch to architectural designs and is used in combination with inorganic pigments to produce

brightly coloured concretes and mortars. It is also used as an input for the manufacture of value-added products like wall putty and primers.

#### Performance

White cement registered a growth of 2% y-o-y in production volumes, whereas the value-added product, wall putty showed a growth of 14% on y-o-y basis.

### INDUSTRY GROWTH DRIVERS

#### Housing

- Housing forms the major portion of cement demand at ~65%
- Improved rural incomes, higher rural credit and increased allocation for rural, agriculture and allied sectors are likely to encourage rural housing demand
- Government initiatives provide demand impetus in the sector

#### Infrastructure

- 100 smart cities planned
- Projects like dedicated freight corridors and ports under development
- Metro rail projects underway in most major cities

#### Urbanisation

- Development of 500 cities with population of more than 100,000 under new Urban Development Mission

### INDUSTRY OUTLOOK

India's cement production capacity is expected to reach 550 million tonnes by 2025. Growth in the cement sector in 2018-19 is likely to be fairly high driven by the slew of infrastructure projects like Bharatmala, Smart Cities, PM Awas Yojana and Housing for All. The Union Budget 2018-19 looks promising with increased allocations to infrastructure spending, energising the segment.

### INDUSTRY RISKS

#### Inflation rate

Inflation plays a pivotal role in Indian economy. In 2017-18, average inflation dipped to a six-year low of 3.3%, however, it is expected to rise 4.40% during FY 2018-19. One of the major causes of inflation is overall increase in demand for goods and services, which escalate their prices. Besides, in case normal monsoon is affected, inflation may further rise making commodity prices dearer.



A view of Fujairah plant

### Interest rate

Reserve Bank of India has kept repo rate unchanged for the last year at 6.0%. However, due to increasing cost of funds for banks, the marginal cost of lending rate has started increasing. All banks have started lending on the basis of marginal cost of funds-based lending rate (MCLR), leading to higher cost of borrowing for property buyers, resulting in lower demand in the housing segment.

### Raw material risk

The cement industry depends on limestone and other raw materials. However, availability of limestone is limited and thus, it is essential to promote the use of blended cement, which uses alternative raw materials such as fly ash and slag. The increase in the cost of these alternative materials — now fly ash is available on auction and slag on the basis of prevailing market prices — may further increase production costs.

### Competition risk

India's cement sector has become highly competitive with multiple large players operating in the domestic market. While earlier most companies were catering to specific parts of the country, now most players are expanding their reach pan-India, thus creating greater market competition.

### Infrastructure risk

Infrastructure sector drives overall development of the economy and is a major focus of the Government of India. Any pull back by the government on its initiatives will result in de-growth for the cement industry. Moreover, too many regulatory approvals and compliances might be a hindrance to the segment's progress.

### Power and fuel risk

Cement industry is highly energy intensive and ~23% of its total expenditure consists of power and fuel costs. At J.K. Cement, ~80% of our requirement for kiln fire is met by petcoke, which is a derivative of crude oil. Thus, any rise in crude oil prices will adversely impact prices of petcoke and operating costs of the

Company. In case of increase in petcoke prices or non-availability, we use imported or indigenous coal (through e-auction) as the availability of linkage coal is limited. Further, owing to the ban on using petcoke for captive power generation, production costs would escalate more. Therefore, we are looking towards adoption of green energy, which offers almost same calorific value as of low grade coal for a more sustainable and cost-efficient energy option.

### Logistics risk

With the rise in diesel prices, cost of road transportation increases. At J.K. Cement, we currently use railways for only 10-15% of our logistics needs for cement. This cost increase and huge dependence on road transportation would have an impact on our operational costs.

### ABOUT J.K. CEMENT

J.K. Cement Limited is an affiliate of the industrial conglomerate J.K. Organisation, which was founded by Late Lala Kamalapat Singhanian. With over four decades of experience, J.K. Cement has partnered India's multi-sectoral infrastructure needs on the strength of its product excellence, customer orientation and technology leadership. The Company is the third largest white cement manufacturer in the world with 1.20 MTPA capacity, including 0.6 MTPA white cement plant at Fujairah, U.A.E. Besides, it is the second largest producer of wall putty in India with installed capacity of 0.7 MTPA. The Company intends to add up to 8 MTPA capacity by December 2022, taking the total installed capacity to 18 MTPA for grey cement. Further capacity expansion of wall putty by 0.2 MTPA at Katni, Madhya Pradesh is likely to commission shortly.

### Mangrol expansion project

With a view to tap the growing demand for grey cement, J.K. Cement commenced its brownfield expansion plan of 4.2 MTPA capacity. This integrated unit at Mangrol will have a clinker capacity of 2.5 MTPA that would cater to the requirement of split grinding units of 1.5 MTPA at Aligarh, Uttar Pradesh and 0.7 MTPA at Balsinor, Gujarat along with an additional grinding capacity of 1 MTPA each at Nimabhera and Mangrol locations.

The cost of the project is ~₹ 2,000 crores, which will be financed by debt and internal accruals/equity. The project is likely to be commissioned by March 2020.

Once complete the project will provide the following key advantages:

- Reduce power cost through waste heat recovery of 13 MW
- Diminish logistics and raw material costs through strategically located split grinding units
- Decrease limestone transportation cost, as well as serve the environment through conveyor belts at limestone mines
- Scale down costs with increase in grinding capacity at Mangrol and Nimabhera

**Business drivers**

- Superior product mix offering blended products such as PPC and PSC
- Use of alternative materials, reducing use of existing natural resources
- Multi-region presence provides a wide market coverage
- Captive power generation ensures meeting power requirement at lower cost
- Access to captive limestone reserves adjacent to manufacturing facility

**Performance highlights**

	FY 2017-18	FY 2016-17	y-o-y growth (%)
Revenue from operations (₹ in crore)	4,758.17	4,379.83	9%
EBITDA (₹ in crore)	760.65	693.42	10%
PAT (₹ in crore)	341.87	210.78	62%
EPS (₹)	48.89	30.14	62%

**SUSTAINABILITY GOALS**

As a socially and environmentally responsible company, J.K. Cement consistently adopts sustainable practices to demonstrate corporate citizenship. Besides, working on its group-wide transformational strategy to leverage synergies, develop best-in-class practices and seek future growth opportunities, the Company is undertaking active measures to preserve and conserve its surroundings.

It is focussed on conservation of resources, better environment management and community engagement to create value for all its stakeholders. The Company's environmental actions emphasise on managing biodiversity, promoting energy-efficiency, encouraging initiatives related to resource optimisation, reducing effects on climate change and pioneering water and waste management.

The Company is promoting the use of blended cement to preserve the depleting natural resources. Moreover, it is replacing the use of fossil fuels with alternative fuels like agro waste, carbon black, fibre mass, ETP sludge, liquid mixed waste and solid mixed waste. The use of alternative fuels will support reduced utilisation of existing natural resources and increased application of waste products, along with being more cost-effective for the Company.

J.K. Cement believes in giving back to the society. Therefore, it has undertaken various initiatives to uplift communities around it. The Company has been focussing on imparting education, promoting community healthcare, contributing for infrastructure development, and encouraging cleanliness and sanitation to enhance the living standards of the society.

**HUMAN RESOURCES (HR)**

J.K. Cement, as part of the group legacy, has deeply imbibed the belief of 'People first'. The Company firmly believes that its people provide it the most significant competitive advantage and are the reason for its success. The Company's HR team works relentlessly to attract, engage and nurture top talent in the industry through progressive human capital acquisition and development initiatives. It endeavours to provide a congenial workplace environment for consistent innovation and improvement by rewarding employees for their dedicated efforts in helping the Company achieve its objectives. Its manpower strength stood at 2,967 as on March 31st 2018.

The Company began its HR transformation journey last year, which is now culminating into technology-oriented systems and processes. In a pioneering move, it adopted the SAP success factors as its cloud-based HR platform to simplify processes. Moreover, the employer brand building initiatives have duly emphasised on positioning J.K. Cement as a competitive and preferred employer across all segments and generations of employees.

In line with its philosophy of nurturing talents and enriching careers, the Company has undertaken several training and development programmes. The HR team consistently address the skills gaps within the Company's talent pipeline and helps to strengthen the Company's leadership bench strength. Additionally, women's safety has always been an important aspect at J.K. Cement and as responsible corporate citizen, POSH (Prevention of Sexual Harassment) at workplace has been adequately emphasised and addressed.

**ADEQUACY OF INTERNAL CONTROLS**

The Company has well placed internal control system according to the size, scale and complexity of its operations. The management of the Company is responsible for ensuring that all internal financial controls are adequate and operates effectively. It has inbuilt policies and procedures for safeguarding its assets, prevention and detection of fraud and errors if any, accuracy and completeness of the accounting and timely preparation of financial information based on IND AS.

Further, internal audit functions are looked by internal audit department, which reports to the Audit Committee of the Board. Internal audit function works independently and evaluates the efficacy and adequacy of internal control system, its compliance with operating system and policies of the Company and accounting procedure at all locations, namely plant, marketing office and depots. Based on the input of internal audit report, designated process owner takes corrective actions in their respective area, thereby strengthening controls and checks. In case any significant observations is noticed same is brought to the knowledge of Members of Audit Committee for corrective actions.

# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's Twenty Fourth Annual Report and Audited Financial Statements for the year ended 31st March, 2018

## 1. FINANCIAL RESULTS

Particulars	₹/Lacs	
	2017-18	2016-17
Gross Turnover	470955.40	4,32,784.00
Profit before depreciation & tax	62599.53	50,052.75
Less: Depreciation	18626.77	17,609.58
Profit Before Tax	43972.76	32,443.17
Tax Expense (Including deferred tax and tax adjustment of earlier years)	9785.40	11364.72
Profit After Tax	34187.36	21078.45
Add: Restated balance of retained earning at the beginning of the year	69700.05	58,143.04
Add: Dividends on 3% cumulative preference shares	-	555.72
Transfer to General Reserve	6000.00	5,000.00
Transfer to Debenture Redemption Reserve	9.40	1,711
Dividend to Equity Shares (including tax thereon)	6733.02	3366.51
Balance to be carried forward	91144.99	69700.05

## 2. PERFORMANCE OF THE COMPANY

Your Company's performance during the year under report has overall improved. The Company's gross turnover increased by 8.82% to ₹ 4709.55 Crore during the year compared to ₹ 4327.84 Crore in previous year. Profit before Depreciation and Tax increased to ₹ 626.00 Crores compared to ₹ 500.53 Crore.

### Indian Accounting Standards (IndAS) – IFRS Converged Standards.

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2016 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standard) Rules, 2015 and the Annual Accounts of 2017-18, has been drawn in terms of provisions of the IndAS.

## 3. PERFORMANCE OF THE SUBSIDIARY/JOINT VENTURE COMPANIES

The Company has three subsidiaries and one joint venture Company as on March 31, 2018. There has been no material change in the nature of the business of subsidiaries.

### SUBSIDIARY COMPANY

J.K. Cement (Fujairah) FZC recorded net income of AED 1,501,678 (equivalent to ₹ 266.26 Lacs) for the year ended 31st December, 2017 (Previous year loss of AED 27,522 equivalent to ₹ 30.28.lacs)

JK Cement Works (Fujairah) FZC is involved in principal business of manufacturing and sale of white cement in Middle East and GCC market and has recorded a turnover of AED 147,803,976 (Previous year AED 143,747,087) reflecting a growth 2.82% over the prior year. However, it recorded a loss of AED 30,883,604 (equivalent to ₹ 5567.40 Lacs) for the year ended 31st December, 2017 {Previous year a loss of AED 31,117,399 (equivalent to ₹ 4467.63.Lacs)}

Jaykaycem (Central) Ltd, intends to set up grey cement manufacturing facilities, recorded a loss of ₹ 64.41 Lacs (previous year ₹ 3.14 Lacs) for the year ended 31st March, 2018

### JOINT VENTURE

Bander Coal Company Private Limited recorded a net profit of ₹ 1.89 Lacs for the year ended 31st March, 2018 (Previous year profit of ₹ 1.17 Lacs).

## 4. CONSOLIDATED FINANCIAL STATEMENTS

The statement as required under Section 129 of the Companies Act, 2013, in respect of the subsidiaries of the Company viz. J.K. Cement (Fujairah) FZC, J.K. Cement Works (Fujairah) FZC and Jaykaycem (Central) Ltd are annexed and forms an integral part of this Report. Consolidated Financial Statements prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India, form part of the Annual Report and Accounts.



**5. DIVIDEND**

In terms of Dividend Policy your Directors are pleased to recommend dividend of ₹ 10 per equity share (previous year ₹ 8 per equity share) of face value of ₹ 10 each aggregating to ₹ 84.30 Crore (Previous Year ₹ 67.34 Crore) for the financial year ended 31st March, 2018 .

**6. TRANSFER TO RESERVES**

The Company proposes to transfer ₹ 9.40 Lacs (previous year ₹ 1710.65 Lacs) to Debenture Redemption Reserve and ₹ 6000 Lacs (previous year ₹ 5000 Lacs) to General Reserve during Financial Year 2017-18

**7. SHARE CAPITAL**

The paid up Equity Share Capital as at 31st March, 2018 remained at ₹ 69.93 Crore. During the period under report, your Company has not issued any share including Sweat Equity, ESOP and/or Convertible Debentures.

**8. FINANCE**

During the year under report, your Company has not availed any disbursement of term loans (previous year ₹ 151.74 Crore). However it repaid ₹ 241.46 Crores (previous year ₹ 99.23 Crore) towards Term Loan and NCD.

**9. CREDIT RATING**

In spite of challenging cement industry scenario, CARE has reaffirmed your Company's rating as "CARE AA" for long term bank facilities and "CARE A1+" for short term bank facilities.

**10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

**11. OPERATIONS****Grey Cement**

During the year under report production increased by 16.53 % at 7.89 Million Tonne (compared to 6.77 Million Tonne last year) and sales increased by 15.98% at 7.88 Million Tonne (compared to 6.79 Million Tonne last year).

**White Cement**

Production of White Cement increased by 2 % at 5.56 Lac Tonne during the year compared to 5.44 Lac Tonne last

year while production of value added product wall putty registered increase of 14% at 6.20 Lac Tonne during the year as compared to 5.43 Lac Tonne last year. Sale was also in tandem with production.

**12. PROJECTS OF THE COMPANY****Projects undertaken/completed**

Your Company undertaken a brownfield expansion at Mangrol, Chittorgarh, Rajasthan with split grinding unit in U.P. and Gujrat having total cement production capacity of 4.2 Million Tonne Per Annum at estimated cost outlay of ₹ 2000 Crores.

**13. PERSONNEL****13.1 Industrial Relations**

The industrial relations during the period under review generally remained cordial at all cement plants.

**13.2 Particulars of Employees**

List of employees getting salary in excess of the limits as specified under the provisions of Section 134 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 throughout or part of the financial year under review is annexed separately marked as Annexure - E. However, the Annual Report excluding the aforesaid information is being sent to all the members of the Company pursuant to proviso to Section 136 of the Companies Act, 2013. Any member interested in obtaining such particulars may inspect and/or send the request to the Company at its Registered and Corporate Office. None of the employee listed in the said Annexure is a relative of any Director of the Company except Shri Yadupati Singhania, Chairman and Managing Director. None of the employee hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

**Particulars about Key Managerial Personnel including Chairman & Managing Director.**

S.No.	Name	Designation	Remuneration Paid		% increase in Remuneration from previous year	Ratio/Time per Median of employee Remuneration
			2017-18	2016-17		
1	Mr. Yadupati Singhania**	Chairman & Managing Director (KMP)	14,23,82,400	12,66,92,000	12.38%	242:1
2	Mr. Ajay Kumar Saraogi**	President (Corporate Affairs) & Chief Financial Officer (KMP)	2,34,55,160	1,97,34,000	18.85%	40:1
3	Mr. Shambhu Singh	Asst. Vice President (Legal) & Company Secretary (KMP)	50,36,784	38,15,000	32.02%	9:1

\*\*includes remuneration in AED from foreign subsidiary companies during the calendar year 2017.

**Particulars about other Non Executive Directors.**

S. No.	Name	Designation	Remuneration Paid		% increase in Remuneration from previous year
			2017-18	2016-17	
1	Smt. Sushila Devi Singhania	Non Executive, Non Independent	14,26,000	12,52,250	13.87
2	Shri A. Karati	Non Executive, Independent	12,00,500	11,76,875	2.00
3	Shri J.N. Godbole	Non Executive, Independent	13,75,875	12,27,125	12.12
4	Dr. K.B. Agarwal	Non Executive, Independent	16,51,250	14,78,375	11.69
5	Shri K.N. Khandelwal	Non Executive, Non Independent	13,50,750	12,02,000	12.38
6	Shri Raj Kumar Lohia	Non Executive, Independent	12,50,875	12,52,250	(-)0.10
7	Shri Suparas Bhandari	Non Executive, Independent	13,25,625	12,27,120	8.02
8	Mr. Paul Heinz Hugentobler	Non Executive, Non Independent	1,18,63,380	1,11,30,942	6.58
9	Shri Shyam Lal Bansal	Non Executive, Independent	1,050,375	10,26,125	2.36

**13.3 Human Resources and Industrial Relations**

The Company has a structured induction process at all locations. Objective appraisal systems based on Key Result

Areas (KRAs) are in place for Senior Management Staff. The Corporate HR is effectively involved in nurturing, enhancing and retaining talent through job satisfaction, management development programme etc.

**14. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR(S) OR COURT(S)/ MATTER OF EMPHASIS**

The Competition Commission of India (CCI) has imposed penalty of ₹ 12,854 lacs and ₹ 928 lacs in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. The appeals with COMPAT are transferred to National Company Law Appellate Tribunal (NCLAT) and appeals are being heard. NCLAT has stayed the CCI order in first matter on deposit of ₹ 656 lacs and hearing of appeal concluded, order reserved. In second matter, COMPAT has stayed the demand. The Company, backed by a legal opinion, believes that it has a good case.

Other than the aforesaid, there have been no significant and material orders passed by the courts or regulators or tribunals impacting the ongoing concern status and company's operations. However, members' attention is drawn to the statement on contingent liabilities in the notes forming part of the Financial Statements.

**15. CORPORATE GOVERNANCE**

A report on Corporate Governance alongwith the Auditors' Certificate on its compliance, forms an integral part of this Report.

**16. PUBLIC DEPOSITS**

Your Company has not invited any deposits from public/ shareholders under Section 73 and 74 of the Companies Act, 2013.

**17. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has a Whistle Blower Policy to report genuine concerns or grievances, if any. The Whistle Blower Policy has been posted on the website of the Company.

**18. MITIGATION OF RISK**

The Company has been addressing various risks impacting the Company which is morefully provided in annexed Management Discussion and Analysis. However, as per the Listing Regulation constitution of Risk Management Committee for enforcing Risk Management Policy is not applicable to the Company.

**19. REMUNERATION POLICY**

The Board of Directors and Nomination & Remuneration Committee, follows a policy concerning remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also covers



criteria for selection and appointment of Board Members and Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## 20. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certificate from the CMD and the CFO. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [www.jkcement.com](http://www.jkcement.com).

## 21. AUDITORS' REPORT

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis (except items disclosed in significant accounting policies). The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2018.

Auditors' Report to the shareholders does not contain any qualification in the standalone or in the consolidated financial statements for the year under report. However, Auditors have drawn attention of shareholders on penalty imposed by Competition Commission of India (CCI), the matter is adequately covered by para 14 above read alongwith notes on accounts.

## 22. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including

adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the quarterly Internal Audit Reports.

## 23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

**23.1** In accordance with the provisions of Section 152 of Companies Act, 2013 and the Company's Articles of Association, Shri K. N. Khandelwal (DIN 00037250) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulation

### 23.2 Key Managerial Personnel

During the year under report, Following Officials acted as Key Managerial Personnel:-

S.No.	Name of the Official	Designation
1.	Shri Yadupati Singhania	Chairman & Managing Director
2.	Shri Ajay Kumar Saraogi	President (Corporate Affairs) & CFO
3.	Shri Shambhu Singh	Asst. Vice President (Legal) & Company Secretary

## 24. MEETINGS OF THE BOARD OF DIRECTORS

During the year 2017-18, five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## 25. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors also evaluated the performance of Non- Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. The Board of Directors also evaluated the functioning/performance of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee, Committee of Directors and expressed satisfaction with their functioning/performance.

## 26 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) The Directors have selected such accounting policies, judgments and estimates that are reasonable and prudent and applied them consistently, so as to give a true and fair view of the state of affairs of the company as on 31st March, 2018, and of the statement of Profit and Loss and cash flow of the company for the period ended 31st March, 2018;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on an ongoing concern basis;
- v) Proper internal financial controls to be followed by the company has been laid down and that such internal financial controls are adequate and were operating effectively and
- vi) Proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

## 27 STATUTORY AUDITOR

At the 23rd Annual General Meeting held on 29/07/2017, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of 28th Annual General Meeting. As per amended provisions of Companies (Amendment) Act, 2017 the Board of Directors ratified appointment of M/s S.R. Batliboi & Associates from conclusion of 24th Annual General Meeting till 25th Annual General Meeting. The Statutory Auditors have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under Section 143(3)(g) of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014.

## 28. COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 the Board of Directors on the recommendation of the Audit Committee appointed M/s K.G. Goyal & Company Cost Accountants, as the Cost Auditors of the company for the Financial Year 2018-19 and has recommended their

remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. M/s K.G. Goyal & Company, have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the company.

The Cost Audit Report for the financial year 2016-17 was filed with Ministry of Corporate Affairs.

## 29. SECRETARIAL AUDIT

The Board had appointed M/s Reena Jakhodia & Associates, Kanpur, a firm of Company Secretaries in Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2017 -18 . The report of the Secretarial Auditor is annexed to this report as Annexure A. The report does not contain any qualification.

## 30. REPORTING OF FRAUD

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

## 31. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

## 32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists in running of Schools at their Cement Plants, ITIs and Sir Padampat Singhania University, Udaipur imparting value based education to students. Also the Company played a constructive role in the infrastructural development of surrounding areas.

During the period under report, the Company undertook various arts, cultural promotion activities, supporting activities e.g. Community welfare activities. The Annual Report on CSR activities is annexed herewith as Annexure B.

## 33. STATUTORY INFORMATION

### 1.1 Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 in respect of

Cement plants are annexed hereto as **Annexure C** and form part of the Report.

### 1.2 Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT- 9 as required under Section 92 of the Companies Act, 2013. For details please click [www.jkcement.com](http://www.jkcement.com).

### 1.3 Business Responsibility Reporting

The Business Responsibility Report for the year ended 31st March, 2018 as stipulated under regulation 34 of the Listing Regulations is annexed as Annexure D and forms part of the Annual Report.

### 1.4 Management Discussion & Analysis (MDA) Statement

The MDA as required under Listing Regulation is annexed hereto and forms an integral part of this Report

## 35. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred a sum of ₹ 11,94,049/- Lacs to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013 which represents unclaimed dividend.

## 36. DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND LISTING REGULATIONS

### 36.1 COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee which comprises of Dr. K.B. Agarwal as the Chairman and Shri A. Karati, Shri J.N. Godbole, Shri K.N. Khandelwal, Shri R.K. Lohia and Shri Shyam Lal Bansal as members. More details on the committee are given in the Corporate Governance Report.

### 36.2 POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

## 37. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization programme aims to provide Independent Directors with the cement industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is posted on the Company's website.

## 38. EQUAL OPPORTUNITY BY EMPLOYER

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and sex.

## 39. CAUTIONARY STATEMENT

Statements in the Directors Report and the Management Discussion and Analysis describing the company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the company.

## 40. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. of Rajasthan, Govt. of Karnataka, Govt. of Haryana, Government of Madhya Pradesh, Central Govt. and Government of Fujairah. The Board thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in Board.

For and on Behalf of the Board

**Yadupati Singhania**  
Chairman & Managing Director  
DIN - 00050364

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

## ANNEXURE A

# SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,  
**The Members,**  
**J. K. Cement Limited,**  
Kamla Tower,  
Kanpur.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J. K. Cement Limited ("the Company") having its registered office at Kamla Tower, Kanpur, U.P. and manufacturing units at (i) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan, (ii) Mangrol, Dist. Chittorgarh, Rajasthan, (iii) Gotan, Dist. Nagaur, Rajasthan, (iv) Muddapur, Dist. Bagalkot, Karnataka, (v) Jharli, Dist. Jhajjar, Haryana, (vi) Village: Rupand, Tensil- Badwara, Dist. Katni, M.P. Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, 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:

We 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, 2018 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment etc;
- v. The following Regulations and Guidelines with amendments thereto 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 (Issue and Listing of Debt Securities) Regulations, 2008;
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.
  - f.) The Competition Act, 2002 and Rules/Regulations framed thereunder;
- vi. Following other laws are applicable specifically to the company
  - a) Factories Act, 1948;

- b) Industries (Development & Regulation) Act, 1951;
- c) Laws prescribed related to mining activities;
- d) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
- e) Laws prescribed under prevention and control of pollution;
- f) Laws prescribed under Environmental protection;
- g) Laws prescribed under Direct Tax and Indirect Tax;
- h) Land Revenue laws of respective States;
- i) Labour Welfare Laws of respective states;
- j) Local laws as applicable to various offices, plants, grinding stations/Units and bulk cement terminals.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The applicable provisions of SEBI (LODR) Regulations 2015 for listing of Company's shares with the Bombay Stock Exchange and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned here in above. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other Act, Laws and Regulations to the Company.

We further report that during the year under report, following events/actions had major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards etc:-

The Competition Commission of India (CCI) has imposed penalty of ₹ 12,854 lacs and ₹ 928 lacs in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. The appeals with COMPAT are transferred to National Company Law Appellate Tribunal (NCLAT) and appeals are being heard. NCLAT has stayed the CCI order in first matter on deposit of ₹ 656 lacs and hearing of appeal concluded, order reserved. In second matter, COMPAT has stayed the demand. The Company, backed by a legal opinion, believes that it has a good case.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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 the 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that 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.

Place : Kanpur  
Dated : 02<sup>nd</sup> May, 2018

For: Reena Jakhodia & Associates  
Company Secretaries

(Reena Jakhodia)  
Proprietor  
Membership No: F6435  
C.P. No.: 6083

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.

To,  
**The Members,**  
**J. K. Cement Limited,**  
Kamla Tower,  
Kanpur.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the company.
4. Where ever required, we 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. Our 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 : Kanpur  
Dated : 02<sup>nd</sup> May, 2018

For: Reena Jakhodia & Associates  
Company Secretaries

**(Reena Jakhodia)**  
Proprietor  
Membership No: F6435  
C.P. No.: 6083

## ANNEXURE B

## ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

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

The CSR Policy was approved by the Board of Directors at its Meeting held on 1st November, 2014 and has been uploaded on the Company's website. The web link is [http://www.jkcement.in/ce/policies/csrp/csr\\_policy.html](http://www.jkcement.in/ce/policies/csrp/csr_policy.html).

The Company undertook activities relating to education and rural development.

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

- i. Smt. Sushila Devi Singhania (Non-Executive, Non-Independent Director)
- ii. Dr. K. B. Agarwal (Non-Executive, Independent Director)
- iii. Shri J. N. Godbole (Non-Executive, Independent Director)
- iv. Shri Suparas Bhandari (Non-Executive, Independent Director)

**3. Average net profit of the Company for three Financial Years.**

The average Net Profit for the last three years is ₹ 23053.10 lacs.

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

The Company is required to spend ₹ 461.06 lacs towards CSR for the Financial Year 2017-18

**5. Details of CSR spent during Financial Year**

- a. Total amount spent for the Financial Year: RS 481.07 lacs
- b. Amount unspent, if any: NIL

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

Following expenditure has been made in accordance with the Company's CSR Policy and permissible under Schedule VII of the Companies Act, 2013 and rules framed thereunder:-

## NIMBAHERA

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1	Various activities and promotions for preserving and encouraging Cultural heritage and Art like Srajan the spark (Mushaira bhartiya Lok kalamandal). Charity on various community gatherings like Vande Mataram Program & other National Functions, Fairs, Infrastructural development of Cultural & Religious places of importance to community. Charity to NGOs for Art & Culture related activities.	Art And Culture	Chittorgarh, Nimbahera and Nearby Area	RAJASTHAN	571000	571000	



S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent:Direct or through implementing Agency
2	Construction of a fully modern Convention Center for the society, Development work at Angarbari Centers, Road Construction in nearby Rural area, Park Development and Maintenance.	Community Welfare	Ahirpura, Karunda, Maliakhera ,Pipliya and Charliya	RAJASTHAN	22390941	22390941	
3	Drinking Water arrangement at nearby villages and setting up borewells and pipeline for ensuring availability of water	Community Welfare	Karunda and Nimbahera	RAJASTHAN	941045	941045	
4	Environment protection and awareness activities	Environment	Nimbahera and nearby area	RAJASTHAN	15000	15000	
5	Sparsh Sanitary pad project for Women self help groups and providing structured setups and training for earning through production and sale of low cost sanitary pads	Livelihood Promotion	Nimbahera-Rural	RAJASTHAN	2102089	2102089	
6	Organised a multi speciality medical camp and follow up camp with the support of Geetanjali Medical College and Hospital	Health	Nimbahera,Pipliya Gadiya	RAJASTHAN	1916460	1916460	
	NIMBAHERA				27936535	27936535	
	MANGROL						
7	Construction of rest houses for travellers and other Community Welfare structures	Community Welfare	Mangrol.Arniya Joshi and Shahbad	RAJASTHAN	1258613	1258613	
8	Providing drinking water and making stable arrangement for drinking water supply in Villages, laying pipelines and tubewell for drinking.	Community Welfare	Mangrol,Shahbad and Tilakhera	RAJASTHAN	350500	350500	
9	Environment protection and awareness activities like installation system for rain water harvesting.	Environment	Arniya Joshi	RAJASTHAN	127563	127563	
10	Residential training program at villages for Women for skill development and livelihood development.	Livelihood Promotion	Mangrol & Tilakhera	RAJASTHAN	2482888	2482888	
11	Health care and awareness activities like pest control in rural area	Health	Mangrol & Tilakhera	RAJASTHAN	136000	136000	
	MANGROL				4355564	4355564	
	MUDDAPUR						
12	Establishment of Soil Testing lab at Haliyal Taluka	Rural Development	Haliyal, Karwar	Karnataka	3000000	3000000	Direct
	MUDDAPUR	TOTAL			3000000	3000000	
	TOTAL GREY				35292099	35292099	
	WHITE CEMENT						

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
13	Charges For Bus Hiring For Student Located In Rural Areas For Their Educational Support And Development.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects,	Gotan	Rajasthan	779000	779000	
14	Repair work at Government school, Dhannapa Village	Rural development projects	Gotan	Rajasthan	414000	414000	
15	Safe and Clean Drinking Water Supply in rural areas through RO Plant.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Gotan	Rajasthan	256000	256000	
16	Cooler purchase and installation of bench for Public use at Government Hospital, Gotan	Rural development projects	Gotan	Rajasthan	76000	76000	
17	Air Conditioner Purchase for Pollution Control Board, Chittorgarh	Rural development projects	Gotan	Rajasthan	43000	43000	
18	Contribution in Inter District Games		Dhanappa	Rajasthan	100000	100000	
19	JAL MANDIR GOTAN & PLANTATION WORK	Rural development projects	GOTAN	Rajasthan	140000	140000	
20	PRADHANMANTRI AWAS YOJANA GRAMIN	Rural development projects		Rajasthan	118000	118000	Direct
21	Construction of Class Room at Government School, Natiya Basti Gotan	Rural development projects	GOTAN	Rajasthan	168000	168000	Direct
22	JCB Deployed at Chepia Nada Tanak(Talab) Area for removal of Bushes	Rural development projects	GOTAN	Rajasthan	95000	95000	
23	KATNI WHITE CEMENT Putty application at Badwara Tehsil Police Station	Rural development	BADWARA	MADHYA PRADESH	41000	41000	Direct
24	Repair and maintenance of Rapaund Village Government Road	Rural development	RUPAUND	MADHYA PRADESH	17000	17000	Direct
25	Sitting chairs contributed to Tehsil Office	Rural development	BADWARA	MADHYA PRADESH	14000	14000	Direct
26	Curtains, Table Cover and Towels contributed to Tehsil Office	Rural development	BADWARA	MADHYA PRADESH	3000	3000	Direct
27	Cow Catcher making work at Government Hospital	Rural development	BADWARA	MADHYA PRADESH	36000	36000	Direct
28	Carpet contributed to Tehsil Office	Rural development	BADWARA	MADHYA PRADESH	3000	3000	Direct
29	Airconditioner contributed to Navodaya Vidhyalaya Badwara	Rural development	BADWARA	MADHYA PRADESH	35000	35000	Direct
30	Education material such as copies, stationery etc. distributed to	Education	RUPAUND	MADHYA PRADESH	22000	22000	Direct

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
	childrens at Rupaund Village school						
31	Cricket kit distributed to Badwara School	Promote Rural Sports	BADWARA	MADHYA PRADESH	21000	21000	Direct
					192000	192000	
					37673099	37673099	
	HO CSR EXPENDITURE(UPTO 31.03.2018)						
32	CONTRIBUTION TO J.K. GRAMIN VIKAS TRUST	RURAL DEVELOPMENT	MAHARASHTRA & RAJASTHAN	MAHARASHTRA & RAJASTHAN	10000000	10000000	
33	MEDICAL HEALTH CAMP	HEALTH	MADHYA PRADESH	MP	92083	92083	
34	Catering of food and distribution of blankets to orphanage & poors	LIVELIHOOD	DELHI	NEW DELHI	342090	342090	
	HO(UPTO 31.03.2018)				10434173	10434173	
	TOTAL JKCL UPTO 31.03.2018				48107272	48107272	

**6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.**

Not Applicable

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

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

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

Yadupati Singhania  
Chairman & Managing Director  
DIN:- 00050364

Dr. K. B. Agarwal  
Chairman - Corporate Social and Responsibility Committee  
DIN:- 00339934

## ANNEXURE C

# PARTICULARS OF ENERGY CONSERVATION , TECHNOLOGY ABSORPTION , FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER COMPANIES (ACCOUNTS) RULES 2014 PURSUANT TO SECITON 134(3)(M) OF THE COMPANIES ACT,2013 READ WITH RULE 8(3) OF THE COMPANIES(ACCOUNTS) RULES,2014

## A) ENERGY CONSERVATION

Sustainable Development and continuous improvement of Key Performance Indicators is of prime importance for the company. Electrical and Thermal energy being major cost element in cement manufacturing , remained main focus to reduce cost.

During the year 2017-18 , following measures were taken giving reduction of power consumption by 13126335 kwh , reduction of thermal energy by 412518 Giga Joules yielding savings of ₹ 2306.94 lacs combined together for all the plants.

- Process Optimisation to improve operational efficiency
- Variable Frequency Drives to conserve electrical power
- Installation of Energy Efficient Equipment / Device.
- R&D Activities and Adopting new Technology.

### PROCESS OPTIMISATION

Through process optimisation of all Plants, Company has saved ₹ 656.72 lacs by reducing 8564548 kwh of electricity and 114623 Giga Joules of thermal energy with expenditure of ₹ 94.72 lacs which means payback period of less than one year. Major process optimisation measures are as under:-

	₹ in lacs
	<b>Savings</b>
Improving Output and Efficiency	225.16
Optimisation & downsizing equipment	191.42
Improving Heat Utilisation and Minimising Losses	240.14
	<b>656.72</b>

### Installation of Variable Frequency Drive (VFD)

In a process industry , operational conditions keeps on changing depending upon the process variables and thus to maintain uniform and smooth running of the system , it becomes essential to control air flow , motor speed , fan speed with the changing conditions. There are various ways to do so and among them the best technology is to control the speed according to the demanding situation as it gives maximum saving in power consumption and can be automated. With installation of variable frequency drive , company saved ₹ 159.01 lacs reducing 3139099 kwh by investing only ₹ 71.27 lacs i.e. payback period of less than one year.

	₹ in lacs
	<b>Savings</b>
Installation of VFD in CPP for Pumps & fan	81.12
Installation of VFD Process fans, water pump, compressors in various Sections	77.89
	<b>159.01</b>

**Installation of Energy Saving Equipments**

Adopting new technology is an ongoing process for the company. During the year electrical power 728951 kwh was reduced by replacing conventional lights with LED lights giving savings of ₹ 41.86 lacs and installation of energy efficient equipment replacing old types gave savings of ₹ 14.29 lacs reducing electrical power by 156423 kwh by investing INR 3,364,198.00. Thus, by investing ₹ 82.49 lacs savings of INR 56.15 lacs was made i.e. payback period of eighteen months.

	₹ in lacs
	<b>Savings</b>
Installation of new energy efficient pump(CEP) (WHR 13.2 MW)	7.31
Installation of A3L14 Lime Stone belt(Installation of Energy Efficient Motor)	0.31
Replacement of 125W and 250W HPSV Light by LED light	0.28
Power Factor improvement by installation of active filter	6.66
Replacement of conventional lights with LED light	31.86
Heat Exchange installed in CBD line	0.01
Replacement of Conventional lights with LED in MCC rooms & Offices	4.20
Replacement of CFL lights with LED light in preheater tower and mill area	0.42
CFL lights replaced with LED light for Plant Lighting and Buildings	5.11
	<b>56.15</b>

**B) TECHNOLOGY ABSORPTION AND R&D ACTIVITIES**

Process upgradation with Technology Upgradation along with R&D activities is important for development of an industry and to be ahead of the competitors as it results to Quality Improvement , improvement in efficiency as well as cost saving.

The company took technology upgradation and R&D activities in the areas of Process Improvement , Sustainable Development and Energy Management with estimated investment of INR 225.78 lacs and major ones are

- Soild Waste as Alternative Fuel use at Nimbahera plant which has reduced coal use equivalent to 45062 Giga Joules and power saving of 98224 kwh. The project accrued savings of ₹ 119.95 lacs in the year 2017-18.
- At Mangrol plant clinker factor reduced from 80.47% to 76.60% by installation of Fly Ash storage and handling system with an investment of ₹ 191.24 lacs which has given savings of ₹ 1268.19 lacs in terms of 252834 Giga Joule thermal energy.
- Further , amount of ₹ 5711.36 lacs has been planned for Nimbahera & Mangrol plant for Technology Absorption & Energy Conservation measures at Nimbahera & Mangrol plant for the year 2018-19.

	<b>Savings (lacs)</b>
Coal Grinding power saving due to AFR usage in Kiln	4.78
Coal saving by AFR Usage	115.16
Reduction of Clinker factor from 80.47% to 76.60%, savings in clinker and fuel	1268.19
PD logic for controlling preheater outlet pressure	12.60
Modification of Bag filter Bin in Packing Plant	5.70
Astronomical Switch for auto control of lightings	28.60
	<b>1435.04</b>

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

<b>Particulars</b>	<b>₹ in lacs</b>
Foreign Exchange earned in terms of Actual inflows	934.90
Foreign Exchange outgo in terms of Actual inflows	21460.74

## ANNEXURE D

## BUSINESS RESPONSIBILITY REPORT 2017-18

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN):	L17229UP1994PLC017199
2. Name of the Company	JK Cement Limited (JKCL)
3. Registered Address	Kamla Tower, Kanpur – 208001, Uttar Pradesh, India
4. Website	<a href="http://www.jkcement.com/">http://www.jkcement.com/</a>
5. Email id	shambhu.singh@jkcement.com
6. Financial Year reported	FY 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and cement related products

Industrial Group	Class	Sub Class	Description
269	2694	26941	Manufacturing of Cement and Cement related products.
		26942	

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. List three key products / services that the Company manufactures / provides (as in balance sheet):	1. Grey Cement 2. White Cement 3. White Cement based Wall Putty 4. Water Proof Compound 5. Tile Adhesive 6. Primaxx
9. Total number of locations where business activity is undertaken by the Company	Head Office in Kanpur, Central Marketing Office in New Delhi and Cement Plants in Nimbahera, Mangrol and Gotan in Rajasthan, Muddapur in Karnataka and Jharli in Haryana, Katni in M.P.
Number of International Locations (Provide details of major 5)	--
Number of National Locations	Head Office in Kanpur, Central Marketing Office in New Delhi and Cement Plants in Nimbahera, Mangrol and Gotan in Rajasthan, Muddapur in Karnataka and Jharli in Haryana, Katni in M.P.
10. Markets served by the Company - Local / State / National / International	White Cement & White Cement Based Wall Putty –Pan India Grey Cement - Andhra Pradesh, Delhi, Goa, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab & Chandigarh, Rajasthan, TamilNadu, Uttaranchal, Uttar Pradesh

## SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. Paid up capital (INR)	: 699,272 lacs
2. Total turnover (INR)	: 470,955.4 lacs
3. Total profit after taxes (INR)	: 34,315.24 lacs
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	During the year, an amount of INR 481.07 lacs was spent on CSR activities. This represents 1.4% of profit after tax spend on CSR activities during the financial year 2017-18.



5. List of activities in which expenditure in 4 above has been incurred:
  - 1) Education, Art & Culture & Community Welfare – INR 263.13 lacs
  - 2) Environment– INR 1.43 lacs
  - 3) Rural Infrastructure Development – INR 143.24 lacs
  - 4) Health & Livelihood – INR 73.27 lacs

### SECTION C: OTHER DETAILS

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

JKCL has two wholly owned subsidiary Jaykaycem (Central) Limited & J.K. Cement (Fujairah) FZC and one step down Subsidiary i.e. J.K. Cement Works (Fujairah) FZC.

#### 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).

No subsidiary Companies of JKCL participates in the BR Initiatives of JKCL.

#### 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?

No, none of the entity / entities with whom Company does business participates in the BR initiatives of the JKCL.

### 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:

DIN Number : 00050364  
 Name : Shri Yadupati Singhania  
 Designation : Chairman & Managing Director

##### b) Details of the BR Head:

Name : Shri Shambhu Singh  
 Designation : Company Secretary and Asst. Vice President (Legal)  
 Telephone no. : +91-512-2371478-81  
 E-mail id : shambhu.singh@jkcement.com

#### 2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Yes								
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes, Views from respective stakeholders, relevant internal and external stakeholders as deemed necessary, have been considered while formulating the respective policies and practices.								
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Policies and practices meet application regulatory and best practices requirements as evaluated by the organization at the time of their formulation. The same are evaluated and updated from time to time as seen appropriate.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes								
5.	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Yes. Company has in place numerous Board level and other committees in place for looking after different aspects of the day to day business activities, including supervision over proper application and adherence to various company policies and practices.								
6.	Indicate the link for the policy to be viewed online?	Relevant company policies can be accessed and viewed on company website: <a href="http://www.jkcement.com/">http://www.jkcement.com/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, policies and practices have been communicated to concerned stakeholders as per their applicability.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes. Company has a Whistle Blower Policy with grievance redressal mechanism for stakeholders to raise their grievances.								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes. Checks and balances are in place for ensuring strict compliance to various company policies and practices.								

**2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 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)	-	-	-	-	-	-	-	-	-

**3. Governance related to BR:**

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

JKCL has been an advocate and practitioner of sustainable development since its inception. Further, Company inspires to become a renowned sustainable brand name in India and globally. In this regard, the Company evaluates sustainability related risks, performance and present the outcomes to management team and Board for their information and consideration. The sustainability performance of the Company is assessed on continual basis, at least once annually.

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

The Company publishes sustainability report on annual basis. The sustainability report for FY 2017-18 (under publication) is compliant with the Global Reporting Initiative (GRI) G4 guidelines. The latest report was released for FY 2016 -17, based on GRI G4 guidelines and can be accessed at the following link: <http://www.jkcement.com/pdf/sustainability-report-new-2016-17.pdf>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

JKCL aims at creating an environment where compliance is a central commitment and thrives to adopt greater levels of transparency, objectivity and professionalism. The pillars of good governance i.e. integrity, transparency, trusteeship, accountability and compliance with laws are cemented in our business practices.

Our Board, management and stakeholders help us conduct our operations in an ethical manner. The Company strongly oppose illegal labour practices and exploitation of child labour is strictly prohibited at all our plants and offices. Company has a detailed Code of Ethics and Business Conduct that outlines our commitment on conducting our business in accordance with the applicable laws, rules and regulations with the highest standards of business ethics. A copy of our Code of Conduct is available on the Company's website [www.jkcement.com](http://www.jkcement.com).

The Code is applicable for all members of the organisation. Also, Company have adopted a Whistle Blower Policy which empowers any person associated with the organisation to file a grievance if he/ she notices any irregularity. A proper mechanism has thus been established for the employees to report issues to the management regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

Further, JKCL has safeguards in place which discourage bidders to engage in any corrupt practices during tendering process.

**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.**

JKCL received 30 shareholder complaints during the FY 2017-18, while no complaints were pending from previous financial year. All the 30 complaints have been successfully resolved during the year.

### Principle 2: Goods and services

**1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.**

The Company is strategically focusing on development of products and services that help customers build sustainable structures which are more resource-efficient, durable, cost-effective and conducive to human lifestyle. JKCL manufacture a range of products that cater to construction needs from foundation to finish. These include

Grey Cement, White Cement & White Cement based Wall Putty, Water Proof Compound, Tile Adhesive and recently launched Primaxx. The Company has deployed best-in-class technology and processes that use resources and energy optimally thus reducing the impacts of our cement manufacturing activities.

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

**i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.**

Making the most efficient use of resources is an objective for the cement industry and an issue of increasing significance for customers and clients. At JKCL, we give highest importance to resource efficiency. Resource efficiency, achieved through responsible management of natural resources, helps in conservation of scarce natural resources as well as enhances the quality output with lesser investments. In this regard, JKCL is investing significant time and effort for technology up-gradation in the areas of process improvement, sustainable development and energy management. JKCL's manufacturing operations consume alternative materials like fly ash, pond ash and slag etc. which help in conserving natural raw materials used for cement production. Further, alternative fuels such as agro waste, carbon black, fibre mass, ETP sludge, liquid mixed waste and solid mixed waste are consumed in kiln firing thus substituting fossil fuels to some extent. As a step towards water conservation, we are continuously exploring opportunities to increase use of recycled water and reduce water consumption across our plant sites.

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**  
Cement as a product is used for a variety of purposes and by diverse consumers. Hence, it is not feasible to measure the usage (energy, water) by consumers.

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

The Company's sourcing practices are targeted at seeking cost optimization, ensuring environment sustainability, societal interest and resource efficiency. 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. JKCL believes that sustainability in logistics can be achieved by using less fuel consuming transport options or selecting

vendors that are situated closer to our manufacturing locations. Screening of transport providers is done based on parameters like newer vehicles, requirement for drivers to carry pollution certificates, requirement for drivers and support staff to always carry safety aprons, helmets, driving license etc. Further, we are shifting towards the rail mode of transportation related to the dispatches of our end products as well as inter unit transfer of clinker. This will help us in further reducing our impact on the environment.

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

The 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 is sourced from nearby villages through the contractors and are provided year round training including occupational health & safety and are involved in various capacity building programmes. Our primary raw material, i.e. limestone, is sourced (mined) and transported from the captive mines from nearby sources, through dumpers thus having lower transportation impacts. In case of other raw materials, wherein our expectations are not met within the local market or due to lack of availability of required product or services, we procure from outside India.

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

The Company's products i.e., cement and power, are not meant for recycling as cement is used in building and construction typically having a high life span and power is

consumed immediately. Further, the cement manufacturing process as such does not involve production of any by products or waste. However, the fly ash generated from the Company's captive power plant during power generation is utilised in blended cements. In this regard, cement plant utilizes the waste of other industries in the form of alternative fuels and raw materials (AFR) which ultimately provides a solution to industrial waste disposal. Further, hot waste gases coming out of Klin process is utilized for power generation through Waste Heat Recovery Power Plants thus reducing power cost and minimizing impact on environment.

**Principle 3: Employees**

**1. Please indicate the total number of employees :** 2967  
Permanent Employees (as on 31st March, 2018)

**2. Please indicate the total number of employees hired on temporary / contractual / casual basis**

Category of employees	No of employees
Sub-contracted employees	2710

**3. Please indicate the number of permanent women employees :** 52 (as on 31st March, 2018)

**4. Please indicate the number of permanent employees with disabilities :** 8

**5. Do you have an employee association that is recognised by the Management? :**

The Company has recognized trade unions at our manufacturing plants viz. Gotan, Nimbahera and Mangrol which are recognised by the Management.

**6. What percentage of your permanent employees is member of this recognised employee association? :**

At JK Cement, none of our permanent employees are part of the recognized trade unions at our manufacturing plants. However, at Gotan, Mangrol and Nimbahera, 100%, 28.2% and 34.45% of our workers respectively, are members of recognized employee associations.

**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.**

S. No.	Category	No of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child Labour	Nil	Nil
2	Forced Labour	Nil	Nil
3	Involuntary Labour	Nil	Nil
4	Sexual Harassment	Nil	Nil

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

We strive to upgrade our workforce skills' levels through various learning and development programs. In this regard, various training needs are identified and provided to our employees include functional, behavioural and Health Safety and Environment (HSE) trainings. Further, we also conduct in-house, on-the-job and external trainer led trainings for our employees. Basic safety induction and training is given to all employees upon their induction in the company. Further, at our manufacturing locations, specific safety trainings are provided to employees based on their job profiles, including for temporary and contractual workforce.

S. No.	Category	Nimbahera	Mangrol	Gotan	Jharli	Muddapur	HO & Marketing
a	Permanent employees	74.53%	76.69 %	100%	100%	77.89%	52.7
b	Permanent women employees	100%	80%	100%	Nil	100%	100%
C	Casual / Temporary / Contractual employees	100%	100%	100%	70%	100%	Nil
d	Employees with disabilities	50%	Nil	100%	Nil	100%	Nil

**Principle 4: Stakeholders****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 part of the sustainability reporting process. Engaging with stakeholders is an integral part of the entire sustainability reporting and strategy process that enables understanding of priority issues and reasonable expectations of stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes, the Company has mapped disadvantaged, vulnerable and marginalised stakeholders in and around areas of its significant operations, and is actively working towards their inclusive growth as part of CSR efforts.

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

The Company, for the betterment of its disadvantaged, vulnerable and marginalized stakeholders, has taken initiatives in the areas of Corporate Social Responsibility that are mainly targeted to bring meaningful difference in the lives of its associated stakeholders.

These initiatives comprise of programs related to education, community hygiene, infrastructure development, livelihood support, vocational training and skill development. The Company has a well-established CSR policy which reflects its objective of creating a positive impact through economic and social development.

**Principle 5: 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 a 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. Further, the Company's Code of Conduct, Harassment and Whistle Blower Policies all cover aspects on human rights, and are applicable for all the Company employees and business partners.

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

In total, 30 complaints have been received from shareholders and 30 complaints have been resolved by the management successfully. There were nil complaints regarding breach of human rights aspects during the reporting period.

**Principle 6: Environment****1. Do the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Health, Safety and Environment policies, rules and regulations of JKCL are applicable to the entire Company including all stakeholders i.e. employees, contractors and other business partners, involved in JKCL's business activities.

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

JKCL is aware of its responsibility towards imbibing climate change issues in the strategy itself and taking appropriate action so as to achieve growth in manner that does not harm the environment. The Company's energy conservation measures include process optimization to improve operational efficiency, use of Variable Frequency Drives (VFD) to conserve electrical power, Installation of Energy efficient equipments, R&D activities and adopting new technologies. During the year 2017-18, these energy conservation measures led to a reduction in power consumption by 13,126,335 kWh thus yielding a saving of INR 2,306.94 Lacs for all plants combined.

Our commitment towards innovation and technology up-gradation is evident from our targeted investments in viable technologies that help us improve the Company's environmental footprint while promising profitable growth. Examples of technology absorption and up-gradation activities include decreasing clinker factor, replacing energy intensive equipment with energy efficient equipment, modification of Bag filter bin in packing unit, astronomical Switch for Auto control of lightings, installation of VFD in CPP for pumps and fans, installation of energy saving equipment such as LED lights instead of conventional lights etc. These initiatives form a part of JKCL's climate protection strategy and for a more detailed reading are available at <http://www.jkcement.com/pdf/sustainability-report-new-2016-17.pdf>.

Further, JKCL understands that natural resources are declining at an alarming rate and hence there is a need to maximise the output from minimum input of raw materials. Our aim is to use natural resources responsibly while reducing our air emissions so that we build a successful future for our Company as well as the Planet. Our approach of integrating responsible business practices into the business operations backed by corporate ethics that go beyond compliance with law and integrity, together, has helped us conduct business in a responsible and sustainable manner.

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

Environmental performance improvement is an important pillar of JKCL's business success and so we have a risk management mechanism in place to identify, assess and mitigate the impact of potential environmental risks. As part of our commitment towards Environmental, Health and Safety (EHS) management, we have implemented a fully integrated EHS management system in our manufacturing plants, which are certified by the internationally recognised ISO-9001, ISO-14001, OHSAS-18001 and SA 8000 standards. In addition, we regularly conduct EHS management system audits by third-party certification agencies to maintain the requirements of global standards. We also have implemented Energy Management System (EnMS), ISO 50001 thus achieving improved operational efficiencies.

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

Currently, no projects related to Clean Development Mechanism have been taken up by the Company.

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

JKCL has a strong focus on employing clean technology, increasing energy efficiency and procuring renewable

energy. The Company has undertaken numerous initiatives over the years keeping in mind clean and green technology. Some of these include Waste Heat Recovery, Solar Energy, Rain water Harvesting, Energy Efficiency frequency measures etc. Today, our total waste heat recovery based power generation capacity stands at approximately 18.5% of our total captive power generation capacity, and contributes significantly towards reducing our carbon emissions. Details of these initiatives are covered in the Corporate Sustainability Report issued by the Company every year. To fulfil the minimum requirement of green energy, we have also consumed wind and solar energy.

**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 emissions/waste generated by the Company is within permissible limits given by CPCB and SPCB and it employs various measures to maintain compliance with the various applicable emission/waste standards.

**7. Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.**

No show cause / legal notices from CPCB / SPCB have been received by any of the JKCL manufacturing plants during the financial year.

**Principle 7: Policy Advocacy**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

The Company is member of various trade and chambers or association, where the senior management represents JKCL and engages in discussions on various topics related to best practices, upcoming regulations, information sharing etc. Some of these associations include:

1. JK Organisation
2. Federation of Indian Chambers of Commerce and Industry (FICCI)
3. Cement Manufacturer's Association (CMA)

**2. Have you advocated / lobbied through the 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 and others). No**

**Principle 8: Inclusive Growth**

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

CSR policy is the continuing commitment of JKCL to behave ethically and contribute to the economic development of the



local community and society at large. CSR goes beyond just adhering to statutory and legal compliances but create social and environmental value while supporting the JKCL's business objectives and reducing operating costs; and at the same time enhancing relationships with key stakeholders and customers. The Company contributes to raising the standard of living of nearby communities by investing in the creation and maintenance of health and education facilities. Our aim is to develop and support the communities in which the Company operate and prosper. Our key thrust areas around which we centre our CSR strategy include rural area development, Health & Livelihood, Education, Art & Culture and Community Welfare. The social initiatives taken by JKCL have impacted life of local people belonging to gram panchayats and villages situated around our operational plants.

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

JKCL has a Board level CSR committee which assists the Board in discharging social responsibilities. It formulates and monitors implementation framework of CSR Policy, observe practices of Corporate Governance at all levels and provide remedial measures wherever necessary. The projects / initiatives are implemented either through in-house teams or in support with other external competent authorities such as NGOs / government structures based on skill, resources and competence required.

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

JKCL regularly engages with local community members as part of its stakeholder engagement exercise, during which community need assessment and discussions regarding the impact of the ongoing projects are also analysed and complied. These allow JKCL to gauge the impact of its ongoing initiatives and design / modify future engagements to better assess the needs of the communities.

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

INR 481.07 lacs was spent during the financial year 2017-18 on CSR initiatives across our major manufacturing locations. This represents 2.09 % of average net profit after tax for immediately preceding three financial year.

CSR Initiatives (FY 2017-18)	Total Expenditure (in INR Lacs)
Rural Infrastructure development	143.24
Health & Livelihood	73.27
Environment	1.43
Education, Art & Culture & Community Welfare	263.13
<b>TOTAL</b>	<b>481.07</b>

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

JKCL regularly engages with local community members to gauge the impact of its ongoing CSR initiatives. Projects are assessed under the agreed strategy and are monitored on a quarterly basis. We continuously seek to execute effective CSR interventions to boost the living standards and the overall economic status of under privileged community.

**Principle 9: Customers**

**1. What percentage of customer complaints / consumer cases is pending, as at the end of the financial year?**

We received 1375 Complaints in Grey & White Cement during the FY 2017-18, out of which 1371 complaints were resolved successfully by 31st March 2018, only 1 complaint is pending in case of grey cement & 3 complaints are pending in white cement and its value added products.

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

Yes. The Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as at the end of the financial year? If so, provide details thereof, in about 50 words or so.

Particulars	Remarks/Status
The Competition Commission of India (CCI) issued two separate orders dated 31.8.2016 and 19.1.2017 imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company for orders dated 31.8.2016 and 19.1.2017 are INR 128.54 Crore and INR 9.28 Crore respectively.	The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against these orders. COMPAT has stayed the CCI order in first matter on deposit of INR 6.56 Crore and hearing of appeal concluded, order reserved. In second matter, COMPAT has stayed the demand. The appeals with COMPAT are transferred to National Company Law Appellate Tribunal (NCLAT) and appeals are being heard. The Company, backed by a legal opinion, believes that it is good case and accordingly no provision has been made in the accounts.

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

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. In this regards, Consumer Satisfaction Survey is carried out by the Company to measure consumer sentiments and to take appropriate measures to expand consumer satisfaction and loyalty. Based on the inputs received, we define our action plan in order to achieve high customer satisfaction.

# REPORT ON CORPORATE GOVERNANCE

## 1. CORPORATE GOVERNANCE

### 1.1 Company's philosophy on Code of Corporate Governance

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management Level. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/ other key stakeholders. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. This, together with meaningful CSR activities and sustainable development policies followed by the Company, has enabled your Company to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates. In so far as compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is concerned, your Company is in full compliance with the norms and disclosures that have to be made.

### 1.2 Governance Structure

JK's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

## 2. BOARD OF DIRECTORS

The JK Board plays a pivotal role in ensuring that the Company runs on sound and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the

Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

### Committee of Directors

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors. Each of these Committees has been mandated to operate within a given framework.

### Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees.

### Board of Directors

#### (i) Composition of the Board

At J.K. Cement Ltd, the Board is headed by its Chairman and Managing Director, Shri Yadupati Singhania. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

The composition of the Board of Directors is given herein below:

- One Promoter, Executive, Non-Independent Director,
- Three Non-Executive, Non-Independent Directors,
- Six Non-Executive, Independent Directors.

#### (ii) Attendance of each Director at the Board Meetings and last Annual General Meeting

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2018 five Board Meetings were held on the following dates:

(i) 13th May, 2017 (ii) 23rd June, 2017 (iii) 12th August, 2017 (iv) 11th November, 2017 (v) 3rd February, 2018

The attendance of each Director at Board Meetings and at the last Annual General Meeting (AGM) was as under:

S. No.	Name of Director	No. of Board Meetings Attended	Attendance at last AGM
1	Shri Yadupati Singhania	5	No
2	Shri A. Karati	3	No
3	Shri J.N. Godbole	5	No
4	Shri K.B. Agarwal	5	Yes
5	Shri K.N. Khandelwal	5	Yes
6	Mr. Paul Heinz Hugentobler	3	No
7	Shri R.K. Lohia	2	No
8	Shri Suparas Bhandari	4	Yes
9	Smt. Sushila Devi Singhania	5	No
10	Shri Shyam Lal Bansal	2	No

(iii) The number of Directorships on the Board and Board Committees of other companies, of which the Directors are members / Chairman is given as under:

Sl.No.	Name of Director	Category	Relationship interse Director	No.of other Directorship@	No of Board Committees** (other than JK Cement Ltd) In Which	
					Chairman	Member
1	Shri Yadupati Singhania Chairman & Managing Director	Executive, Non- Independent	Smt.Sushila Devi Singhania	8	-	-
2	Shri Achintya Karati	Non-Executive, Independent	-	7	3	6
3	Smt. Sushila Devi Singhania	Non-Executive, Non- Independent	Shri Yadupati Singhania	1	-	-
4	Shri J.N. Godbole	Non-Executive, Independent	-	8	4	4
5	Dr. K.B. Agarwal	Non-Executive, Independent	-	4	2	2
6	Shri K.N. Khandelwal	Non-Executive, Non- Independent	-	1	-	2
7	Shri R.K. Lohia	Non-Executive, Independent	-	4	-	-
8	Shri Suparas Bhandari	Non-Executive, Independent	-	1	-	1
9	Mr. Paul Heinz Hugentobler	Non-Executive, Non- Independent	-	1	1	-
10	Shri.S.L.Bansal	Non-Executive, Independent	-	3	-	2

@ Directorships on all public limited companies, whether listed or not, has been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 has been excluded.

\*\* Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee has been considered.

Note; None of the Director is acting as Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a Chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

(iv) Non-Executive Directors'

#### Compensation and disclosures

Apart from sitting fees paid to the Non-Executive Independent and Non-Independent Directors (except Chairman & Managing Director) for attending Board/ Committee meetings, Commission was paid during the year details of which are given separately in this report. Further, for the expert advisory/consultancy services rendered by any Director consultancy fee has been paid. No transaction has been made with Non-Executive and Independent Directors vis-à-vis your Company.

(v) Other provisions as to Board and Committees

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board and their foresight helps in decision making process.

The Board has unfettered and complete access to any information with your Company. Members of the Board have complete freedom to express their views on agenda items and discussions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

The matters placed before the Board as required under Listing Regulations inter alia includes:

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

#### **Board Training and Induction**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Regulation 25(7) of the Listing Regulations and other relevant regulations and his affirmation taken with respect to the same.

#### **Meetings of Independent Directors**

The Company's Independent Directors meet at least once in every financial year without the presence of Non-Independent Directors and management personnel inter alia to :

- review the performance of Non- Independent Directors and the Board as a whole,
- review the performance of the Chairman and Managing Director of the Company, taking into account the views of Non-Executive directors,
- assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, the Independent Directors met on February 3, 2018 without the presence of Non Independent Directors and management personnel to discuss the aforesaid issue.

#### **Performance evaluation of Independent Directors**

The Board evaluates the performance of Independent Directors and recommends commission payable to them

based on their commitment towards attending the meetings of the Board/ Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and Committee Meetings attended by them.

#### **Familiarization Program for Directors**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Chairman and Managing Director and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The program also includes visit to the plant to familiarize them with all facets of cement manufacturing. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarization program can be accessed from the website.

#### **Meeting, Agenda And Proceedings of Board Meeting**

- **Agenda:** All the meetings are conducted as per well designed and structured agenda and in line with the compliance requirement under the Companies Act, 2013 Rules framed thereunder and applicable Secretarial Standards prescribed by ICSI. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the earlier meetings. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification/approval.
- **Invitees & Proceedings:** Apart from the Board members, the Company Secretary, the CFO, the Special Executives, Business Heads are invited to attend all the Board Meetings. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO briefs on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Chairman and Managing Director, the CFO and other senior executives briefs on capex proposals & progress, operational health & safety, marketing & cement

industry scenario and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board Meeting.

- **Post Meeting Action:** Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Chairman & Managing Director, CFO and Company Secretary for the action taken/ pending to be taken.
- **Support and Role of Company Secretary:** The Company Secretary is responsible for convening the Board and Committee Meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects. Compliance Officer: Mr. Shambhu Singh, Company Secretary is the Compliance Officer for complying with the provisions of the Securities Laws.

#### **Directors' Profile**

The brief profile of each Director as at the year end is given below:

##### **Mr. Yadupati Singhania aged about 65 years Chairman and Managing Director (B. Tech from IIT,Kanpur)**

**Yadupati Singhania**, aged 65 years, is the Chairman and Managing Director of our Company, and has been associated with cement business since 1975. He holds a bachelor of technology degree from the Indian Institute of Technology, Kanpur. He is also a chief patron of Merchants Chamber of Uttar Pradesh and Kuladhipati of Dayanand Siksha Sansthan. Besides, being Chairman of the Board of Governors of Dr. Gaur Hari Singhania Institute of Management & Research, he is also President of Kanpur Productivity Council. He is presently the Vice President of J.K. Organisation and is also involved in various Educational and Social Organisations in the city of Kanpur like Juhari Devi Girls College, Kailashpat Singhania Sports Foundation, Uttar Pradesh Cricket Association, Agrawal Sabha etc

##### **Smt. Sushila Devi Singhania aged about 83 years Non-Executive, Non-Independent Director (Graduate of Arts)**

**Sushila Devi Singhania** aged 83 years, is a non-executive, non-independent Director of our Company. She has been functioning as a Director of our Company since July 26, 2014. She is also director of Yadu International Limited and G. H. Securities Private Limited. She is a member of managing committee of Seth Anandram Jaipuria School, Kanpur, President of Juari Devi Girls Inter College, Kanpur



and President of Juari Devi Girls Post Graduate College, Kanpur. She has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities.

**Mr. Achintya Karati aged about 72 years**  
**Non-Executive, Independent Director (Law Graduate from Calcutta University)**

Achintya Karati is a non-executive, independent Director of our Company. He holds a bachelor's degree in law from the Calcutta University. He served as the country head of Government and Institutions, NCDEX and has also worked as senior advisor to ICICI Securities Limited, and also with ICICI Prudential Life Insurance Company Limited. He retired as the country head, Government and Institutional Solutions Group, ICICI Bank Limited in March, 2004. During his association with ICICI Limited, he served in various capacities, including as the Deputy Zonal Manager (North) and Head of Major Client Group (North). He has been associated with our Company since 2005.

**Mr. Jayant Narayan Godbole aged about 73 years**  
**Non-Executive, Independent Director (B.Tech (Hons) from IIT Mumbai, Certificate in Financial Management)**

Jayant Narayan Godbole is a non-executive, independent Director of our Company. He holds a bachelor's degree in technology (honours) from the Indian Institute of Technology, Mumbai and also holds a certificate in Financial Management. He has officiated as the chairman and managing director of the Industrial Development Bank of India in 2005 and has also served as the chairman of an empowered group working on the stabilization of the corporate debt restructuring mechanism in India

**Mr. K. N. Khandelwal aged about 74 years**  
**Non-Executive, Non-Independent Director (Commerce Graduate and a Chartered Accountant)**

Kailash Nath Khandelwal is a non-executive, non-independent director on our Board, and has been the Director of our Company since 2004. He holds a bachelor's degree in commerce from Agra University. He is a fellow of the Institute of Chartered Accountants of India and a practicing chartered accountant. He has over 45 years of experience in the field of finance, accounts, and taxation. He has served as president (finance and accounts) of Jaykay Enterprises Limited (formerly J.K. Synthetics Limited). Commenced his career with J.K. Synthetics Limited in 1969;

**Dr. K. B. Agarwal aged about 79 years**  
**Non-Executive, Independent Director (Graduate of Law, PhD, ICWA and CS)**

Krishna Behari Agarwal is a non-executive, independent director of our Company. He holds a bachelor's degree in law from Kanpur University and is a fellow of the Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India. He is experienced in the fields

of finance, accounts and capital markets. He has served Merchants Chamber of Uttar Pradesh and Uttar Pradesh Stock Exchange Association Limited as their president. He has been a member of the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce & Industry of India.

**Mr. Paul Heinz Hugentobler aged about 79 years**  
**Non-Executive, Non-Independent Director (Civil Engineer & Degree in Economic Science)**

Paul Heinz Hugentobler is a non-executive, non-independent Director of our Company. He graduated in civil engineering from Swiss Federal Institute of Technology, Zurich and also has a degree in economic science from the Graduate School of Economics and Business of St. Gallen. He has served as the area manager for the Holcim Asia Pacific Region and was a member of the Holcim Executive Committee responsible for South Asia and ASEAN. He is also the chairman of Siam City Cement Group having its operations in Thailand, Vietnam, Indonesia, Bangladesh and Sri Lanka.

**Mr. Raj Kumar Lohia aged about 64 years**  
**Non-Executive, Independent Director (Bachelor of Arts in Economics)**

Raj Kumar Lohia is a non-executive, independent Director of our Company. He holds a bachelor's degree in economics from Kanpur University. He joined our Board in 2004 and is also on the board of directors of several other companies.

**Mr. Suparas Bhandari aged about 73 years**  
**Non-Executive, Independent Director (Graduate of Science and Law)**

Suparas Bhandari is a non-executive, independent Director of our Company. He holds a bachelor's degree in science and a bachelor's degree in law from the University of Jodhpur. He is the founder, chairman and managing director of Agriculture Insurance Company of India Limited and has served as the general manager of Oriental Insurance Company of India Limited and as the assistant general manager of United India Insurance Company Limited.

**Mr. Shyam Lal Bansal aged about 64 years**  
**Non-Executive, Independent Director (M.Com from Delhi University, B.Com from Shri Ram College of Commerce, New Delhi, and CA (Inter))**

Shyam Lal Bansal is a non-executive, independent Director of our Company. He holds a bachelor's degree in commerce from Shri Ram College of Commerce, New Delhi and a master's degree in commerce from the University of Delhi. He superannuated as chairman & managing director from Oriental Bank of Commerce. He was actively involved as an executive director in the financial inclusion plan of United Bank of India in the whole of West Bengal and North East, as part of the banks' responsibility as state level bankers' committee convener in Tripura and West Bengal and lead bank responsibility in 10 districts of Assam. He is also

acting as an independent director of IL&FS Tamil Nadu Power Company Limited, Indiabulls Ventures Limited and Indiabulls Asset Reconstruction Company Limited. He has been functioning as a Director of our Company since February 6, 2016

### 3. AUDIT COMMITTEE

#### (i) Broad Terms of Reference

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the Company. The terms of reference of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and the Corporate Governance Code as prescribed under Listing Regulations, which broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. The role of the audit committee shall include the following:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013;
  - b. changes if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into

matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**(ii) The audit committee shall mandatorily review the following information**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
6. statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

**(iii) Composition of the Committee**

Following Directors were the members of the Audit Committee:

- i. Dr. K. B. Agarwal (Chairman) Independent, Non-Executive Director
- ii. Shri A. Karati, Independent, Non-Executive Director
- iii. Shri J. N. Godbole, Independent, Non-Executive Director
- iv. Shri K.N. Khandelwal, Non-Independent, Non-Executive Director
- v. Shri R.K. Lohia, Independent, Non-Executive Director
- vi. Shri Shyam Lal Bansal, Independent Director, Non-Executive

All these Directors possess knowledge of Corporate Finance/ Accounts/ Company Law/Industry. Shri A.K.Saraogi, Chief Finance Officer regularly attends the meetings and Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee. The Statutory Auditors of the Company attend the meetings as Special Invitees. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

**(iv) Meetings and Attendance**

During the financial year ended 31st March, 2018 four meetings were held on (1) 13th May 2017 (2) 12th August 2017 (3) 11th November 2017 (4) 3rd February 2018

**The attendance at the Committee Meetings was as under:**

Sl. No.	Name of Director	No. of Meetings Attended
1	Dr. K.B. Agarwal	4
2	Shri K. N. Khandelwal	4
3	Shri R. K. Lohia	2
4	Shri Achintya Karati	3
5	Shri J. N. Godbole	4
6	Shri Shyam Lal Bansal	2

**4. NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee of the Company has been functioning in pursuance of the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

**(i) Role of the Committee shall, inter-alia, include the following:**

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the

remuneration of the directors, key managerial personnel and other employees;

- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

#### (ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2018 comprised of:

- (1) Shri Raj Kumar Lohia (Chairman): Independent, Non-Executive Director
- (2) Shri A. Karati : Independent, Non-Executive Director
- (3) Shri J.N. Godbole: Independent, Non-Executive Director
- (4) Shri Suparas Bhandari: Independent, Non-Executive Director
- (5) Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

#### (iii) Meetings and Attendance

During the financial year ended 31st March, 2018 two meetings were held on (1) 13 th May, 2017  
(2) 3rd February, 2018

Sl. No.	Name of Director	No. of Meetings Attended
1	Shri Achintya Karati	2
2	Shri J. N. Godbole	2
3	Shri R. K. Lohia	1
4	Shri Suparas Bhandari	2

#### (iv) Nomination and Remuneration Policy:

The Company's remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for performance and potential and (iii) pay for growth. Keeping in view the above, the Nomination and Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Chairman and Managing Director including details of fixed components and performance linked incentives.

As for the Non-executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various committees of the Board and commission on profit

Sl. No.	Name of Director	No. of Shares held
1	Smt. Sushila Devi Singhania	920957
2	Shri K. N. Khandelwal	1000
3	Shri Achintya Karati	640
4	Dr. K. B. Agarwal	300

#### Details of Remuneration paid to the Directors for the year ended 31st March, 2018

S. No.	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Smt. Sushila Devi Singhania			900000	526000	1426000
2	Shri Yadupati Singhania	30000000	*52500000	90000000		172500000
3	Shri A. Karati			900000	300500	1200500
4	Shri J. N. Godbole			900000	475875	1375875
5	Dr. K. B. Agarwal			900000	751250	1651250
6	Shri K. N. Khandelwal			900000	450750	1350750
7	Shri Raj Kumar Lohia			900000	350875	1250875
8	Shri Suparas Bhandari			900000	425625	1325625
9	Mr. Paul Heinz Hugentobler		**10813130	900000	150250	11863380
10	Shri Shyam Lal Bansal			900000	150375	1050375

\* Benefits does not include payment of contribution to Provident Fund, which is exempted perquisite under applicable provisions of the Companies Act, 2013 but includes Performance Incentive of ₹ 150 Lacs

\*\*Paid in professional capacity.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE - MANDATORY COMMITTEE

Stakeholders' Relationship Committee of the Company has been functioning in pursuance of the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

The terms of reference of the Committee are:

1. Transfer/transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;
2. Issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
4. Issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
5. To grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
6. To issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
7. To approve and monitor dematerialisation of shares / debentures / other securities and all matters incidental or related thereto;
8. To authorise the Company Secretary and Head Compliance/ other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non- receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
9. Monitoring expeditious redressal of investors / stakeholders grievances;
10. All other matters incidental or related to shares, debentures and other securities of the Company.

### (i) Composition

The Committee as on 31st March, 2018 comprises of:

- (1) Dr. K.B. Agarwal (Chairman): Independent, Non-Executive Director.

- (2) Shri Suparas Bhandari: Independent, Non-Executive Director
- (3) Shri K.N. Khandelwal: Non-Independent, Non-Executive Director.
- (4) Shri Raj Kumar Lohia: Independent, Non-Executive Director.
- (5) Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

### (ii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 31 complaints during the F.Y. 2017-18 and all the 31 complaints were redressed. No investor grievance has remained unattended/ pending for more than thirty days. Investor's complaints received through SEBI are redressed at [www.scores.gov.in](http://www.scores.gov.in). However, Six requests for dematerialisation involving 30 equity shares of the Company attended as at 31.03. 2018 was attended/ disposed of within stipulated period of 30 days.

### (iii) Meeting and Attendance

During the financial year ended 31st March, 2018 four meetings were held on (1) 13th May 2017 (2) 12th August 2017 (3) 11th November 2017 (4) 3rd February 2018

**The attendance at the above Meetings was as under:**

Sl. No.	Name of Director	No. of Meetings Attended
1	Dr. K. B. Agarwal	4
2	Shri K. N. Khandelwal	4
3	Shri Raj Kumar Lohia	2
4	Shri Suparas Bhandari	4

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE - MANDATORY COMMITTEE

Corporate Social Responsibility Committee of the Company has been functioning in pursuance of the provisions of Section 135 of the Companies Act, 2013

**(i) Composition of the Committee**

Sl. No.	Name of Director	No. of Meetings Attended
1	Smt. Sushila Devi Singhania	Non-Executive, Non-Independent Director
2	Dr. K. B. Agarwal	Non-Executive, Independent Director
3	Shri J. N. Godbole	Non-Executive, Independent Director
4	Shri Suparas Bhandari	Non-Executive, Independent Director

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

**Terms of Reference of the Committee, inter alia, includes the following:**

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be more undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

- To observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

**(ii) CSR committee attendance**

Two CSR committee meetings were held during the year on (1) 13th May, 2017 and (2) 3rd February, 2018

Sl. No.	Name of Director	No. of Meetings Attended
1	Smt. Sushila Devi Singhania	2
2	Dr. K. B. Agarwal	2
3	Shri J. N. Godbole	2
4	Shri Suparas Bhandari	2

**7. CMD/CFO CERTIFICATION**

The Chairman and Managing Director and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Listing Regulations, for the year ended 31.03.2018

**8. DATES, TIME AND PLACES OF LAST GENERAL MEETINGS HELD ARE GIVEN BELOW**

Financial Year	Date	Time	Place
2014 - 15 (AGM)	1st August, 2015	12 Noon	Auditorium of the Merchants' Chamber of U.P., Kanpur
2015 -16 (AGM)	6th August, 2016	11 A.M.	Auditorium of the Merchants' Chamber of U.P., Kanpur
2016 -17 (AGM)	29th July, 2017	12.30 A.M	Auditorium of the Merchants' Chamber of U.P., Kanpur

Two special resolutions were passed in the Annual General Meeting of the Company held on 1st August, 2015. Four special resolutions were passed in the Annual General Meeting of the company held on 6th August, 2016. Two special resolutions were passed in the Annual General Meeting of the Company held on 29th July, 2017. There were no matters required to be dealt/ passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 110 of the Companies Act, 2013. The Chairman of the Audit Committee was present at AGMs held on 1st August, 2015, 6th August, 2016 and 29th July 2017 to answer the queries of the shareholders.

**Disclosures**

- There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries/ Associates or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the Annual Report.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.
- The Company has complied with the mandatory requirements of Listing Regulations. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

**Disclosures regarding appointment or re-appointment of Directors**

According to the provisions of Companies Act, 2013 read with Articles of Association of the Company one Non-Executive, Non-Independent Director Mr. K. N. Khandelwal will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-election. Given below is the brief resume of Mr. K. N. Khandelwal pursuant to the listing regulations:



Mr. K.N. Khandelwal (DIN 00037250) aged about 74 years Served as President (Finance and Accounts) of Jaykay Enterprises Limited. He Commenced his career with JK Synthetics Limited in 1969. He Joined J.K. Cement Ltd as a Director w.e.f 2004.

## Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non- Executive Directors and members of the Senior Management. A copy of the Code has been hosted on the Company's website [www.jkcement.com](http://www.jkcement.com). The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them hereinafter.

## 9 MEANS OF COMMUNICATIONS

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with Listing Regulations and the same are normally published in Business Standard, Economic Times, Nav Bharat Times, Hindustan, Times of India and Nafa Nuksan newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website [www.jkcement.com](http://www.jkcement.com).

Further, Shareholding pattern and quarterly corporate governance report is uploaded on the NSE Electronic Application Processing System (NEAPS) maintained by NSE and [www.listing.bseindia.com](http://www.listing.bseindia.com) maintained by BSE.

Details of shares lying in the Escrow Account of the Registrar & Share Transfer Agent.

As per SEBI Circular dated 24th April, 2009 bearing reference no. SEBI/CFD/ DIL/LA/1/2009/24/04, every Company is required to report the details of the shares lying in the Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is reported that as on 31.03. 2018, 160 number of equity shares of 3 (three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd, Kanpur (DP.Id. IN301330 Client ID 19881648).

## Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), a comprehensive code of conduct for prevention and regulation of trading in the Company's share by insiders is in vogue. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company.

## 10 GENERAL SHAREHOLDERS INFORMATION

### (i) Annual General Meeting

Date and Time	Saturday the 28th July, 2018 at 11:30 A.M.
Venue	Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

### (ii) Financial Calendar

(a) First Quarter Results	Within 45 days from the close of Quarter Ending June, 2018
(b) Second Quarter Results	Within 45 days from the close of Quarter Ending September, 2018
(c) Third Quarter Results	Within 45 days from the close of Quarter Ending December, 2018
(d) Result for the year ending 31st March 2019	Within 60 days from the close of Quarter/ Year Ending March, 2019

### (iii) Date of Book Closure

Thursday the 19th July, 2018 to Saturday 28th July, 2018 (both day inclusive).

### (iv) Dividend payment date

The Board of Directors of the Company have recommended a dividend of ₹ 10 per share for the year 2017-18 which shall be payable on or after 28th July, 2018

#### Dividend Policy

The Company has been declaring/paying dividend every year since 2005-06 consistently. It is maintaining a payout of 20% to 25% of Net profit as dividend (including tax)

### (v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2017-18.

### (vi) Stock Code

BSE 532644 NSE JKCEMENT  
ISIN NUMBER INE823G01014

## (vii) Market Price Data

## STOCK MARKET DATA (BSE) &amp; SENSEX

MONTH	BSE HIGH	BSE LOW	BSE SENSEX HIGH	BSE SENSEX LOW
APRIL,2017	985.00	909.00	30184.22	29241.48
MAY,2017	1194.45	941.70	31255.28	29804.12
JUNE,2017	1192.00	927.55	31522.87	30680.66
JULY,2017	1037.00	939.00	32672.66	31017.11
AUGUST,2017	1073.40	975.00	32686.48	31128.02
SEPTEMBER,2017	1071.00	926.25	32524.11	31081.83
OCTOBER,2017	1009.90	941.35	33340.17	31440.48
NOVEMBER,2017	1107.00	892.00	33865.95	32683.59
DECEMBER,2017	1120.00	977.30	34137.97	32565.16
JANUARY, 2018	1193.95	1071.10	36443.98	33703.37
FEBRUARY, 2018	1149.00	991.60	36256.83	33482.81
MARCH, 2018	1048.00	975.40	34278.63	32483.84

## STOCK MARKET DATA (NSE) &amp; NIFTY

MONTH	NSE HIGH	NSE LOW	NSE NIFTY HIGH	NSE NIFTY LOW
APRIL,2017	988.80	911.25	9367.15	9075.15
MAY,2017	1196.00	955.05	9649.60	9269.90
JUNE,2017	1134.00	928.00	9709.30	9448.75
JULY,2017	1034.80	921.25	10114.85	9543.55
AUGUST,2017	1079.90	976.25	10137.85	9740.10
SEPTEMBER,2017	1071.80	924.95	10178.95	9687.55
OCTOBER,2017	1008.10	941.10	10384.50	9831.05
NOVEMBER,2017	1100.00	980.00	10490.45	10094.00
DECEMBER,2017	1121.00	975.30	10552.40	10033.35
JANUARY, 2018	1194.80	1081.00	11171.55	10404.65
FEBRUARY, 2018	1151.00	992.00	11117.35	10276.30
MARCH, 2018	1048.95	976.05	10525.50	9951.90

## (viii) Registrar/Transfer Agent

M/s Jaykay Enterprises Ltd. (Formerly J.K. Synthetics Ltd) is acting as Registrar and Share Transfer Agent of the Company for Physical and Demat segment. Their address for communication is as under:-

M/s Jaykay Enterprises Ltd. (Unit J.K. Cement Ltd.) Kamla Tower, Kanpur - 208 001

Telephone: (0512) 2371478 - 81; Ext: 18322/323

Fax: (0512) 2397146;

email:investorservices@jkcement.com;rc.srivastava@jkcement.com;jkshr@jkcement.com

## (ix) Share Transfer System

Share Transfer work of physical segment is attended to by the Company's Registrar & Share Transfer Agent within the prescribed period under law and the Listing Regulations.

All share transfers etc. are approved/ ratified by a Committee of Directors, which meets periodically

## (x) Distribution of Shareholding as on 31st March,2018

No of Equity Shares Held	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
UP TO 500	69975	98.29	2670239	3.82
501 TO 1000	670	0.94	476606	0.68
1001 TO 2000	251	0.35	367698	0.53
2001 TO 3000	59	0.08	149381	0.21
3001 TO 4000	38	0.06	136260	0.20
4001 TO 5000	26	0.04	120996	0.17
5001 TO 10000	45	0.06	329908	0.47
10001 AND ABOVE	128	0.18	65676162	93.92
<b>TOTAL</b>	<b>71192</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

**(xi) Category of Shareholders as on 31st March, 2018**

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
Promoters and Promoter group	24	00.03	44866571	64.16
Mutual Funds / UTI	73	00.10	8753903	12.52
Alternative Investments Funds	2	00.01	7785	00.01
Financial Institutions / Banks	68	00.10	17813	00.02
Insurance Companies	9	00.01	2927102	04.19
Foreign Institutional Investors	16	00.02	25826	00.04
Foreign Portfolio Investors Corp.	80	00.11	7179044	10.27
Bodies Corporate	669	00.94	899134	01.28
Individuals	70072	98.43	4780977	06.84
Other	179	00.25	469095	00.67
<b>TOTAL</b>	<b>71192</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

**(xii) Dematerialisation of Shares**

The Company's Equity shares have been allotted ISIN (INE823G01014) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) 69524499 Equity share representing 99.42 % of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2018 (Includes 137630 shares transmitted to IEPF in Demat mode through corporate action).

**(xiii) Shares Transferred to IEPF**

During the year, 144725 equity shares of 16377 holders stand transferred to Investor, Education & Protections Fund (IEPF) Authority Ministry of Corporate Affairs in demat mode in compliance of section 124 of Companies Act, 2013.

**(xiv) The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.****(xv) Plant Location**

Company has following plants

Plants	Location
<b>INDIA</b>	
Grey Cement Plants	Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist: Bagalkot, Karnataka
	Jharli, Dist: Jhajjar, Haryana
White Cement/Wall Putty Plants	Gotan, Dist. Nagaur, Rajasthan
	Rupaund, Tehsil- Badwara, Distt. Katni, M.P.
Thermal Power Plants	Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist: Bagalkot, Karnataka
Waste Heat Recovery Power Plant (For captive consumption)	Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
<b>OVERSEAS UNDERTAKEN BY SUBSIDIARY</b>	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE

**(xvi) Address for Correspondence**

Mr. Shambhu Singh  
Asst. Vice President (Legal) & Company Secretary,  
J.K. Cement Ltd.,  
Kamla Tower, Kanpur - 208001. Telephone No.: 0512 2371478 - 81 Fax: 0512-2332665/2399854  
Email: shambhu.singh@jkcement.com Website: www.jkcement.com

**(xvii) SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish PAN copy in the following cases**

- a) Deletion of name of deceased shareholder, where the shares are held in the name of two or more shareholders.
- b) Transmission of shares to the legal heirs, where deceased shareholder was a sole holder.
- c) Transposition of shares in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders

**Vigil Mechanism**

With the expansion of business in terms of volume value and geography, various risks associated with the business have also increased considerably. One such risk identified

is the risk of fraud and misconduct. The Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 mandates the listed companies to formulate appropriate vigil mechanism and whistle blower policy. The Company, since its inception believes in honest and ethical conduct from all the employees and others who are directly or indirectly associated with it. The Audit Committee is also committed to ensure fraud-free work environment. Risk Management Policy and Whistle Blower Policy are in vogue.

The policy is applicable to all the Directors, employees, vendors and customers and provides a platform to all of them to report any suspected or confirmed incident of fraud/misconduct, unethical practices, violation of code of conduct etc.

## DECLARATION

### Compliance with the Code of Business Conduct and Ethics

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct and Ethics for the year ended 31st March, 2018.

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

For J.K. Cement Ltd

**Yadupati Singhania**  
Chairman & Managing Director  
DIN - 00050364

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of **J.K. CEMENT LIMITED**

We have examined the compliance of conditions of Corporate Governance by J.K. Cement Limited ("the Company") for the year ended 31st March, 2018, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and Paragraphs C,D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with amendments as applicable.

The compliance of conditions 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 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 conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations as applicable.

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

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

For: Reena Jakhodia & Associates  
Company Secretaries

(Reena Jakhodia)  
Proprietor  
Membership No: F6435  
C.P. No.: 6083



# INDEPENDENT AUDITOR'S REPORT

To the Members of J.K.Cement Limited

## REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of J.K.Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 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, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

a) We draw attention to note 36(A)(5) to the standalone Ind AS financial statements wherein it has been stated that The Competition commission of India (CCI) has imposed penalty of ₹ 128.54 crores and ₹ 9.28 crores in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. COMPAT has stayed the CCI order in first matter on deposit of ₹ 6.56 crores and hearing of appeal is concluded and order stayed. In second matter stayed demand and appeal are yet to be heard. The Company, backed by a legal opinion, believes that it has a good case and accordingly no provision has been made in the Accounts.

Our opinion was not qualified in respect of above matters.

b) We draw attention to note 42 of the standalone Ind AS financial statement which describes the impact on deferred tax charge, deferred tax liability and reclassifications to the previous year figures, which has led to the restatement of the comparative year figures in the financial statements for the year ended March 31, 2018.

Our opinion was not qualified in respect of above matters.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial

statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (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 36 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

## OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who had audited the standalone financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 13, 2017 expressed an unmodified opinion

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

per **Atul Seksaria**  
Partner  
Membership Number: 086370

## ANNEXURE I REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE UNDER SECTION 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

### J.K.Cement Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for 1 case of leasehold land and 4 cases of freehold land amounting to gross block of ₹ 1,353.07 lacs (net block: ₹ 177.29 lacs) and gross block of ₹ 225.64 lacs (net block: ₹ 225.64 lacs) respectively as at March 31, 2018 for which title deeds are in the name of the erstwhile Company that merged with the Company pursuant to a scheme of amalgamation and arrangement as approved by the honourable High Court in earlier years. Also refer note 2 of the accompanying financial statements.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, 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, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of cement and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income tax, excise duty, sales tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Period to which Amount relates	Forum where dispute is pending	Amount (₹ in lacs)
Bihar Entry Tax Act	Entry tax	2009-10	Joint commissioner (Appeals)	86.58
Bihar Entry Tax Act	Entry tax	2008-09, 2011-12	Deputy commissioner (Appeals)	90.60
Central Excise Act, 1944	Excise duty	July'99- Mar' 2008	Commissioner (Appeals)	1,593.43
Central Excise Act, 1944	Excise duty including interest thereon	1989-90	Supreme Court	419.02
Central Excise Act, 1944	Excise duty	July 1999- Mar' 2008	Commissioner (Appeals)	51.32
Finance Act, 1994	Service tax	June'2007- Mar' 2008	Commissioner - Jaipur	1,085.42
Finance Act, 1994	Service tax	June 2005 to June 2008	CESTAT DELHI	277.45
Finance Act, 2008 (State)	Environment & health cess	2008-09 to 2015-16	Jodhpur & Bangalore High Court	3,323.44
Rajasthan Entry tax	Entry tax	2002-03 on wards	Jodhpur High Court	4,993.21
State Sales tax Act	Sales Tax	1990-91 to 2014-15	Various court in Uttar pradesh, Bihar, Gujarat Rajasthan & Karnataka	586.50
Uttar pradesh Entry tax Act	Entry tax	2005-06 to 2009-10	Appeal with Supreme Court	314.48
Income Tax Act	Allahabad High Court.	2004-05 to 2010-11	Allahabad High Court.	4,229.82
Income Tax Act	ITAT, Lucknow	2012-13	ITAT, Lucknow	650.36
Income Tax Act	CIT (Appeals), Kanpur	2012-13 to 2013-14	CIT (Appeals), Kanpur	570.19

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans and borrowings to banks, debenture holders or the government. The Company does not have any outstanding dues towards financial institutions.
- (ix) In our opinion and according to the information and explanations given by the management, monies raised through term loans were ultimately applied for the purposes for which they were raised. The Company has not raised any money by way of initial public offer/further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the 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 Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

per Atul Seksaria  
Partner  
Membership Number: 086370

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF J.K.CEMENT LIMITED

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

We have audited the internal financial controls over financial reporting of J.K.Cement Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS**

A Company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, 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 **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

per **Atul Seksaria**  
Partner  
Membership Number: 086370



# BALANCE SHEET

as at 31<sup>st</sup> March, 2018

		₹/Lacs	
	Note	As at 31 March 2018	As at 31 March 2017 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	3,59,231.71	3,67,445.95
Capital work-in-progress	2	8,780.53	10,482.45
Intangible assets	3	437.48	556.98
Financial assets			
(i) Investments	4	55,694.47	47,037.80
(ii) Loan & advances	5	5,013.21	13,456.72
Other non-current assets	6	11,491.77	10,471.29
<b>Total non-current assets</b>		<b>4,40,649.17</b>	<b>4,49,451.19</b>
<b>Current assets</b>			
Inventories	7	53,161.07	49,806.98
Financial assets			
(i) Current investments	8	7,757.62	6,526.00
(ii) Trade receivables	9	18,797.37	14,813.42
(iii) Cash and cash equivalents	10	18,244.25	12,171.42
(iv) Bank balances other than (iii) above	11	36,107.82	30,520.43
(v) Other current financial assets	12	7,262.95	4,862.36
Current tax assets (net)	13	752.57	-
Other current assets	14	14,562.98	16,155.98
Assets held for sale	44	902.61	-
<b>Total current assets</b>		<b>1,57,549.24</b>	<b>1,34,856.59</b>
<b>Total assets</b>		<b>5,98,198.41</b>	<b>5,84,307.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	6,992.72	6,992.72
Other equity	16	2,07,741.79	1,80,159.57
<b>Total equity</b>		<b>2,14,734.51</b>	<b>1,87,152.29</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	2,06,970.78	2,28,236.67
(ii) Other financial liabilities	18	20,678.88	17,671.71
Long-term provisions	19	2,507.55	2,237.99
Deferred tax liabilities (net)	20	26,718.99	26,280.63
Other non-current liabilities	21	9,232.02	8,633.01
<b>Total non-current liabilities</b>		<b>2,66,108.22</b>	<b>2,83,060.01</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	22	11,351.76	16,729.17
(ii) Trade payables	23	41,355.94	37,773.54
(iii) Other financial liabilities	24	43,752.10	43,145.55
Other current liabilities	25	19,011.45	15,591.89
Short-term provisions	26	1,884.43	706.33
Current tax Liability (net)	13	-	149.00
<b>Total current liabilities</b>		<b>1,17,355.68</b>	<b>1,14,095.48</b>
<b>Total liabilities</b>		<b>3,83,463.90</b>	<b>3,97,155.49</b>
<b>Total equity and liabilities</b>		<b>5,98,198.41</b>	<b>5,84,307.78</b>

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For S.R. Batliboi &amp; Co.LLP.

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per Atul Seksaria

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

A.K. Saraogi

President (Corp.Affairs) &amp; CFO

Shambhu Singh

Company Secretary

Membership No -F5836

For and on behalf of the Board of Directors of  
J K Cement Limited

Yadupati Singhania

Chairman &amp; Managing Director

DIN - 00050364

Krishna Behari Agarwal

Director

DIN - 00339934

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2018

		₹/Lacs	
	Note	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)
Revenue from operations	27	4,75,817.73	4,37,983.02
Other income	28	12,764.65	9,932.30
<b>Total income</b>		<b>4,88,582.38</b>	<b>4,47,915.32</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	73,038.01	64,406.17
Purchase of stock-in-Trade		84.75	92.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	4,201.02	(976.56)
Employee benefit expense	31	32,545.61	27,545.54
Finance costs	32	24,535.38	27,290.70
Depreciation and amortisation expense	33	18,626.77	17,609.58
Other expenses	34	2,89,881.93	2,77,572.60
<b>Total expenses</b>		<b>4,42,913.47</b>	<b>4,13,540.53</b>
<b>Profit/(loss) before tax &amp; exceptional items</b>		<b>45,668.91</b>	<b>34,374.79</b>
Exceptional items	45	1,696.15	1,931.62
<b>Profit/(loss) before tax</b>		<b>43,972.76</b>	<b>32,443.17</b>
<b>Tax expense</b>			
Current tax		9,413.62	7,047.08
Deferred tax charge/(credit)	20	371.78	4,320.39
Earlier years tax adjustments		-	(2.75)
<b>Profit/(loss) for the year</b>		<b>34,187.36</b>	<b>21,078.45</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gains/(losses) on defined benefit plans		195.55	48.17
Income tax relating to remeasurement of defined benefit plans		(67.67)	(16.67)
		<b>127.88</b>	<b>31.50</b>
<b>Total comprehensive income for the year</b>		<b>34,315.24</b>	<b>21,109.95</b>
<b>Earnings per equity share (₹)</b>	35		
Basic		48.89	30.14
Diluted		48.89	30.14

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **S.R. Batliboi & Co.LLP.**

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per **Atul Seksaria**

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

**A.K. Saraogi**

President (Corp.Affairs) & CFO

**Shambhu Singh**

Company Secretary

Membership No -F5836

For and on behalf of the Board of Directors of  
**J K Cement Limited**

**Yadupati Singhania**

Chairman & Managing Director

DIN - 00050364

**Krishna Behari Agarwal**

Director

DIN - 00339934

# STATEMENT OF CASH FLOW

for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	43,972.76	32,443.17
Adjustment for :-		
Depreciation & amortisation expenses	18,626.77	17,609.58
Loss on the sale of property, plant & equipment/impairment	1,747.97	2,708.68
Interest paid	23,888.26	26,705.53
Interest received	(4,171.14)	(4,888.35)
Bad Debts/Loans and Advances	9.85	1,000.00
Provision for doubtful debts/loans and advances	174.68	172.25
Profit on sale of current investment	(171.73)	(239.67)
Net fair value gain on financial assets measured at fair value through profit or loss	(284.83)	723.73
Net loss on unrealised foreign currency transactions and translation	(83.80)	107.53
Mines restoration charges	14.40	21.48
<b>Operating Profit Before Working Capital Changes</b>	<b>83,723.19</b>	<b>76,363.93</b>
Movements in working capital :-		
Increase/(Decrease) in trade payables	3,582.40	(4,722.28)
Increase/(Decrease) in other financial liabilities	6,119.56	7,834.21
Increase/(Decrease) in Other liabilities	4,018.57	3,432.06
Increase/(Decrease) in provisions	1,433.26	(310.97)
(Increase)/Decrease in inventories	(3,354.09)	(6,913.86)
(Increase)/Decrease in trade receivables	(4,168.48)	583.72
(Increase)/Decrease in other financial assets	(3,604.99)	2,522.70
(Increase)/Decrease in other assets	1,450.07	(1,563.08)
<b>Cash Generated from Operations</b>	<b>89,199.49</b>	<b>77,226.43</b>
Less: Income tax paid (inclusive of tax deducted at source)	(10,248.61)	(6,039.98)
<b>Net Cash from Operating Activities</b>	<b>78,950.88</b>	<b>71,186.45</b>
<b>B. CASH USED IN INVESTING ACTIVITIES</b>		
Proceed from maturity of fixed deposit	6,030.1	-
Investment in fixed deposits	(1,750.00)	(30,184.44)
Acquisition/Purchase of property, plant & equipment	(17,754.47)	(29,492.90)
Sale of property, plant & equipment	5,751.15	837.15
Investments in subsidiary	(6,021.94)	(8,175.34)
Investment in equity, mutual funds & bonds	(65,766.35)	(17,691.76)
Sale of Current investment/impairment	62,071.73	16,207.38
Intercompany loan given	(4,500.00)	(7,862.00)
Repayment of intercompany loan	4,500.00	7,862.00
Interest received	4,320.19	2,962.62
<b>Net Cash Used in Investing Activities</b>	<b>(13,119.59)</b>	<b>(65,537.29)</b>

# STATEMENT OF CASH FLOW

for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)
<b>C. CASH USED IN FINANCING ACTIVITIES</b>		
Proceeds of deferred sales tax/VAT loans	2,314.27	(1,702.51)
Repayment of deferred sales tax/VAT loans	(1,910.33)	-
Proceeds from term loans	-	13,542.00
Repayment of short-term borrowings	(5,377.41)	(2,770.23)
Repayment of long-term borrowings	(24,075.89)	(9,273.12)
Proceeds from vehicle loans	132.75	217.88
Interest expense paid (inclusive of Tax deducted at source)	(24,108.83)	(26,860.19)
Dividend paid (including dividend distribution tax)	(6,733.02)	(3,366.51)
<b>Net Cash Used in Financing Activities</b>	<b>(59,758.46)</b>	<b>(30,212.68)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>6,072.83</b>	<b>(24,563.52)</b>
Cash and cash equivalents at the beginning of the year	12,171.42	36,734.94
Cash and cash equivalents at the end of the year	18,244.25	12,171.42
	<b>6,072.83</b>	<b>(24,563.52)</b>

## Notes:

1. Cash and cash equivalents includes cash in hand and bank balances including Fixed Deposits.

For S.R. Batliboi & Co.LLP.  
Chartered Accountants  
ICAI Firm Regn. No. 301003E/E300005

per Atul Seksaria  
Partner  
Membership No - 086370

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

A.K. Saraogi  
President (Corp.Affairs) & CFO

Shambhu Singh  
Company Secretary  
Membership No -F5836

For and on behalf of the Board of Directors of  
J K Cement Limited

Yadupati Singhania  
Chairman & Managing Director  
DIN - 00050364

Krishna Behari Agarwal  
Director  
DIN - 00339934

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2018

## (A) EQUITY SHARE CAPITAL

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year (Equity shares of ₹ 10 each issued, subscribed and fully paid)	6,992.72	6,992.72
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period (Equity shares of ₹ 10 each issued, subscribed and fully paid)	6,992.72	6,992.72

## (B) OTHER EQUITY

	Reserves and Surplus				₹/Lacs
	Securities premium account	Debenture redemption reserve	General reserve	Retained earnings (including Other Comprehensive Income)	Total
<b>Balance at 31 March 2016</b>	25,988.60	8,244.45	69,501.31	58,302.34	1,62,036.70
Dividend on 3% cumulative redeemable preference shares				555.72	555.72
Profit for the year				21,078.45	21,078.45
Other comprehensive income/(loss) for the year				31.50	31.50
<b>Total comprehensive income for the year</b>	-	-	-	21,665.67	21,665.67
Amortisation of mining rights			(176.29)		(176.29)
Transfer to general reserve			5,000.00	(5,000.00)	-
Transfer to/(from) debenture redemption reserve		1,710.65		(1,710.65)	-
Dividend paid				(2,797.09)	(2,797.09)
Dividend distribution tax				(569.42)	(569.42)
<b>Balance at 31 March 2017 (Restated)</b>	25,988.60	9,955.10	74,325.02	69,890.85	1,80,159.57
Adjustments				-	-
Profit for the year	-	-	-	34,187.36	34,187.36
Other comprehensive income for the year	-	-	-	127.88	127.88
<b>Total comprehensive income for the year</b>	-	-	-	34,315.24	34,315.24
<b>Adjustment during the year</b>				-	-
Transfer to general reserve	-	-	6,000.00	(6,000.00)	-
Transfer to/(from) debenture redemption reserve	-	9.40	-	(9.40)	-
Dividend paid				(5,594.18)	(5,594.18)
Dividend distribution tax				(1,138.84)	(1,138.84)
<b>Balance at 31 March 2018</b>	25,988.60	9,964.50	80,325.02	91,463.67	2,07,741.79

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For S.R. Batliboi &amp; Co.LLP.

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per Atul Seksaria  
Partner  
Membership No - 086370

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

A.K. Saraogi  
President (Corp.Affairs) & CFO

Shambhu Singh  
Company Secretary  
Membership No -F5836

For and on behalf of the Board of Directors of  
J K Cement Limited

Yadupati Singhania  
Chairman & Managing Director  
DIN - 00050364

Krishna Behari Agarwal  
Director  
DIN - 00339934

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

## 1. CORPORATE INFORMATION

### I. Reporting Entity

J K Cement Limited ('J K Cement Limited' or 'the Company') is a public limited Company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh – 208001. J K Cement Limited's equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

### II. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:

#### 1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These are Company's separate financial statements.

These financial statements were authorised for issue by the Board of Directors on 12.05.2018.

#### 2. Basis of measurement

The financial statements have been prepared on a historical cost basis except the following items, which are measured on fair value basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value (Refer Note 41)
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation (Refer Note 38)

#### 3. Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lacs up to two decimal places unless otherwise indicated.

#### 4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's

accounting policies and the reported amounts of assets, liabilities, income, expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- **Assessment of lease contracts:**  
Classification of lease under finance lease or operating requires judgement with regard to the estimated economic life and estimated cost of the assets. The Company has analysed each lease contract on case to case basis to classify the arrangements as operating and finance lease, based on evaluation of the term and conditions of the arrangements.
- **Provision and contingencies**  
The assessment undertaken in the recognising provision and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss.

#### B. Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below, the Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future



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development, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occurred.

### Taxes:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with tax planning strategy.

### Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

### Post-retirement benefit plans

Employee benefit obligations (gratuity obligations) are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and Mortality rates. Due to the complexities involved in the valuation and its long-term natures, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets

are available and measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## 5. Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

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The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 6. Property, plant and equipment Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work-in-progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory

Any gain/(loss) on disposal of property, plant and equipment is recognised in statement of profit and loss.

#### Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### Depreciation

Depreciation on Property, plant and equipment (PPE) is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). The

assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold land is being amortised over the period of lease tenure.

Tangible Assets	Useful Life (In years)
Factory building (including roads)	03-30 Years
Non-factory building (including roads)	05-60 Years
Plant and machinery	05-40 Years
Vehicles	08 Years
Furniture and fixtures	10 Years
Office equipment	05 Years
Railway slidings	15 Years

The useful lives of certain plant and machineries have been considered lower/higher than 15 years. These lives are lower/higher those indicated in schedule II of Companies Act, 2013.

Freehold Mining Land is depleted according to the 'unit of production' method by reference to the ratio of extraction of limestone in the year to the related reserves of limestone.

Leasehold Land is amortised on a straight-line basis over the primary lease period.

Limestone reserves are estimated by the management based on the internal best estimates or independent expert's valuation as considered appropriate. These estimates are reviewed at least annually.

The management believes that the estimated useful lives are realistic and reflect approximation of the period over which the assets are likely to be used.

### 7. Intangible assets

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight-line method basis over the estimated useful life. Estimated useful life of the Software is considered as 3 years.

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Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

### 8. Financial instruments

A financial instrument is any contract that gives rise to asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

#### Financial Assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

#### Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

#### Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

#### Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

#### Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value and all changes in fair value are recorded in FVTPL. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI and fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of

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investment. However, the Company may transfer the cumulative gain or loss within equity. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and at FVOCI

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity revert to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

### Subsequent measurement

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

#### Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

### Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 9. Inventories

### Inventories are valued as follows:

Raw materials, packing materials, stores and spares	Lower of cost and net realisable value. Cost is determined on a moving weighted average basis. Materials and other items held for use in the production of inventories are at cost not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads. Cost of finished goods includes excise duty, wherever applicable.
Waste	At net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

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### 10. Investment in subsidiary and joint venture

Investment in subsidiaries and joint venture are carried at cost/fair value as per the requirement of IND AS 32 and IND AS 109 in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

### 11. Provisions, Contingent Liabilities and Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

#### Mines Restoration Expenditure

The expenditure on restoration of the mines based on technical estimates by Internal/External specialists is recognised in the accounts. The total estimated restoration expenditure is apportioned over the estimated quantity of mineral resources (likely to be made available) and provision is made in the accounts based on minerals mined during the year.

### 12. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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 concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obliger in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Based on the education material on Ind AS 18 issued by the ICAI, the Company assumed that recovery of excise duty flows to the Company 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) goods & service tax (GST) 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 the revenue. The specific recognition criteria described below must also be met before revenue is recognised.

#### (a) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer which generally coincide with the delivery of goods, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty upto 30.06.2017 and net of returns, trade discounts and volume rebates.

(b) Dividend Income from investments is recognised when the right to receive payment is established and recovery is probable.



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- (c) Interest income is recognised using the EIR method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.
- (d) Insurance Claims: Claims lodged with the insurance Companies are accounted for on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

## 13. Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as income on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 14. Employee benefits

### (i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

### (iii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company has following defined benefit plans:

### a) Gratuity

The Company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out

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by an independent actuary and contributes to the gratuity fund formed by the Company. The contributions made are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet. Re-measurements are recognised in the Other Comprehensive Income, net of tax in the year in which they arise.

#### (iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The Company has following long-term employment benefit plans:

##### a) Leave Liability

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

#### 15. Foreign currency transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

#### 16. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get

ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### 17. Taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

##### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for

## NOTES

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temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax asset is reviewed on each reporting date.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

- iii) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period

### 18. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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### 19. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company. Refer note 37 for segment information presented.

### 20. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 21. Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or 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 lessor's expected inflationary cost increases.

### 22. Exceptional item

Items of income or expense of non-routine are presented separately when their nature and amount of such significance and is relevant to an understanding of the entity's financial performance.

### 23. Earnings Per Share (EPS)

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit for the year by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

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## 2. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	Opening	Additions	Disposal	As at 31.03.2018	Opening	Additions	Disposal	As at 31.03.2018
<b>Tangible Assets</b>								
Freehold land	25,154.76	2,673.19	4,963.95	22,864.00	-	-	-	25,154.76
Factory building	30,022.07	1,171.34	249.64	30,943.77	6,562.82	1,937.75	33.38	8,467.19
Non-factory buildings	31,820.89	1,485.54	146.75	33,159.68	4,005.39	969.68	17.59	4,957.48
Plant and equipment (vi)	3,61,229.81	10,537.36	6,312.08	3,65,455.09	1,00,623.07	13,044.91	3,554.31	1,10,113.67
Plant & equipment-Others (i)	5,029.13	-	-	5,029.13	518.64	299.19	-	817.83
Vehicles	3,408.61	650.76	192.28	3,867.09	1,615.56	401.13	153.99	1,862.70
Furniture and fixtures	3,611.87	107.89	2.99	3,716.77	1,965.01	319.18	2.43	2,281.76
Office Equipment	429.22	78.17	12.20	495.19	232.41	67.39	10.84	288.96
Railway sidings	10,297.52	245.88	1.04	10,542.36	1,813.81	677.54	0.12	2,491.23
Rolling stock	89.43	-	-	89.43	63.85	8.19	-	72.04
Other assets	470.37	17.56	-	487.93	285.00	69.81	-	354.81
Leasehold land (iii)	16,315.16	1,368.39	39.17	17,644.38	2,747.33	611.37	3.26	3,355.44
<b>Total</b>	<b>4,87,878.84</b>	<b>18,336.08</b>	<b>11,920.10</b>	<b>4,94,294.82</b>	<b>1,20,432.89</b>	<b>18,406.14</b>	<b>3,775.92</b>	<b>1,35,063.11</b>
Capital work-in-progress (ii)	10,482.45	9,654.62	11,356.54	8,780.53	-	-	-	-
<b>Total</b>	<b>4,98,361.29</b>	<b>27,990.70</b>	<b>23,276.64</b>	<b>5,03,075.35</b>	<b>1,20,432.89</b>	<b>18,406.14</b>	<b>3,775.92</b>	<b>1,35,063.11</b>
								<b>3,77,928.40</b>
								<b>3,68,012.24</b>

(i) Cost incurred by Company ownership of which vest with State Electricity Boards & Indian Railways.

(ii) The amount of ₹ 11,356.54 lacs represents the amount capitalised during the year.

(iii) It includes freehold land for minning having cost of 3,274.81/- (31<sup>st</sup> March, 2017 : 3,082.44/-), amortisation of 117.66/- (31<sup>st</sup> March, 2017 : 74.16/-) and net block of 2,449.95/- (31<sup>st</sup> March, 2017, 2,375.24/-).

(iv) Property, plant & equipment pledged as security: Refer note 17 for information on property, plant & equipment pledged as security by the Company.

(v) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for 1 case of leasehold land and 4 cases of freehold land amounting to gross block of ₹ 1,353.07 lacs (net block: ₹ 177.29 lacs) and gross block of ₹ 225.64 lacs (net block: ₹ 225.64 lacs) respectively as at 31<sup>st</sup> March, 2018 for which title deeds are in the name of the erstwhile Company that merged with the Company pursuant to a scheme of amalgamation and arrangement as approved by the honourable High Court in earlier years.

(vi) Assets related to thermal power plant and other DG sets at Rajasthan location are decapitalised and kept for final disposal refer note no 44 & 45.

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

### 3. INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	Opening	Additions	Deletions / Adj	As at 31.03.2018	Opening	Additions	Deletions / Adj	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018
Computer Software	739.48	149.59	48.46	840.61	182.50	220.63	-	403.13	556.98	437.48
<b>Total</b>	<b>739.48</b>	<b>149.59</b>	<b>48.46</b>	<b>840.61</b>	<b>182.50</b>	<b>220.63</b>	<b>-</b>	<b>403.13</b>	<b>556.98</b>	<b>437.48</b>

₹/Lacs



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>NON CURRENT INVESTMENTS</b>		
<b>A. Investment in equity instruments (fully paid-up)</b>		
<b>Unquoted</b>		
<b>Subsidiary Companies(at cost)</b>		
-107145 (31 <sup>st</sup> March 2017 : 36538) equity shares of J. K. Cement (Fujairah) FZC* (Face value AED1000 each)	15,941.56	5,043.18
- 10447217 (31 <sup>st</sup> March 2017 : 6590070) equity shares of Jaykaycem (Central) Limited # (Face value ₹ 10 each)	8,759.02	659.01
<b>Joint Ventures (at cost)</b>		
-375000 (31 <sup>st</sup> March 2017 : 375000) equity shares of Bander Coal Company Pvt. Ltd.(Face value ₹ 10 each) joint operation	37.50	37.50
<b>Others (at FVTPL)</b>		
- 8000 (31 <sup>st</sup> March 2017 : 5200) equity shares of ReNew Wind Energy AP (Pvt.) Ltd. (Face value ₹ 10 each)	8.00	5.20
- 3140101(31 <sup>st</sup> March 2017 : 3140101) equity shares of VS Legnite Power Pvt. Ltd. (Face value ₹ 10)##	-	-
<b>B. Investment in preference shares (fully paid-up)</b>		
<b>Unquoted</b>		
<b>Subsidiary Companies (at FVTPL)</b>		
- NIL (31 <sup>st</sup> March 2017 : 18300) 3% cumulative 11 years compulsory convertible (Face value AED1000 each) preference shares in J. K. Cement (Fujairah) FZC*	-	2,717.30
- NIL (31 <sup>st</sup> March 2017 : 33027) 3% cumulative 12 years compulsory convertible (Face value AED 1000 each) preference shares in J. K. Cement (Fujairah) FZC*	-	4,886.70
- NIL (31 <sup>st</sup> March 2017 : 3759) 3% cumulative 13 years compulsory convertible (Face value AED1000 each) preference Share in J.K.Cement(Fujairah) FZC*	-	668.30
- NIL (31 <sup>st</sup> March 2017 : 15521) 3% cumulative 14 year compulsory convertible (Face value AED1000 each) preference Share in J.K.Cement(Fujairah) FZC*	-	2,626.07
- 3488 (31 <sup>st</sup> March 2017 : NIL)3% Non cumulative 11 years Redeemable (Face value AED1000 each) preference shares in J.K.Cement (Fujairah)FZC*	617.76	-
- 3488 (31 <sup>st</sup> March 2017 : NIL)3% Non cumulative 12 years Redeemable (Face value AED1000 each) preference shares in J.K.Cement (Fujairah)FZC*	617.76	-
- 3489 (31 <sup>st</sup> March 2017 : NIL)3% Non cumulative 13 years Redeemable (Face value AED1000 each) preference shares in J.K.Cement (Fujairah)FZC*	617.94	-
- 3490(31 <sup>st</sup> March 2017 : NIL) 3% Non cumulative 14 years Redeemable (Face value AED1000 each) preference shares in J.K.Cement (Fujairah)FZC*	618.12	-
<b>(at amortised Cost)</b>		
- 34370(31 <sup>st</sup> March 2017 : 34370) 3% cumulative 11 years redeemable (Face value AED1000 each) preference shares in J. K. Cement (Fujairah) FZC*	6,087.31	6,074.73
- 34370 (31 <sup>st</sup> March 2017 : 34370) 3% cumulative 12 years redeemable (Face value AED1000 each) preference shares in J. K. Cement (Fujairah) FZC*	6,087.31	6,074.73
- 34370 (31 <sup>st</sup> March 2017 : 34370) 3% cumulative 13 years Redeemable (Face value AED1000 each) preference shares in J.K.Cement (Fujairah)FZC*	6,087.31	6,074.72
- 34370 (31 <sup>st</sup> March 2017 : 34370) 3% cumulative 14 years Redeemable (Face value AED1000 each) preference shares in J.K.Cement (Fujairah)FZC*	6,087.31	6,074.72
<b>Others (at FVTPL)</b>		
- 2785552(31 <sup>st</sup> March 2017 : 2785552) 0.01% cumulative redeemable Preference shares in VS Legnite Power Pvt. Ltd. (Face value ₹ 10) ##	-	-
<b>C. Investment In Debenture, Unquoted</b>		
<b>Subsidiary Companies (at FVTPL)</b>		
NIL(31 <sup>st</sup> March 2017 :46000000) Zero Percent Unsecured Compulsorily convertible Debenture of ₹ 10each in JayKaycem (Central) Ltd #	-	4,600.00

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>D. Investment In Mutual Fund (Quoted)(at FVTPL)</b>		
5000000(31 <sup>st</sup> March 2017:5000000) HDFC fmp 1302D Sep2016(1)Regular-Growth -Series-37 Maturity date2020	569.69	500.00
5000000(31 <sup>st</sup> March 2017:5000000) HDFC fmp 1188D Mar-2017(1)-Regular-Growth-Series38- Maturity date-29-6-2020	540.32	500.00
5000000(31 <sup>st</sup> March 2017:NIL) "UTI FITF Series XXVII - II (1161 days)"	522.56	-
5000000(31 <sup>st</sup> March 2017:NIL) ICICI Prudential Fixed Maturity Plan Series 82-1187 Days	508.53	-
5000000(31 <sup>st</sup> March 2017:NIL) ICICI Prudential Fixed Maturity Plan Series 82-1136 Days	501.51	-
<b>E. Investments in Bonds(Quoted) (at FVTPL)</b>		
50 (31 <sup>st</sup> March 2017:50) State bank of India SR-III 8.39% BD perpetual Bonds, Face value per Bond ₹ 1000000 purchased @991285	494.15	495.64
50 (31 <sup>st</sup> March 2017:NIL) State bank of India SR-II 8.75% BD perpetual Bonds, Face value per Bond ₹ 1000000 purchased @1007773	499.44	-
50 (31 <sup>st</sup> March 2017:NIL) Punjab National Bank SR- VIII, 8.95% BD perpetual Bonds, Face value per Bond ₹ 1000000 purchased @1006175	491.37	-
	<b>55,694.47</b>	<b>47,037.80</b>
<b>Aggregate amount of market value of quoted investment</b>	<b>4,127.57</b>	<b>1,495.64</b>
<b>Aggregate amount of unquoted investment</b>	<b>51,566.90</b>	<b>45,542.16</b>

\*On 26 March 2018, the Company early converted its investment of 3% cumulative compulsory convertible preference shares (CCPS) into equity shares, which were due for conversion in financial year 2022-2023 to 2028-29, vide its approval in board meeting held on 3 February 2018. In addition, board of directors, also approved to convert 3% cumulative and non-cumulative redeemable preference share capital (RPS) into the equity shares. However the aforesaid conversion was pending as at 31 March 2018

# On 28 February 2018, the Company early converted its investment of 0% compulsory convertible debenture (CCD) into equity shares which were due for conversion in the financial year 2025-26

## The fair value of investment is Nil (31<sup>st</sup> March 2017 : Nil)

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>5. NON CURRENT LOAN &amp; ADVANCES</b>		
(unsecured, considered good)		
Fixed Deposits *	527.17	10,394.66
Vehicle Loan Recoverable	143.41	12.03
Security Deposits	3,039.67	3,049.95
Share Application money(Refer note no 39)	1,302.96	0.08
	<b>5,013.21</b>	<b>13,456.72</b>

\*includes ₹ 27.16 lacs (31 March 2017 is ₹ 112.82 lacs) pledged against overdraft /other commitments.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>6. OTHER NON-CURRENT ASSETS</b>		
Capital Advances	9,732.38	8,854.83
Prepaid Rent	29.43	26.92
Deferred Employee Compensation	26.03	25.69
Advance to Employees	122.41	130.93
Deposit under protest with Govt Authorities	1,581.52	1,432.92
	<b>11,491.77</b>	<b>10,471.29</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>7. INVENTORIES</b>		
(Valued at lower of cost and net realisable value)		
Raw Materials	8,293.69	6,555.44
Work-in-Process	4,679.90	8,045.91
Finished goods	6,950.14	7,776.74
Stock-in-Trade	8.04	16.45
Consumable Stores and Spares (net of provisions for non-moving inventories of ₹ 108.75 lacs (31 march 2017: ₹ 38.91))	28,532.72	26,074.18
<b>Goods in transit :</b>		
- Consumable Stores and Spares	4,696.58	1,338.26
	<b>53,161.07</b>	<b>49,806.98</b>

Refer to note 17 for information on inventories pledged as security by the Company.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>8. CURRENT INVESTMENTS</b>		
<b>Investment in Mutual Funds</b>		
<b>Quoted (at FVTPL)</b>		
- 6568620.89(31 <sup>st</sup> March 2017 : 6568620.89) units in "ICICI Prudential Regular Income fund"	1,151.85	1,076.47
- 1774748.873 (31 <sup>st</sup> March 2017 : 1774748.873) units in "HDFC Regular Saving – Growth"	611.12	575.19
- 2721606.837(31 <sup>st</sup> March 2017 : 2721606.837) units in Edelweiss Mutual Fund "Edelweiss Government Securities Regular- Growth"	389.06	372.44
- 9322487.4370 (31 <sup>st</sup> March 2017 :3180661.58) units in " Axis Regular Saving Fund –Regular Plan Growth"	1,579.11	500.81
- 73605.432(31 <sup>st</sup> March 2017 : 39292.91) units in "SBI Premier Liquid fund -DIR Plan Growth"	2,005.30	1,000.28
-44082.999 (31 <sup>st</sup> March 2017 : 46894.59) units in HDFC Liquid Fund Growth	1,504.04	1,500.46
-Nil (31 <sup>st</sup> March 2017 :86538.37) units in IDBI Liquid Fund -Regular Plan-Growth	-	1,500.35
-2353040.835 (31 <sup>st</sup> March 2017 :Nil) units in Birla Sun Life(BSL)	517.14	-
<b>Aggregate amount of quoted investments</b>	<b>7,757.62</b>	<b>6,526.00</b>

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>9. TRADE RECEIVABLES</b>		
<b>Secured</b>		
Considered good	5,646.56	6,224.79
<b>Unsecured</b>		
Considered good	13,150.81	8,588.63
Considered doubtful	959.87	739.12
Less: Provision for doubtful balances	959.87	739.12
	<b>18,797.37</b>	<b>14,813.42</b>

Refer to Note 17 for information on Trade receivables pledged as security by the Company.

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
<b>10. CASH AND CASH EQUIVALENTS</b>		
Balance with banks:		
- In current accounts	3,127.49	3,173.20
- Fixed Deposits with maturity of upto 3 months	12,910.45	8,944.68
Cash on hand	34.90	28.31
Cheques in hand	2,171.41	25.23
	<b>18,244.25</b>	<b>12,171.42</b>

	As at 31 March 2018	As at 31 March 2017
<b>11. OTHER BANK BALANCES</b>		
Earmarked Bank balances <sup>#</sup>	117.88	99.20
Fixed Deposits with maturity of more than 3 months but upto one year*	35,989.94	30,421.23
	<b>36,107.82</b>	<b>30,520.43</b>

<sup>#</sup>Bank balances are against unpaid dividend

\*Fixed Deposits for more than 3 months & upto one year include deposit of ₹ 2,698.08 lacs (31 March 2017: ₹ 1,839.70 lacs) pledged against overdraft /other commitments.

	As at 31 March 2018	As at 31 March 2017
<b>12. OTHER CURRENT FINANCIAL ASSETS</b>		
Other Loans and Advances - Doubtful	33.96	49.63
Provision for doubtful advances	(33.96)	(49.63)
Other Loans and Advances*	4,613.46	2,008.86
Advance to Employees	40.74	95.70
Interest Accrued	2,608.75	2,757.80
	<b>7,262.95</b>	<b>4,862.36</b>

\*Includes Government Subsidy of ₹ 3,233.65 lacs (31 March 2017: ₹ 1,403.11 lacs).

Refer to Note 17 for information on other current financial assets pledged as security by the Company.

	As at 31 March 2018	As at 31 March 2017
<b>13. CURRENT TAX (NET)</b>		
Advance tax/(liability) (Net of provision for income tax of ₹ 9,413.62 lacs)	752.57	(149.00)
	<b>752.57</b>	<b>(149.00)</b>

	As at 31 March 2018	As at 31 March 2017
<b>14. OTHER CURRENT ASSETS</b>		
Balances with Government authorities	2,976.11	5,806.66
Prepaid Expenses	2,467.26	2,386.86
Advance to Employees	88.52	75.09
Advances recoverable in cash or in kind	9,016.55	7,871.92
Deferred employee compensation	14.54	15.45
	<b>14,562.98</b>	<b>16,155.98</b>

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>15. EQUITY SHARE CAPITAL</b>		
Authorised:		
8,00,00,000 (31 March 2017 - 8,00,00,000) equity shares of ₹ 10/- each	8,000.00	8,000.00
Issued, subscribed & fully paid up:		
6,99,27,250 (31 March 2017- 6,99,27,250) equity Shares of ₹ 10/- each	6,992.72	6,992.72
	<b>6,992.72</b>	<b>6,992.72</b>

**a. Terms and rights attached to equity shares**

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. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

**b. Reconciliation of number of shares outstanding at the beginning and end of the year**

	₹/Lacs	
	Number of Shares	Amount
Outstanding at the 1 April 2016	6,99,27,250	6,992.72
Equity Shares issued during the year	-	-
Outstanding at the 31 March 2017	<b>6,99,27,250</b>	<b>6,992.72</b>
Equity Shares issued during the year	-	-
Outstanding at the 31 March 2018	<b>6,99,27,250</b>	<b>6,992.72</b>

**c. Shareholders holding more than 5% shares in the Company**

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Percentage	No. of Shares	Percentage
Yadu International Ltd	3,01,99,518	43.19%	2,99,49,518	42.83%
Yadupati Singhania	1,20,64,198	17.25%	1,22,84,198	17.57%

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>16. OTHER EQUITY</b>		
<b>a. Securities premium reserve</b>		
Balance at the beginning of the year	25,988.60	25,988.60
Balance at the end of the year	<b>25,988.60</b>	<b>25,988.60</b>
<b>b. Debenture redemption reserve</b>		
Balance at the beginning of the year	9,955.10	8,244.45
Add: Transfer from retained earnings	9.40	1,710.65
Balance at the end of the year	<b>9,964.50</b>	<b>9,955.10</b>
<b>c. General reserve</b>		
Balance at the beginning of the year	74,325.02	69,501.31
Less :Amortisation of mining rights	-	176.29
Add: Transfer from retained earnings	6,000.00	5,000.00
Balance at the end of the year	<b>80,325.02</b>	<b>74,325.02</b>
<b>d. Retained earnings (including Other Comprehensive Income)</b>		
Balance at the beginning of the year	69,890.85	58,302.34
Add: Dividend on 3% cumulative redeemable preference shares	-	555.72
Add: Net profit for the year	34,187.36	21,078.45
Add: Other Comprehensive income for the year	127.88	31.50
Less: Transfer to general reserve	6,000.00	5,000.00
Less: Transfer to debenture redemption reserve	9.40	1,710.65
Less: Dividend on equity shares	5,594.18	2,797.09
Less: Dividend distribution tax on equity shares	1,138.84	569.42
	<b>91,463.67</b>	<b>69,890.85</b>
	<b>2,07,741.79</b>	<b>1,80,159.57</b>

### Nature and purpose of other equity

#### Debenture Redemption Reserve (DRR)

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

#### General reserve

The Company appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act

### Other comprehensive income

#### Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) actuarial gains and losses
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

### Dividend

The following dividends were paid by the Company for the year.

	₹/Lacs	
	31 March 2018	31 March 2017
Final dividend for the year ended 31 March 2017 ₹ 8 per share (31 March 2016: ₹ 4 per share)	5,594.18	2,797.09
Dividend Distribution tax on final dividend	1,138.84	569.42
	<b>6,733.02</b>	<b>3,366.51</b>

After the reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences.

	₹/Lacs	
	31 March 2018	31 March 2017
Proposed dividend for the year ended 31 March 2018 ₹ 10 per share (31 March 2017: ₹ 8 per share)	6,992.72	5,594.18
Dividend Distribution tax on final dividend	1,437.37	1,138.84
	<b>8,430.09</b>	<b>6,733.02</b>

### Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>BORROWINGS</b>		
Borrowings (note 17)	2,06,970.78	2,28,236.67
Current maturities of long-term debt (note 24)	17,045.14	19,318.45
Cash and Cash equivalents (note 10)	(18,244.25)	(12,171.42)
<b>Net debt</b>	<b>2,05,771.67</b>	<b>2,35,383.70</b>
Total Equity	2,14,734.51	1,87,152.29
<b>Capital and net debt</b>	<b>4,20,506.18</b>	<b>4,22,535.99</b>
<b>Gearing ratio</b>	<b>48.93%</b>	<b>55.71%</b>

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Non convertible debentures	58,992.88	66,197.39
Less: Current maturities of non convertible debentures (Refer note 24)	7,300.00	7,300.00
<b>Term loans (Secured)</b>		
From banks	155,231.94	172,103.32
Less: Current maturities of term loans (Refer note 24)	8,760.06	11,246.98
Vehicle loans	672.04	539.29
Less: Current maturities of Vehicle loans (Refer note 24)	325.13	239.79
VAT loans from Government	5,300.66	4,419.13
<b>Unsecured</b>		
Deferred sales tax liabilities	3,818.40	4,295.99
Less: Current maturities of Deferred sales tax liabilities (Refer note 24)	659.95	531.68
	<b>206,970.78</b>	<b>228,236.67</b>

### a. Particulars of Securities, Repayment & Interest

Loan's Securities	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at 31 March 2018	As at 31 March 2017
<b>1) Secured Non Convertible Debentures</b>					
NCD as shown includes ₹ 207.12 Lacs (31 March 2017 ₹ 302.61) towards amortised expenses.	Annual	2020-21	10.25%	7,200.00	9,000.00
Non Convertible Debentures(NCDs): ₹ 59,200.00 lacs (31 March 2017 ₹ 66,500.00 lacs)					
i) Security for NCDs for ₹ 29,200.00 lacs (₹ 36,500.00 lacs)	Annual	2020-21	10.50%	7,200.00	9,000.00
Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified below:-	Annual	2020-21	11.00%	3,660.00	7,000.00
Secured by pari-passu first charge on the Company's PPE (movable & immovable) by way of equitable mortgage on immovable Assets and hypothecation on movable PPE, related to company's plant at Nimbahera, Mangrol, Gotan Grey and Katni.	Annual	2020-21	11.00%	11,140.00	11,500.00
a) Company's Existing Plant at Nimbahera having capacity of 3.25 MnTPA. b) Company's Existing Plant at Mangrol having capacity of 0.75 MnTPA. c) Company's Existing Plant at Gotan consisting of White Cement plant having capacity of 0.40 MnTPA and Thermal Power Plant. d) Company's Existing Thermal power plant at Bamania.	Annual	2023-24	10.50%	8,500.00	8,500.00
ii) Security for NCDs for ₹ 30,000.00 lacs (₹ 30,000.00 lacs)	Annual	2023-24	11.00%	11,500.00	11,500.00
Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of movable PPE pertaining to Company's existing cement plant at village Muddapur Karnataka	Annual	2025-26	9.65%	10,000.00	10,000.00
<b>Sub Total (1)</b>				<b>59,200.00</b>	<b>66,500.00</b>

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

				Carrying Amount	
Loan's Securities	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	As at 31 March 2018	As at 31 March 2017
<b>2) Secured Term Loans from Banks</b>					
Term Loan as shown includes ₹ 313.13 Lacs (31 March 2017 ₹ 344.92 Lacs) towards amortised expenses .					
Secured by pari-passu first charge on the Company's PPE (movable & immovable) by way of equitable mortgage on immovable Assets and hypothecation on movable PPE,related to company's existing plant at Nimbahera, Mangrol,Gotan Grey and Katni . i) Company's Existing Plant at Nimbahera having capacity of 3.25 MnTPA. ii) Company's Existing Plant at Mangrol having capacity of 0.75 MnTPA. iii) Company's Existing Plant at Gotan consisting of White Cement plant having capacity of 0.40 MnTPA and Thermal Power Plant. iv) Company's Existing Thermal power plant at Bamania.	Quarterly	2021-22	-	-	3,570.69
	Quarterly	2019-20	LTMLR	625.00	1,134.32
	Quarterly	2019-20	MCLR+0.75%	2,910.70	4,262.64
	Quarterly	2023-24	MCLR+0.50%	8,460.28	9,469.21
	Quarterly	2018-19	MCLR+0.20%	428.57	857.14
	Quarterly	2018-19	-	-	714.18
	Quarterly	2017-18	-	-	248.07
Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable assets pertaining to the specified properties.	Quarterly	2018-19	-	-	850.98
	Quarterly	2020-21	MCLR+0.65%	1,541.91	1,542.00
Secured by equitable mortgage of immovable properties and hypothecation of movable PPE pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.	Quarterly	2019-20	-	-	2,475.58
	Quarterly	2022-23	LTMLR	3,750.00	4,464.75
Secured by First Pari-passu charge by way of equitable mortgage of all the immovable Properties (except mining land) and hypothecation of all moveable non current assets, present and future pertaining to J.K. Cement Works and Thermal power plant, Muddapur, Karnataka.	Quarterly	2021-22	MCLR+ 0.50%	6,267.50	7,279.83
	Quarterly	2021-22	MCLR	433.30	488.37
	Quarterly	2021-22	MCLR	757.50	851.58
Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable PPE, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.	Quarterly	2022-23	MCLR+0.50%	3,058.57	3,815.13
Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable PPE, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.	Quarterly	2023-24	MCLR+0.25%	1,718.69	2,031.21
Secured against exclusive charge on entire movable PPE (by way of hypothecation) and on immovable PPE related to the Wall Putty project at Katni, Madhya Pradesh (excluding current assets and mining land, if any).	Quarterly	2023-24	LTMLR	8,800.00	9,300.00

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

Loan's Securities	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at 31 March 2018	As at 31 March 2017
Secured by First charge by way of mortgage, on all the immovable properties, both present and future pertaining to, of the new cement Plants at Mangrol, Rajasthan (save and except mining land) including captive power plant of 25 MW and waste heat recovery based power plant of 10 MW and split Grinding Unit at Jharli, Haryana and hypothecation of all the movable PPE of the above plants (save and except Current Assets), both present and future and second charge on all current assets, present and future, pertaining to the above plants (subject to prior charge created or to be created on the Current Assets in favour of the Working Capital Lenders for securing the Working Capital Facilities.	Quarterly	2030-31	MCLR+ 0.50%	104,254.72	111,604.23
	Quarterly	2030-31	MCLR+ 0.40%	12,538.33	7,488.33
<b>Sub Total (2)</b>				<b>155,545.07</b>	<b>172,448.24</b>
<b>Total (1) + (2)</b>				<b>214,745.07</b>	<b>238,948.24</b>
Less : Shown in current maturities of long term debt				16,060.06	18,546.98
Balance shown as above				198,685.01	220,401.26

### b Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	54,761.36	52,987.31
Liquid investments	7,757.62	6,526.00
Current borrowings	(28,396.90)	(36,047.62)
Non Current borrowings	(206,970.78)	(228,236.67)
<b>Net Debt</b>	<b>(1,72,848.70)</b>	<b>(2,04,770.98)</b>

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>18. OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security Deposits	20,678.88	17,671.71
	<b>20,678.88</b>	<b>17,671.71</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>19. LONG-TERM PROVISIONS</b>		
Provision for employee benefits (Refer note 38)		
- Gratuity	20.00	10.00
- Leave encashment	2,276.00	2,030.84
Provision for Mines Restoration Charges*	211.55	197.15
	<b>2,507.55</b>	<b>2,237.99</b>
* Provision for Mines Restoration charges:		
Opening Balance	197.15	175.67
Addition during the year	14.40	21.48
Closing Balance	211.55	197.15

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on the estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>20. DEFERRED TAX LIABILITIES (NET)</b>		
<b>A. The balance comprises temporary differences attributable to:</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment	60,057.48	58,450.60
<b>Deferred tax assets</b>		
Unabsorbed depreciation & Losses	1,893.29	9,980.15
Employee benefits	965.63	840.63
Trade receivables	343.95	272.97
Liability on payment basis	2,763.18	2,996.96
MAT Credit adjustment	27,372.44	18,079.26
	<b>26,718.99</b>	<b>26,280.63</b>

	As at 31 March 2017	Recognised in P&L	Recognised in OCI	₹/Lacs As at 31 March 2018
<b>B. Movement in deferred tax balances</b>				
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation & Losses	9,980.15	(8,086.86)		1,893.29
Employee benefits	840.63	192.67	(67.67)	965.63
Trade receivables	272.97	70.98		343.95
Liability on expenses	2,996.96	(233.78)		2,763.18
MAT Credit Entitlement	18,079.26	9,293.18		27,372.44
<b>Sub- Total (a)</b>	<b>32,169.97</b>	<b>1,236.19</b>	<b>(67.67)</b>	<b>33,338.49</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	58,450.60	1,606.88	-	60,057.48
<b>Sub- Total (b)</b>	<b>58,450.60</b>	<b>1,606.88</b>	<b>-</b>	<b>60,057.48</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>26,280.63</b>	<b>#370.69</b>	<b>67.67</b>	<b>26,718.99</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2016	Recognised in P&L	Recognised in OCI	₹/Lacs As at 31 March 2017
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation & Losses	18,140.11	(8,159.96)	-	9,980.15
Employee benefits	700.75	156.55	(16.67)	840.63
Trade receivables	235.44	37.53		272.97
Liability on expenses	3,933.49	(936.53)		2,996.96
MAT Credit Entitlement	11,029.37	7,049.89		18,079.26
<b>Sub- Total (a)</b>	<b>34,039.16</b>	<b>(1,852.52)</b>	<b>(16.67)</b>	<b>32,169.97</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	55,691.41	2,759.19	-	58,450.60
<b>Sub- Total (b)</b>	<b>55,691.41</b>	<b>2,759.19</b>	<b>-</b>	<b>58,450.60</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>21,652.25</b>	<b>4611.71</b>	<b>16.67</b>	<b>26,280.63</b>

\* Movement included ₹ 294.07 lacs in other equity

# Movement included ₹ 1.08 lacs of earlier year tax adjustment

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>C. Amounts recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	9,413.62	7,047.08
	<b>9,413.62</b>	<b>7,047.08</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	371.78	4,320.39
Earlier year Tax Adjustment	-	(2.75)
	<b>371.78</b>	<b>4,317.64</b>
<b>Total Tax Expense</b>	<b>9,785.40</b>	<b>11,364.72</b>

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
<b>D. Amounts recognised in Other Comprehensive Income</b>						
Remeasurements of defined benefit liability	195.55	(67.67)	127.88	48.17	(16.67)	31.50
	<b>195.55</b>	<b>(67.67)</b>	<b>127.88</b>	<b>48.17</b>	<b>(16.67)</b>	<b>31.50</b>



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

₹/Lacs

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Rate	Amount	Rate	Amount
<b>E. Reconciliation of effective tax rate</b>				
<b>Profit before tax from continuing operations</b>	34.61	43,972.76	34.61	32,443.17
Tax using the Company's domestic tax rate		15,218.10		11,227.93
Tax effect of:				
Non-deductible expenses		300.36		1,344.28
Tax-exempt income & incentives		(5,786.91)		(1,402.87)
Recognition of tax effect of previously unrecognised tax losses		-		187.92
Others		53.85		7.46
		<b>9,785.40</b>		<b>11,364.72</b>

₹/Lacs

	31 March 2018		31 March 2017	
	Amount	Expiry date	Amount	Expiry date
<b>F. Tax losses carried forward</b>				
Unabsorbed Depreciation carried forward expire as follows.				
Never expire	4,276.46	-	*42,936.13	-

\*Actual carry over was ₹ 28,604.07 lacs.

₹/Lacs

	As at 31 March 2018	As at 31 March 2017
<b>21. OTHER NON-CURRENT LIABILITIES</b>		
Deferred government subsidies		
- Capital subsidy sanctioned by Rajasthan government on PPE	9,232.02	8,633.01
	<b>9,232.02</b>	<b>8,633.01</b>

Government grants have been received against the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

₹/Lacs

<b>As at 31 March 2017</b>		
Current	606.88	399.19
Non Current	8,633.01	7,747.68
	<b>9,239.89</b>	<b>8,146.87</b>
Received during the year	1,499.65	1,699.90
Released to statement of profit or loss	753.76	606.88
<b>As at 31 March 2018</b>		
Current	753.76	606.88
Non Current	9,232.02	8,633.01
	<b>9,985.78</b>	<b>9,239.89</b>

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>22. SHORT-TERM BORROWINGS</b>		
Loan repayable on demand (Secured)*		
- From banks	11,351.76	16,729.17
	<b>11,351.76</b>	<b>16,729.17</b>

\*Loan repayable on demand are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on PPE of the Company except the PPE pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>23. TRADE PAYABLE</b>		
Micro, Small and Medium Enterprises	1,227.33	403.57
Other Trade Payables	40,128.61	37,369.97
	<b>41,355.94</b>	<b>37,773.54</b>

Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31<sup>st</sup> March, 2018 as per the terms of contract.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>24. OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term debt	17,045.14	19,318.45
Employee Dues	1,358.09	2,286.87
Interest accrued but not due on borrowings	1,333.16	1,463.51
Interest accrued and due on borrowings	-	90.22
Unpaid dividends	117.88	99.20
Unclaimed fraction money	9.22	9.23
Security deposits	1,033.33	843.12
Project Creditors	673.96	558.04
Temporary Book Overdraft	54.28	185.29
Others *	22,127.04	18,291.62
	<b>43,752.10</b>	<b>43,145.55</b>

\*Other Includes Customer obligations, customers claims etc.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>25. OTHER CURRENT LIABILITIES</b>		
Statutory Dues Payable	9,046.25	7,008.75
Government Grant	753.76	606.88
Advance From Customer	8,939.58	7,178.34
Others	271.86	797.92
	<b>19,011.45</b>	<b>15,591.89</b>

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>26. SHORT-TERM PROVISIONS</b>		
Employee benefits		
- Gratuity [Refer note 38]	1,390.23	318.13
- Leave Encashment	494.20	388.20
	<b>1,884.43</b>	<b>706.33</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>27. REVENUE FROM OPERATIONS</b>		
<b>Sale of products (including excise duty)</b>	4,70,955.40	4,32,784.00
<b>Total (i)</b>	<b>4,70,955.40</b>	<b>4,32,784.00</b>
<b>Other operating revenue</b>		
Claims realised	356.42	511.69
Government grants	3,825.13	4,451.75
Miscellaneous income	680.78	235.58
<b>Total (ii)</b>	<b>4,862.33</b>	<b>5,199.02</b>
<b>Revenue from operations [(i) + (ii)]</b>	<b>4,75,817.73</b>	<b>4,37,983.02</b>

Sale of products includes excise duty collected from customers of ₹ 16,696.42 lacs (31 March 2017: ₹ 62,428.74 lacs). Sale of goods net of excise duty is ₹ 454,258.98 lacs (31 March 2017: ₹ 3,70,355.26 lacs). Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2018 is not comparable 31 March 2017

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>28. OTHER INCOME</b>		
Interest income from financial assets measured at amortised cost		
- from bank deposits	3,084.75	3,267.94
- from others	950.66	1,620.41
Net fair value gain/(loss) on financial assets measured at fair value through profit or loss	420.56	(723.73)
Profit on sale of current investment (net)	171.73	239.67
Government grants	332.23	359.56
Miscellaneous income	7,804.72	4,442.50
Net Gain on Foreign Currency transactions and translation	-	725.95
	<b>12,764.65</b>	<b>9,932.30</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>29. COST OF MATERIALS CONSUMED</b>		
Raw material Consumed	73,038.01	64,406.17
	<b>73,038.01</b>	<b>64,406.17</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>Closing Inventory</b>		
Work-in-Progress	(4,679.90)	(8,045.91)
Finished Goods	(6,950.14)	(7,776.74)
Stock in Trade	(8.04)	(16.45)
<b>Total (A)</b>	<b>(11,638.08)</b>	<b>(15,839.10)</b>
<b>Opening Inventory</b>		
Work-in-Progress	8,045.91	6,978.10
Finished Goods	7,776.74	7,861.01
Stock in Trade	16.45	23.43
<b>Total (B)</b>	<b>15,839.10</b>	<b>14,862.54</b>
<b>Total (A-B)</b>	<b>4,201.02</b>	<b>(976.56)</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	26,627.13	23,099.86
Contribution to provident and other funds (Refer Note No 38)	3,904.48	2,376.38
Staff welfare expenses	2,014.00	2,069.30
	<b>32,545.61</b>	<b>27,545.54</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>32. FINANCE COST</b>		
Interest expenses	23,888.28	26,705.53
Other Borrowing Costs (includes bank charges, etc.)	251.81	526.11
Unwinding of discounts	395.29	59.06
	<b>24,535.38</b>	<b>27,290.70</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>33. DEPRECIATION AND AMOTISATION EXPENSE</b>		
Depreciation on tangible assets	18,406.14	17,431.14
Amortisation on intangible assets	220.63	178.44
	<b>18,626.77</b>	<b>17,609.58</b>

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>34. OTHER EXPENSES</b>		
Packing material consumed	21,161.19	17,006.25
Stores and spares consumed	10,396.57	10,002.30
Repairs and maintenance:		
- Buildings	1,214.45	1,241.63
- Plant and machinery	7,294.19	8,153.24
- Other Assets	89.43	134.41
Other manufacturing expenses	768.75	728.97
Power and fuel	88,968.72	62,526.27
Rent	2,159.04	1,921.10
Lease rent and hire charges	43.33	51.22
Rates and taxes	318.53	461.03
Insurance	964.25	804.85
Travelling and conveyance #	2,786.53	2,540.92
CSR expenses (Refer Note No 43)	481.07	322.69
Bad trade receivables/advances/deposits written off	9.85	1,000.00
Provision for doubtful trade receivables/advances/deposits	174.68	172.25
Sales Tax/VAT	343.13	1,089.70
Excise Duty	16,696.42	62,428.74
Loss on disposal of property plant & equipment	164.03	25.61
Miscellaneous expenses*	12,353.62	14,003.92
Selling and promotion expenses	10,249.97	11,741.76
Freight and forwarding	1,07,244.19	77,958.04
Advertisement and publicity	5,999.99	3,257.70
	<b>2,89,881.93</b>	<b>2,77,572.60</b>
# Details of payments to auditors		
As auditor:		
Audit fees	85.27	54.00
For other services		
Certification fees and other matters	0.58	4.24
Re-imbursement of expenses	9.53	1.39
	<b>95.38</b>	<b>59.63</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>35. EARNING PER SHARE</b>		
Total profit/(loss) for the year	34,187.36	21,078.45
Weighted average number of equity shares of ₹ 10/- each (In lacs)	699.27	699.27
EPS - Basic and Diluted (₹)	<b>48.89</b>	<b>30.14</b>

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>36. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS</b>		
<b>A. Contingent liabilities (not provided for) in respect of:</b>		
1. Claim against the Company not acknowledged as debts (includes show cause notices pertaining to excise duty and others) (cash flow is dependent on court decision pending at various level)	22,345.42	16,338.86
<b>Other for which the Company is contingently liable</b>		
2. In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts – no provision has been considered necessary by the Management		
a) Excise duty *	1,724.76	1,662.53
b) Sales and Entry Tax*	5,469.56	5,162.02
c) Service Tax*	1,362.89	1,314.31
d) Income Tax (primarily on account of disallowance of depreciation on goodwill and additional depreciation on power plants etc)	5,450.36	5,450.36
3. In respect of interest on “Cement Retention Price” realised in earlier years	1,251.43	1,231.06
4. In respect of penalty of non lifting of fly Ash	1,270.56	839.29
5. The Competition commission of India (CCI) has imposed penalty of ₹ 128.54 crores and ₹ 9.28 crores in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. COMPAT has stayed the CCI order in first matter on deposit of ₹ 6.56 crores and Appeal is being heard. In second matter stayed demand and appeal are yet to be heard. The Company, backed by a legal opinion, believes that it has a good case and accordingly no provision has been made in the Accounts.	13,782.00	13,782.00
6. In respect of demand made by Revenue Department, Karnataka for conversion of agricultural land into non-agricultural land for mining purpose	-	560.17
7. In respect of land tax levied by state government of Rajasthan	206.69	191.23
8. In respect of demand of Railway Administration pending with Jodhpur High Court	218.86	212.10
9. In respect of charges on account of electricity duty, water cess etc levied by Ajmer Vidyut Vitran Nigam Ltd (AVVNL)	4497.04	3,869.34
10. In respect of Environmental and Health Cess	324.52	324.52
* Disputes are primarily on account of disallowances of input credits, interest on entry tax, etc.		
<b>Financial Guarantees</b>		
11. Corporate guarantees given to Banks for finance provided to subsidiary Companies.	54,292.26	58,168.57
12. Other Financial Guarantees including of Joint Ventures.	-	613.89
The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required for the above guarantees.		
<b>B. Commitments</b>		
Capital commitments		
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	3,690.66	1,319.83
<b>C. Contingent assets</b>		
a) Insurance Claims	685.00	1,228.41

## 37. SEGMENT INFORMATION

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

### Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at Company level, accordingly there is only one Reportable Segment for the Company which is "Cement", hence no specific disclosures have been made.



## NOTES

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### Entity wide disclosures

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Information about product total revenue</b>		
Grey Cement	3,33,489.26	2,92,632.34
White Cement and allied products	1,37,466.14	1,40,151.66

### B. Information about geographical areas

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets) are in India

### C. Information about major customers (from external customers)

The Company has not derived revenues from single customer during the year as well as during previous year which amount to 10 per cent or more of the entity's revenues.

## 38. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

	₹/Lacs	
	For the year ended	
	31 March 2018	31 March 2017
Contribution to Government Provident Fund	1,135.91	942.09
Contribution to Superannuation Scheme	478.06	398.25
Contribution to Family Pension Fund	473.87	444.72

### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity Trust registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	₹/Lacs	
	31 March 2018	31 March 2017
Net defined benefit obligation	7,190.39	6,061.68
<b>Total employee benefit asset</b>	<b>5,800.16</b>	<b>5,596.87</b>
Net defined benefit liability	1,390.23	464.81

## NOTES

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### B. Movement in net defined benefit (asset) liability – Gratuity (Funded)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2018			31 March 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 31 March	6,061.68	5,596.87	464.81	5,739.12	5,388.80	350.32
<b>Included in profit or loss</b>						
Current service cost	420.41	-	420.41	347.70	-	347.70
Past service credit	1,137.18	-	1,137.18	-	-	-
Interest cost (income)	400.58	368.51	32.07	420.45	401.33	19.12
	<b>1,958.17</b>	<b>368.51</b>	<b>1,589.66</b>	<b>768.15</b>	<b>401.33</b>	<b>366.82</b>
<b>Included in OCI</b>						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
– financial assumptions	(251.19)	-	(251.19)	309.49	-	309.49
– experience adjustment	(65.95)	(121.58)	55.63	(197.53)	160.13	(357.66)
	<b>(317.14)</b>	<b>(121.58)</b>	<b>(195.56)</b>	<b>111.96</b>	<b>160.13</b>	<b>(48.17)</b>
<b>Other</b>						
Contributions paid by the employer	-	468.68	(468.68)	-	204.16	(204.16)
Benefits paid	(512.32)	(512.32)		(557.55)	(557.55)	
	<b>(512.32)</b>	<b>(43.64)</b>	<b>(468.68)</b>	<b>(557.55)</b>	<b>(353.39)</b>	<b>(204.16)</b>
<b>Balance as at 31 March</b>	<b>7,190.39</b>	<b>5,800.16</b>	<b>1,390.23</b>	<b>6,061.68</b>	<b>5,596.87</b>	<b>464.81</b>

### C. Plan assets

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Company.

	As at 31 March 2018	As at 31 March 2017
Government of India Securities (Central and State)	52.57%	0.00%
High quality corporate bonds (including Public Sector Bonds)	1.81%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Cash (including Special Deposits)	23.27%	0.00%
Schemes of insurance - conventional products	0.00%	0.00%
Schemes of insurance - ULIP products	0.00%	0.00%
Others	22.35%	100%

### D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2018	31 March 2017
Discount rate	7.40%	6.90%
Expected rate of return on plan assets	8.50%	8.50%
Mortality		
Turnover rate : Staff	5% of all ages	5% of all ages
Turnover rate : Worker	1% of all ages	1% of all ages
Expected rate of future salary increase	10%	10%

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Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2018, the weighted-average duration of the defined benefit obligation was 6 years (as at 31 March 2017: 6 years).

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

#### Gratuity

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(450.10)	522.30	(381.71)	439.89
Expected rate of future salary increase (1% movement)	424.00	(388.00)	285.84	(280.87)
	(26.10)	134.30	(95.87)	159.02

₹/Lacs

### F. Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the scheme's bond holdings.

**Life expectancy:** The pension obligations are to provide benefits for the life of the member, so increase in life expectancy will result in increase in plans liability. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the pension obligations under the employee benefit plan term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets at reporting date consists of government and corporate bonds, although the group also invests in equities, cash and mutual funds. The group believes that equities offer the best returns over the long-term with an acceptable level of risk.

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### G. The expected benefit payment in future years:

	₹/Lacs	
	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	963.40	716.83
Between 2 and 5 years	3,593.55	3,644.18
Between 5 and 10 years	4,276.01	4,333.77
Beyond 10 years	18,905.01	18,905.01
Total expected payments	27,737.97	27,599.79

### H. The expected employer contribution in the next years.

	₹/Lacs	
	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	594.95	326.49

## 39. RELATED PARTIES

### (1) (a) Parties where the control/significant influence exists

- i) Yadu International Ltd

### (b) Key Management Personnel & their Relatives

- i) Shri Yadupati Singhanian Chairman & Managing Director
- ii) Smt. Shushila Devi Singhanian Relative of Chairman & Managing Director
- iii) Shri Ajay Kumar Saraogi President (Corp.Affairs) & CFO
- iv) Shri Shambhu Singh Company Secretary
- v) Shri Achintya Karati Non Executive Independent Director
- vi) Shri Jayant Narayan Godbole Non Executive Independent Director
- vii) Dr. Krishna Behari Agarwal Non Executive Independent Director
- viii) Shri K.N.Khandelwal Non Executive Non Independent Director
- ix) Shri Raj Kumar Lohia Non Executive Independent Director
- x) Shri Suparas Bhandari Non Executive Independent Director
- xi) Mr. Paul Heinz Hugentobler Non Executive Non Independent Director
- xii) Shri Shyam Lal Bansal Non Executive Independent Director

### (c) Enterprises significantly influenced by Key Management Personnel or their Relatives

- i) Jaykay Enterprises Ltd
- ii) J.K. Cotton Ltd.
- iii) Jaykaycem (Eastern) Ltd
- iv) J.K.Cement(Western) Ltd

### (d) Subsidiary Companies.

- i) J.K. Cement (Fujairah) FZC (Holding Company of (ii) below)
- ii) J.K. Cement Works(Fujairah) FZC
- iii) Jaykaycem(Central) Ltd

### (e) Joint Venture

- i) Bander Coal Company Pvt. Ltd

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**(2) a) Following are the transactions with related parties as defined under section 188 of Companies Act 2013.**

	₹/Lacs	
	For the year ended	
	31 March 2018	31 March 2017
(i) Jaykay Enterprises Ltd		
- Services received	35.17	34.47
- Rent paid	49.50	47.71
- Expenses Reimbursed	60.34	50.60
(ii) J.K. Cotton Ltd		
- Rent paid	32.39	45.42
- Purchases	-	0.21
(iii) J.K. Cement(Fujairah)FZC		
Amount paid against preference shares	2,458.00	4,375.74
Corporate Guarantees	54292.26	58168.57
Interest recoverable on Redeemable Pref Shares	1,410.72	1499.95
Amount paid as application money for equity shares	1302.80	-
Preference shares converted into equity shares (Refer note 4)	10898.37	-
(iv) J.K. Cement(Western) Ltd		
Opening as at beginning of the year	-	15.00
Advance Received during the year	-	15.00
Balance as at close of the year	-	-
(v) Jaykaycem (Central) Ltd.		
Opening as at beginning of the year	-	4206.79
Loan given during the year	-	65.40
Interest received/receivable	-	76.72
Amount received against loan and interest	-	4348.91
Balance at close of the year	-	-
Equity shares acquired during the year	2500.00	-
Debenture acquired during the year	1000.00	4600.00
Amount given in current deposit	-	55.00
Amount received in current account	-	55.00
Debentures converted into equity shares(Refer note 4)	5600.00	-
(vi) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania(Chairman & Managing Director)		
-Remuneration	1761.00	1266.92
-Sale of farm house	5087.99	-
-Rent paid	15.13	-
-Rent paid to relatives	30.47	-
b) Smt Sushila Devi Singhania		
-Commission	9.00	8.00
-Sitting Fees	5.26	4.52
c) Shri Ajay Kumar Saraogi		
-Remuneration	226.52	197.34
d) Shri Shambhu Singh		
-Remuneration	45.41	38.15
e) Other Directors		
- Commission	72.00	64.00
-Sitting Fees	30.55	31.41
and ₹ 108.13 lacs (₹ 111.31 lacs) paid to other Director Mr. Paul Heinz Hugentobler on professional capacity.	108.13	111.31

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### b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees (except corporate guarantees) provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### c) Compensation of key management personnel of the Company

	₹/Lacs	
	For the year ended	
	31 March 2018	31 March 2017
- short-term employee benefits	2,032.93	1,368.91
- other long-term benefits	48.54	133.50

## 40 OPERATING LEASE

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

## 41. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### I. Fair value measurements

#### A. Financial instruments by category

	₹/Lacs					
	As at 31 March 2018			As at 31 March 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	14,364.77	-	24,349.24	23,525.21	-	24,298.90
Other financial assets	-	-	12,276.16	-	-	18,319.08
Trade receivables	-	-	18,797.37	-	-	14,813.42
Cash and cash equivalents	-	-	18,244.25	-	-	12,171.42
Other Bank balances	-	-	36,107.82	-	-	30,520.43
	<b>14,364.77</b>	<b>-</b>	<b>1,09,774.84</b>	<b>23,525.21</b>	<b>-</b>	<b>1,00,123.25</b>
<b>Financial liabilities</b>						
Non-Current Borrowings	-	-	2,06,970.78	-	-	2,28,236.67
Other Non-current financial liabilities	-	-	20,678.88	-	-	17,671.71
Non current borrowings	-	-	11,351.76	-	-	16,729.17
Trade payables	-	-	41,355.94	-	-	37,773.54
Other current financial liabilities	-	-	43,752.10	-	-	43,145.55
	<b>-</b>	<b>-</b>	<b>3,24,109.46</b>	<b>-</b>	<b>-</b>	<b>3,43,556.64</b>

### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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### Financial assets and liabilities measured at fair value – recurring fair value measurements

₹/Lacs

	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Assets measured at fair value</b>				
Investments				
Equity Shares			8.00	8.00
Mutual Funds & Bonds	-	-		
<b>Financial liabilities</b>	11,885.19	-	2,471.58	14,356.77
<b>Liabilities for which fair values are disclosed</b>				
Non-Current Borrowings			2,06,161.84	2,06,161.84
	<b>11,885.19</b>	<b>-</b>	<b>2,08,641.42</b>	<b>2,20,526.61</b>

### Financial assets and liabilities measured at fair value – recurring fair value measurements

₹/Lacs

	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Assets measured at fair value</b>				
Investments				
Equity Shares			5.20	5.20
Mutual Funds & Bonds	8,021.64	-	15,498.37	23,520.01
<b>Financial liabilities</b>				-
<b>Liabilities for which fair values are disclosed</b>				-
Non Current Borrowings	-	-	2,28,145.50	2,28,145.50
	<b>8,021.64</b>	<b>-</b>	<b>2,43,649.07</b>	<b>2,51,670.71</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted preference securities. The fair value of the unquoted preference shares in cement sector has been computed using the DCF method considering the no growth model and discount rate @ 6.12% .Increase in 1% discount rate will result into decrease of fair valuation by ₹ 0.95 lacs whereas decrease in 1% discount rate will result into increase of fair valuation by ₹ 1.33 lacs.

There are no transfers between level 1 and level 2 during the year

### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



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## C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2018		As at 31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Investments	24,349.24	24,349.24	24,298.90	24,298.90
Other financial assets	12,276.16	12,276.16	18,319.08	18,319.08
Trade receivables	18,797.37	18,797.37	14,813.42	14,813.42
Cash and cash equivalents	18,244.25	18,244.25	12,171.42	12,171.42
Other Bank balances	36,107.82	36,107.82	30,520.43	30,520.43
	<b>1,09,774.84</b>	<b>1,09,774.84</b>	<b>1,00,123.25</b>	<b>1,00,123.25</b>
<b>Financial liabilities</b>				
Non current borrowings	2,06,970.78	2,06,161.84	2,28,236.67	2,28,145.50
Other non current financial liabilities	20,678.88	20,678.88	17,671.71	17,671.71
Short-term borrowings	11,351.76	11,351.76	16,729.17	16,729.17
Trade payables	41,355.94	41,355.94	37,773.54	37,773.54
Other current financial liabilities	43,752.10	43,752.10	43,145.55	43,145.55
	<b>3,24,109.46</b>	<b>3,23,300.52</b>	<b>3,43,556.64</b>	<b>3,43,465.47</b>

₹/Lacs

- (i) The carrying amounts of trade receivables, trade payables, Short-term Borrowings, cash and cash equivalents, other bank balances, other financial liabilities, and other financial assets are considered to be the same as their fair values, due to their short-term nature. The fair values for security deposits are calculated based on cash flows discounted using a current lending rate.
- (ii) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- (iii) The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk

Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises

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principally from the Company's receivables from customers including deposits with banks and financial institutions.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

In monitoring customer credit risk, customers are Companyed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macroeconomic factors. The Company holds bank guarantees/security deposits against trade receivables of ₹ 5,646.56 lacs (31 March 2017: ₹ 6,224.79) and as per the terms and condition of the agreements, the Company has the right to encash the bank guarantee or adjust the security deposits in case of defaults.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured

as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

During the based on specific assessment, the Company recognised bad debts and advances of ₹ 9.85 lacs (31 March 2017: ₹ 1,000). The year end trade receivables do not include any amounts with such parties.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 9.

### Reconciliation of loss allowance provision - Trade Receivables

Particulars	₹/Lacs	
	31 March 2018	31 March 2017
Opening Balance	739.12	602
Change in loss allowance	220.75	137.12
Closing Balance	959.87	739.12

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 is the carrying amounts as shown in Note 4,8,10,11 & 12. The Company has not recorded any further loss during the year in these financial instruments and cash deposits as these pertains to counter parties of good credit ratings/credit worthiness.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors

## NOTES

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The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### iii. 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 to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### (a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
Floating rate		
Expiring within one year (bank overdraft and other facilities)	Nil	700.00
Expiring beyond one year (bank loans)	Nil	6,958.00
	-	7,658.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of Nil years (as at 31 March 2017 - 6.57 years).

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

### (b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

₹/Lacs						
	Carrying Amounts 31 March 2018	Contractual cash flows				
		Total	2 months or less	2-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current Borrowings	2,06,970.78	2,12,186.54	-	-	1,00,117.22	1,12,069.32
Other non-current financial liabilities	20,678.88	20,678.88	-	-	20,678.88	-
Short-term borrowings	11,351.76	11,351.76	-	11,351.76	-	-
Trade payables	41,355.94	41,355.94	41,355.94	-	-	-
Other current financial liabilities	43,752.10	43,752.10	3,604.13	40,011.52	136.45	-
<b>Total non-derivative liabilities</b>	<b>3,24,109.46</b>	<b>3,29,325.22</b>	<b>44,960.07</b>	<b>51,363.28</b>	<b>1,20,932.55</b>	<b>1,12,069.00</b>

₹/Lacs						
	Carrying Amounts 31 March 2017	Contractual cash flows				
		Total	2 months or less	2-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,28,236.67	2,32,493.16	-	-	1,00,011.96	1,32,481.20
Other non-current financial liabilities	17,671.71	17,671.71	-	-	17,671.71	-
Short-term borrowings	16,729.17	16,729.17	-	16,729.17	-	-
Trade payables	37,773.54	37,773.54	37,773.54	-	-	-
Other current financial liabilities	43,145.55	43,145.55	4,454.60	38,591.75	99.20	-
<b>Total non-derivative liabilities</b>	<b>3,43,556.64</b>	<b>3,47,813.13</b>	<b>42,228.14</b>	<b>55,320.92</b>	<b>1,17,782.87</b>	<b>1,32,481.20</b>

Further the Company issued financial guarantee as disclosed in note 39 for which the possibility of payment is remote.

### iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk primarily include trade and other receivables, trade and other payables and borrowings.

#### 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company manages its foreign currency risk by taking foreign currency forward contracts, if required

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at 31 March 2018		As at 31 March 2017	
	USD	EUR	USD	EUR
Trade payables	19,39,975.00	18,86,009.00	11,38,140.00	20,89,440.00
Net statement of financial position exposure	<b>19,39,975.00</b>	<b>18,86,009.00</b>	<b>11,38,140.00</b>	<b>20,89,440.00</b>

Investment made by the Company in redeemable preference shares of its subsidiary Company has not been considered here as the Company has decided to convert all its redeemable preference shares into equity shares. Also refer note 4.

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD 1	64.39	66.97	65.04	64.84
EUR 1	75.32	73.50	80.62	69.25
AED 1	17.53	18.27	18.24	17.66

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss, before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2018</b>				
USD (10% movement)	126.17	(126.17)	82.50	(82.50)
EUR (10% movement)	152.05	(152.05)	99.43	(99.43)
GBP (10% movement)	-	-	-	-
<b>31 March 2017</b>				
USD (10% movement)	73.79	(73.79)	48.25	(48.25)
EUR (10% movement)	144.69	(144.69)	94.62	(94.62)
GBP (10% movement)	-	-	-	-

₹/Lacs

### Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in ₹.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	31 March 2018	31 March 2017
<b>Fixed-rate instruments</b>		
Financial assets	83,381.71	95,861.23
Financial liabilities	89,462.86	93,123.51
	<b>1,72,844.57</b>	<b>1,88,984.74</b>
<b>Variable-rate instruments</b>		
Financial assets	35,146.31	13,270.89
Financial liabilities	1,66,583.70	1,88,832.49
	<b>2,01,730.01</b>	<b>2,02,103.38</b>

₹/Lacs

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	₹/Lacs			
	Profit or loss, before tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2018</b>				
Variable-rate instruments	(1,690.44)	1,690.44	(1,105.41)	1,105.41
<b>Cash flow sensitivity</b>	<b>(1,690.44)</b>	<b>1,690.44</b>	<b>(1,105.41)</b>	<b>1,105.41</b>
<b>31 March 2017</b>				
Variable-rate instruments	(1,785.42)	1,785.42	(1,167.52)	1,167.52
<b>Cash flow sensitivity</b>	<b>(1,785.42)</b>	<b>1,785.42</b>	<b>(1,167.52)</b>	<b>1,167.52</b>

### 42(A). PRIOR YEAR ERRORS

During the financial year ended 31 March 2018, the Company discovered that the deferred tax charge was erroneously created lower by ₹ 4,879.19 lacs due to consideration of incorrect carried forward unabsorbed depreciation and business losses. Consequently, Deferred tax liability (net) was shown lower by the same amount. Financial statements for the year ended 31 March 2017 has been restated to correct this error. The effect of the restatement on those financial statements is summarised below. There is no effect in financial year 2017-18.

In financial year ended 31 March 2017, the Company reported as follows:

	₹/Lacs
<b>31 March 2017</b>	
Profit before tax	32,443.17
Current Tax	7,047.08
Mat Credit entitlement	(7,047.08)
Earlier years tax adjustments	(2.75)
Deferred tax	6,488.28
Profit/(loss) for the year	25,957.64
Basic and Diluted earnings per share (₹)	37.12

Deferred tax liability (net) was shown ₹ 21,401.44 in the Balance Sheet as at 31 March 2017

The following are the restated amounts which are being reported after correction for the year ended 31 March 2017 as comparatives.

	₹/Lacs
<b>31 March 2017 Restated</b>	
Profit before tax	32,443.17
Current Tax	7,047.08
Earlier years tax adjustments	(2.75)
Deferred tax charge/(credit)	4,320.39
Profit/(loss) for the year	21,078.45
Basic and Diluted earnings per share (₹)	30.14

Deferred tax liability (net) restated to ₹ 26,280.63 in the Balance Sheet as at 31 March 2017

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

**42(B).** In addition to the above, following are the reclassifications made in the previous year figures to make them comparable/better presentation with the current year figures. These reclassification does not have any significant effect on the balance sheet at the beginning of the preceding financial year, i.e, April 1, 2016. Also, these reclassifications do not have any impact on the profit other than those described in note (a) above.

₹/Lacs			
Particulars	As at 31 <sup>st</sup> March 2017 (Restated)	As at 31 <sup>st</sup> March 2017 (Published)	Nature
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Non current - Investments	47,037.80	47,037.88	Reclassification items
Non current - Loans and advances	13,456.72	14,243.27	Reclassification items
Other non current assets	10,471.29	8,907.44	Reclassification items
<b>CURRENT ASSETS</b>			
Current Assets - Financial assets - Cash and cash equivalents	12,171.42	41,785.02	Reclassification items
Current Assets - Financial assets - Bank balances other than (iii) above	30,520.43	99.20	Reclassification items
Other Current Financial Assets	4,862.36	4,521.82	Reclassification items
Other current assets	16,155.98	17,419.33	Reclassification items
<b>EQUITY AND LIABILITIES</b>			
Other Equity	1,80,159.57	1,85,038.76	Reclassification items
Borrowings - Non Current	2,28,236.67	2,31,845.63	Reclassification items
Deferred tax liabilities (net)	26,280.63	21401.44	Variance due to error as mentioned in note a above
Other non-current liabilities	8,633.01	5271.37	Reclassification items
<b>Current Liabilities</b>			
Borrowings - Current	16,729.17	16577.24	Reclassification items
Trade Payable - Current	37,773.54	20517.96	Reclassification items
Other financial liabilities	43,145.55	65996.85	Reclassification items
Other current liabilities	15,591.89	8335.82	Reclassification items
Short-term provisions	706.33	1601.60	Reclassification items
Current tax Liability (net)	149.00	156.65	Reclassification items
<b>Profit &amp; loss Account</b>			
Revenue from operations	4,37,983.02	4,42,070.71	Reclassification items
Other income	9,932.30	5118.68	Reclassification items
Cost of materials consumed	64,406.17	69552.72	Reclassification items
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	(976.56)	-325.67	Reclassification items
Finance costs	27,290.70	26564.75	Reclassification items
Other expenses	2,77,572.60	2,71,775.18	Reclassification items
Tax Expense			
MAT Credit Entitlement	-	-7047.08	Reclassification items
Deferred Tax	4,320.39	6488.28	Variance due to :-i) reclassification of MAT credit entitlement in deferred tax ii) error as mentioned in note a above
<b>Profit/(loss) for the year</b>	<b>21,078.45</b>	<b>25,957.64</b>	
<b>Earning per equity share</b>			
<b>Basic</b>	30.14	37.12	
<b>Diluted</b>	30.14	37.12	



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

## 43. CORPORATE SOCIAL RESPONSIBILITY

- a. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 461.28 lacs i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013
- b. Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 481.07 lacs. Further, no amount has been spent on construction/acquisition of an asset of the Company and entire amount is spent on cash basis.

## 44. ASSETS HELD FOR SALE

During the year, the Company entered into agreement to sell the thermal power plant and other DG sets at Rajasthan location as these were not in active use. Accordingly, these assets has been classified as 'held for sale'. Sale of these assets are expected to be completed within next 12 months.

## 45. EXCEPTIONAL ITEMS

This represents the loss booked on accounts of sale of thermal power plant and other DG sets in current year. The previous year exceptional item represents government cess reversed.

## 46. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new

standard on the required effective date using the modified retrospective method.

The Company is in the business of manufacturing and selling cement and related products. The cement and related products are sold both on their own in separate identified contracts with customers and through distribution channel of dealers and distributors.

### (a) Sale of goods

For contracts with customers in which the sale of cement and related products is generally expected to be the only performance obligation, adoption of Ind AS 115 is not expected to have any material impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

In preparing to adopt Ind AS 115, the Company is considering the following:

- (i) Variable consideration  
Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception and updated thereafter. Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Company does not expects that application of the constraint will result in material revenue being deferred than under current Ind AS."

### (b) Presentation and disclosure requirements

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Company's financial statements. Many of the disclosure requirements in Ind AS 115 are new and the Company has assessed that the impact of these disclosures requirements will not be significant. In particular, the Company does not expect that the notes

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

to the financial statements will be expanded because of the disclosure of significant judgements made. In addition, as required by Ind AS 115, the Company will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for reportable segment

### (c) Other adjustments

The recognition and measurement requirements in Ind AS 115 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property, plant and equipment and intangible assets), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Company.

### **Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

These amendments are not applicable to the Company.

### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the

amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have significant impact on the Company.

### **Transfers of Investment Property - Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have significant impact on the Company.

### **Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

#### **The amendments clarify that:**

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment

## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2018

basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of

it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its consolidated financial statements.

The accompanying notes are an integral part of the financial statements  
This is the Balance Sheet referred to in our report of even date  
For **S.R. Batliboi & Co.LLP.**  
Chartered Accountants  
ICAI Firm Regn. No. 301003E/E300005

per **Atul Seksaria**  
Partner  
Membership No - 086370

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

**A.K. Saraogi**  
President (Corp.Affairs) & CFO

**Shambhu Singh**  
Company Secretary  
Membership No - F5836

For and on behalf of the Board of Directors of  
**J K Cement Limited**

**Yadupati Singhania**  
Chairman & Managing Director  
DIN - 00050364

**Krishna Behari Agarwal**  
Director  
DIN - 00339934

# INDEPENDENT AUDITOR'S REPORT

To the Members of J.K.Cement Limited

## REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of J.K.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 joint venture, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 requirement of the Companies Act, 2013 ("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 joint venture in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act., read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated 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, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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, of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

- a) We draw attention to note 36(A)(V) to the consolidated Ind AS financial statements wherein it has been stated that The Competition commission of India (CCI) has imposed penalty of ₹ 128.54 crores and ₹ 9.28 crores in two separate orders dated 31.08.2016 and 19.01.2017 respectively for

alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. COMPAT has stayed the CCI order in first matter on deposit of ₹ 6.56 crores and hearing of appeal is concluded and order stayed. In second matter stayed demand and appeal are yet to be heard. The Company, backed by a legal opinion, believes that it has a good case and accordingly no provision has been made in the Accounts.

Our opinion was not qualified in respect of above matter.

- b) We draw attention to note 42 of the standalone Ind AS financial statement which describes the impact on deferred tax charge, deferred tax liability and reclassifications to the previous year figures, which has led to the restatement of the comparative year figures in the financial statements for the year ended March 31, 2018.

Our opinion was not qualified in respect of above matter.

#### OTHER MATTER

- a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of ₹ 101,240.12 lacs and net assets of ₹ 3,813.68 lacs as at March 31, 2018, and total revenues of ₹ 26,229.90 lacs and net cash inflows of ₹ 755.10 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's

management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 13, 2017.
- (c) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of joint venture, whose financial statements and other financial information reflect total assets of ₹ 15.90 lacs and net assets of ₹ 15.86 lacs as at March 31, 2018, and total revenues of ₹ Nil and net cash inflows of ₹ 0.64 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above 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 and the financial statements and other financial information certified by the Management.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and its joint venture company, none of the directors of the Group's companies, and joint venture incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary company and incorporate in India, refer to our separate report in "Annexure 1" to this report;
- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and joint venture noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture—Refer Note 36 (A) and (B) to the consolidated Ind AS financial statements;
  - ii. The Group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

per Atul Seksaria  
Partner  
Membership Number: 086370



# ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF J.K.CEMENT LIMITED

## 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 financial statements of J.K.Cement Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of J.K.Cement Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, its joint venture company, 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, its subsidiary company and its joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed as under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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, its subsidiary company and its joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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 S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

per Atul Seksaria  
Partner  
Membership Number: 086370

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2018

	Notes	As at 31 March 2018	As at 31 March 2017 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	4,42,121.39	4,51,839.02
Capital work-in-progress	2	10,426.52	12,674.80
Intangible assets	3	2,212.62	2,332.12
<b>Financial assets</b>			
(i) Investments	4	4,135.57	1,500.84
(ii) Loan & Advances	5	3,802.93	13,477.43
Other non-current assets	6	12,338.55	11,337.15
<b>Total non-current assets</b>		<b>4,75,037.58</b>	<b>4,93,161.36</b>
<b>Current assets</b>			
Inventories	7	58,980.96	56,089.29
<b>Financial assets</b>			
(i) Current investments	8	7,757.62	6,526.00
(ii) Trade receivables	9	23,578.91	20,193.34
(iii) Cash and cash equivalents	10	19,839.53	13,010.96
(iv) Bank balances other than (iii) above	11	36,107.82	30,520.43
(v) Other current financial assets	12	7,442.00	5,266.36
Current tax assets (net)	13	757.45	-
Other current assets	14	15,014.79	16,319.70
Assets held for sale	44	902.61	-
<b>Total current assets</b>		<b>1,70,381.69</b>	<b>1,47,926.08</b>
<b>Total assets</b>		<b>6,45,419.27</b>	<b>6,41,087.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	6,992.72	6,992.72
Other equity	16	1,90,494.10	1,64,075.83
Equity attributable to equity holders of the J K Cement Ltd.		1,97,486.82	1,71,068.55
Non-controlling interests		-	398.74
<b>Total equity</b>		<b>1,97,486.82</b>	<b>1,71,467.29</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17	2,57,410.51	2,87,014.50
(ii) Other financial liabilities	18	20,678.88	17,671.71
Long-term provisions	19	2,737.12	2,237.99
Deferred tax liabilities (net)	20	26,696.66	25,986.52
Other non-current liabilities	21	9,232.02	8,633.01
<b>Total non-current liabilities</b>		<b>3,16,755.19</b>	<b>3,41,543.73</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	22	15,646.93	22,593.28
(ii) Trade payables	23	43,571.66	42,712.98
(iii) Other financial liabilities	24	50,585.13	45,931.78
Other current liabilities	25	19,091.31	15,638.19
Short-term provisions	26	2,282.23	1,051.29
Current Tax liability (Net)	13	-	148.90
<b>Total Current liabilities</b>		<b>1,31,177.26</b>	<b>1,28,076.42</b>
<b>Total liabilities</b>		<b>4,47,932.45</b>	<b>4,69,620.15</b>
<b>Total equity and liabilities</b>		<b>6,45,419.27</b>	<b>6,41,087.44</b>

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For S.R. Batliboi &amp; Co. LLP.

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per Atul Seksaria

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

A.K. Saraogi

President (Corp.Affairs) &amp; CFO

Shambhu Singh

Company Secretary

Membership No - F5836

For and on behalf of the Board of Directors of  
J K Cement Limited

Yadupati Singhania

Chairman &amp; Managing Director

DIN - 00050364

Krishna Behari Agarwal

Director

DIN - 00339934

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31<sup>st</sup> March, 2018

		₹/Lacs	
	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)
Revenue from operations	27	5,02,047.63	4,65,399.91
Other income	28	12,813.85	9,843.01
<b>Total income</b>		<b>5,14,861.48</b>	<b>4,75,242.92</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	78,185.98	68,647.53
Purchase of Stock in Trade		84.75	92.50
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	30	1,869.13	1,451.83
Employee benefits expenses	31	36,827.86	31,554.28
Finance costs	32	28,409.15	30,266.26
Depreciation and amortization expenses	33	23,132.18	21,694.99
Other expenses	34	3,06,334.45	2,91,042.39
<b>Total Expenses</b>		<b>4,74,843.50</b>	<b>4,44,749.78</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>40,017.98</b>	<b>30,493.14</b>
Exceptional items	45	1,696.15	1,931.62
<b>Profit/(loss) before tax</b>		<b>38,321.83</b>	<b>28,561.52</b>
<b>Tax expense:</b>			
Current tax		9,413.62	7,047.08
Deferred tax charged/(credit)	20	349.45	4,320.39
Earlier Years Tax Adjustments		-	(2.75)
<b>Profit/ (loss) for the year</b>		<b>28,558.76</b>	<b>17,196.80</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gains/(losses) of defined benefit plans		195.55	48.17
Income tax relating to remeasurement of defined benefit plans		(67.67)	(16.67)
Exchange differences on translations		1,680.07	(1,896.15)
		<b>1,807.95</b>	<b>(1,864.65)</b>
<b>Total comprehensive income for the year</b>		<b>30,366.71</b>	<b>15,332.15</b>
<b>Profit attributable to:</b>			
Equity holders of the J K Cement Limited		28,957.50	17,773.53
Non-controlling interests		(398.74)	(576.73)
		<b>28,558.76</b>	<b>17,196.80</b>
<b>Other comprehensive income attributable to:</b>			
Equity holders of the J K Cement Limited		1,807.95	(1,864.65)
Non-controlling interests		-	-
		<b>1,807.95</b>	<b>(1,864.65)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the J K Cement Limited		30,765.45	15,908.88
Non-controlling interests		(398.74)	(576.73)
		<b>30,366.71</b>	<b>15,332.15</b>
<b>Earnings per equity share (₹)</b>	35		
Basic		41.41	25.42
Diluted		41.41	25.42

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For S.R. Batliboi & Co.LLP.

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per Atul Seksaria

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

A.K. Saraogi

President (Corp.Affairs) & CFO

Shambhu Singh

Company Secretary

Membership No - F5836

For and on behalf of the Board of Directors of  
J K Cement Limited

Yadupati Singhania

Chairman & Managing Director

DIN - 00050364

Krishna Behari Agarwal

Director

DIN - 00339934

# STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended 31 March 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	38,321.83	28,561.52
Adjustment for :-		
Depreciation & amortization expenses	23,132.18	21,694.99
Loss on the sale of property, plant & equipment/ Impairment	1,748.14	2,709.84
Interest paid	27,698.35	29,513.52
Interest received	(4,220.12)	(4,239.57)
Bad Debts / Loans and Advances	9.85	1,000.00
Provision for doubtful debts / loans and advances	174.68	172.25
Profit on sale of current Investment	(171.73)	(239.67)
Net fair value gain on financial assets measured at fair value through profit or loss	(284.83)	165.04
Net loss on unrealised Foreign Currency transactions and translation	(83.80)	-
Mines restoration charges	14.40	21.48
<b>Operating Profit Before Working Capital Changes</b>	<b>86,338.95</b>	<b>79,359.40</b>
Movements in working capital :-		
Increase / (Decrease) in Trade Payables	858.68	(411.18)
Increase / (Decrease) in Other financial liabilities	8,957.60	(1,865.99)
Increase / (Decrease) in Other liabilities	4,052.13	11,033.03
Increase / (Decrease) in provisions	4,101.51	(435.39)
(Increase) / Decrease in Inventories	(2,891.67)	(6,778.68)
(Increase) / Decrease in Trade receivables	(3,570.10)	(230.84)
(Increase) / Decrease in Other financial assets	(738.37)	(2,009.77)
(Increase) / Decrease in Other assets	1,161.98	4,854.71
<b>Cash Generated From Operations</b>	<b>98,270.71</b>	<b>83,515.29</b>
Less : Income Tax Paid (inclusive of tax deducted at source)	(9,959.28)	(6,334.08)
<b>Net Cash From Operating Activities</b>	<b>88,311.43</b>	<b>77,181.21</b>
<b>B. CASH USED IN INVESTING ACTIVITIES</b>		
Proceed from maturity of fixed deposit	(31,015.47)	(30,410.69)
Investment in fixed deposit	35,277.57	-
Acquisition/Purchase of property, plant & equipment	(20,179.56)	(40,371.48)
Sale of property, plant & equipment	5,751.87	1,976.15
Investment in Equity, Mutual funds & Bonds	(65,766.35)	(17,691.76)
Intercompany loan given	(4,500.00)	(7,862.00)
Repayment of intercompany loan	4,500.00	7,862.00
Sale of Current Investment / Impairment	62,071.73	17,767.85
Interest received	4,279.45	3,813.84
<b>Net Cash Used In Investing Activities</b>	<b>(9,580.76)</b>	<b>(64,916.09)</b>

# STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended 31 March 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)
<b>C. CASH USED IN FINANCING ACTIVITIES</b>		
Advance to Related Party	(1,302.96)	(915.89)
Increase in Long Term Borrowings	(0.00)	75,105.33
Deferred Sales Tax / VAT	2,314.27	(1,702.51)
Net proceeds from Long Term Borrowings	(1,910.33)	-
Cash Credit Accounts	(6,946.35)	(2,342.27)
Repayment of Long Term Borrowings	(31,247.05)	(71,828.27)
Vehicle Loans	132.75	199.45
Interest Expense Paid (inclusive of tax deducted at source)	(27,889.48)	(29,709.61)
Dividend paid	(6,733.02)	(3,366.51)
<b>Net Cash Used in Financing Activities</b>	<b>(73,582.17)</b>	<b>(34,560.28)</b>
<b>Net Increase/( Decrease ) in Cash and Cash Equivalents</b>	<b>5,148.50</b>	<b>(22,295.16)</b>
Exchange rate fluctuation reserve on conversion	1,680.07	(1,896.15)
Cash and Cash Equivalents at the beginning of the year	13,010.96	37,202.27
Cash and Cash Equivalents at the end of the year	19,839.53	13,010.96
	<b>5,148.50</b>	<b>(22,295.16)</b>

## Notes :

1. Cash and cash equivalents includes cash in hand and bank balances including Fixed Deposits.

This is the Balance Sheet referred to in our report of even date

For **S.R. Batliboi & Co.LLP.**

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per **Atul Seksaria**

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

**A.K. Saraogi**

President (Corp.Affairs) & CFO

**Shambhu Singh**

Company Secretary

Membership No -F5836

For and on behalf of the Board of Directors of  
**J K Cement Limited**

**Yadupati Singhanian**

Chairman & Managing Director

DIN - 00050364

**Krishna Behari Agarwal**

Director

DIN - 00339934

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2018

## (A) EQUITY SHARE CAPITAL

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year (equity share of ₹ 10/- each issued, subscribed & paid up)	6,992.72	6,992.72
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period (equity share of ₹ 10/- each issued, subscribed & paid up)	6,992.72	6,992.72

## (B) OTHER EQUITY

	Reserves and Surplus						
	Securities premium account	Debenture redemption reserve	General reserve	Retained earnings (including other comprehensive income)	Total	Non- controlling interests	Total
<b>Balance at 31 March 2016</b>	25,988.60	8,244.45	69,501.31	47,975.39	1,51,709.75	975.47	1,52,685.22
Profit for the year	-	-	-	17,773.53	17,773.53	(576.73)	17,196.80
Other comprehensive income/ (loss) for the year	-	-	-	(1,864.65)	(1,864.65)	-	(1,864.65)
<b>Total comprehensive income for the year</b>	-	-	-	15,908.88	15,908.88	(576.73)	15,332.15
Amortisation of mining rights	-	-	(176.29)	-	(176.29)	-	(176.29)
Transfer to/(from) general reserve	-	-	5,000.00	(5,000.00)	-	-	-
Transfer to/(from) debenture redemption reserve	-	1,710.65	-	(1,710.65)	-	-	-
Dividend paid	-	-	-	(2,797.09)	(2,797.09)	-	(2,797.09)
Dividend distribution tax	-	-	-	(569.42)	(569.42)	-	(569.42)
<b>Balance at 31 March 2017 (Restated)</b>	25,988.60	9,955.10	74,325.02	53,807.11	1,64,075.83	398.74	1,64,474.57
Profit for the year	-	-	-	28,957.50	28,957.50	(398.74)	28,558.76
Other comprehensive income for the year	-	-	-	1,807.95	1,807.95	-	1,807.95
<b>Total comprehensive income for the year</b>	-	-	-	30,765.45	30,765.45	(398.74)	30,366.71
Dividend on 3% preference shares	-	-	-	2,385.84	2,385.84	-	2,385.84
Transfer to/(from) general reserve	-	-	6,000.00	(6,000.00)	-	-	-
Transfer to/(from) debenture redemption reserve	-	9.40	-	(9.40)	-	-	-
Dividend paid	-	-	-	(5,594.18)	(5,594.18)	-	(5,594.18)
Dividend distribution tax	-	-	-	(1,138.84)	(1,138.84)	-	(1,138.84)
<b>Balance at 31 March 2018</b>	25,988.60	9,964.50	80,325.02	74,215.98	1,90,494.10	-	1,90,494.10

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For S.R. Batliboi &amp; Co.LLP.

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per Atul Seksaria

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

A.K. Saraogi

President (Corp.Affairs) &amp; CFO

Shambhu Singh

Company Secretary

Membership No -F5836

For and on behalf of the Board of Directors of  
J K Cement Limited

Yadupati Singhania

Chairman &amp; Managing Director

DIN - 00050364

Krishna Behari Agarwal

Director

DIN - 00339934

# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

## 1. CORPORATE INFORMATION

### I. Reporting Entity

The consolidated financial statement comprise statement of JK Cement limited, its subsidiaries and joint venture operation (collectively, the group) for the year ended 31 March 2018. J K Cement Limited ("J K Cement Limited" or "the Company" or the "Parent") is a public limited company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh – 208 001. J K Cement Limited's equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

### II. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements.

#### 1. Basis of consolidation

- (a) The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements of the Company and its Subsidiary Company 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.
- (b) Bander Coal Company Private Limited recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation as set out in note 47(3).
- (c) The assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.
- (d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (e) Calendar year as accounting year is adopted by J.K. Cement (Fujairah) FZC and J.K. Cement Works (Fujairah) FZC and the books are being prepared on year ending 31.12.2017.
- (f) The Companies considered in the consolidated financial statements of Group are:

Name of the Company	Nature of Company	Country of Incorporation	Holding as on 31.03.2018	Date of period consolidation
J.K. Cement (Fujairah) FZC	Subsidiary	U.A.E.	100%	Calendar year December 2017
J.K. Cement Works (Fujairah) FZC	Fellow Subsidiary	U.A.E.	90%	Calendar year December 2017
Bander Coal Company Pvt Ltd	Joint Venture	India	37.5%	FY 2017-2018
Jaykaycem(Central)Ltd	Subsidiary	India	100%	FY 2017-2018

- (g) Profit or loss attributable to 'non-controlling interest' and to 'owners of the parent' in the statement of profit and loss is presented as allocation for the period. Further, 'total comprehensive income' for the period attributable to 'non-controlling interest' and to 'owners of the parent' is presented in the statement of profit and loss as allocation for the period. The aforesaid disclosures for 'total comprehensive income' is made in the statement of changes in equity.



# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

Non-controlling interests' in the Balance Sheet and in the Statement of Changes in Equity, within equity, is presented separately from the equity of the 'owners of the parent'.

## 2. Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis except the following items, which are measured on fair value basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value (Refer Note 41)
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation (Refer Note 38)

## 3. Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lacs up to two decimal places unless otherwise indicated.

## 4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- **Assessment of lease contracts:**  
Classification of lease under finance lease or operating requires judgement with regard to

the estimated economic life and estimated cost of the assets. The Group has analyzed each lease contract on case to case basis to classify the arrangements as operating and finance lease, based on evaluation of the term and conditions of the arrangements.

### – Provision and contingencies

The assessment undertaken in the recognizing provision and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss.

## B. Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below, the Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market change or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occurred.

### Taxes:

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with tax planning strategy.

### Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence,

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.

### Post-retirement benefit plans

Employee benefit obligations (gratuity obligations) are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and Mortality rates. Due to the complexities involved in the valuation and its long term natures, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available and measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## 5. Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## 6. Property, plant and equipment

### Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

Any gain/ (loss) on disposal of property, plant and equipment is recognised in statement of profit and loss.

### Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### Depreciation

Depreciation on Property, plant and equipment (PPE) is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold land is being amortised over the period of lease tenure.

The management estimates the useful lives for the property, plant and equipment, except leasehold land as follows –

<b>Tangible Assets</b>	<b>Life</b>
Factory building	03-30 Years
Non factory building	03-60 Years
Plant and machinery	02-40 Years
Vehicles	04-10 Years
Furniture and fixtures	03-15 Years
Office equipment	03-05 Years
Railway slidings	05-18 Years

Freehold Mining Land is depleted according to the 'unit of production' method by reference to the ratio of extraction of limestone in the year to the related reserves of limestone.

Leasehold Land is amortized on a straight line basis over the primary lease period.

Limestone reserves are estimated by the management based on the internal best estimates or independent expert's valuation as considered appropriate. These estimates are reviewed at least annually.

The management believes that the estimated useful lives are realistic and reflect approximation of the period over which the assets are likely to be used.

### 7. Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 3 years.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

### 8. Financial instruments

A financial instrument is any contract that gives rise to asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

#### Financial Assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

### Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity

investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

### Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

#### Subsequent measurement

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

#### Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and

financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### 9. Inventories

#### Inventories are valued as follows:

Raw materials, packing materials, stores and spares	Lower of cost and net realisable value. Cost is determined on a moving weighted average basis. Materials and other items held for use in the production of inventories are at cost not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads. Cost of finished goods includes excise duty, wherever applicable.
Waste	At net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

### 10. Provisions, Contingent Liabilities and Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognized in the financial statements. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

#### Mines Restoration Expenditure

The expenditure on restoration of the mines based on technical estimates by Internal/External specialists is recognized in the accounts. The total estimated

restoration expenditure is apportioned over the estimated quantity of mineral resources (likely to be made available) and provision is made in the accounts based on minerals mined during the year.

### 11. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. 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 Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obliger in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Based on the education material on Ind AS 18 issued by the ICAI, the Group assumed that recovery of excise duty flows to the Group 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 Group on its own account, revenue includes excise duty.

However, sales tax/value added tax (VAT) goods & service tax (GST) is not received by the Group 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 the revenue. The specific recognition criteria described below must also be met before revenue is recognised.

#### (a) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

to the customer which generally coincide with the delivery of goods, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty upto 30.06.2017 and net of returns, trade discounts and volume rebates.

- (b) Dividend Income from investments is recognized when the right to receive payment is established and recovery is probable.
- (c) Interest income is recognized using the EIR method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.
- (d) Insurance Claims: Claims lodged with the insurance Companies are accounted for on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

### 12. Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as income on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over

the expected lives of the related assets and presented within other income.

### 13. Employee benefits

#### (i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

#### (iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability



## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

(asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group has following defined benefit plans:

### a) Gratuity

The Group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund formed by the Group. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

### (iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The Group has following long term employment benefit plans:

### a) Leave Liability

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance

Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

### 14. Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

### 15. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 16. Taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

#### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax asset is reviewed on each reporting date.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

### 17. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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### 18. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group has been identified as being the chief operating decision maker by the Management of the Group. Refer note 37 for segment information presented.

### 19. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 20. Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is

allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or 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 lessor's expected inflationary cost increases.

### 21. Earnings Per Share (EPS)

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit for the year by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### 2. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	Opening	Additions	Deletions / Adj	Foreign Exchange Impact	As at 31.03.2018	Opening	Additions	Deletions / Adj	Foreign Exchange Impact	As at 31.03.2018
<b>Tangible Assets</b>										
Freehold land	28,930.11	5,004.11	4,983.85		28,950.37	-	-	-	-	28,930.11
Building	80,606.42	2,660.64	396.46	(321.77)	82,870.60	12,676.78	3,871.51	50.97	(92.19)	67,929.64
Plant and equipment (iv)	4,31,523.48	11,160.40	6,324.39	(287.30)	4,36,359.49	1,07,145.45	16,453.36	3,554.82	(278.09)	3,24,378.03
Plant & equipment-Others (i)	5,029.13	-	-		5,029.13	518.64	299.19	-		4,510.49
Vehicles	3,636.84	650.76	192.28	(32.72)	4,095.32	1,782.08	439.56	153.99	7.16	1,854.76
Furniture and fixtures	3,787.53	111.40	6.09	42.34	3,892.84	2,059.05	339.33	5.20	(12.80)	1,728.48
Office Equipment	450.53	79.93	12.52	0.61	517.94	243.64	70.96	11.12	(0.63)	206.89
Railway sidings	10,297.52	245.88	1.04		10,542.36	1,813.83	677.54	0.12		8,483.69
Rolling stock	89.43	-	-		89.43	63.85	8.19	-		25.58
Other assets	537.39	90.05	1.32	(53.29)	626.12	313.87	95.55	-	6.91	409.42
<b>Assets under Finance Lease</b>	-	-	-		-	-	-	-		-
Leasehold land (iii)	16,315.16	1,368.39	39.17	(40.44)	17,644.38	2,747.33	656.36	3.26	(4.54)	13,567.83
<b>Total</b>	<b>581,203.54</b>	<b>21,371.56</b>	<b>11,957.12</b>	<b>(692.57)</b>	<b>5,90,617.98</b>	<b>1,29,364.52</b>	<b>22,911.55</b>	<b>3,779.48</b>	<b>(374.18)</b>	<b>4,51,839.02</b>
Capital work-in-progress(ii)	12,674.80	10,968.22	13,216.50		10,426.52	-	-	-		12,674.80
<b>Total</b>	<b>5,93,878.34</b>	<b>32,339.78</b>	<b>25,173.62</b>	<b>(692.57)</b>	<b>6,01,044.50</b>	<b>1,29,364.52</b>	<b>22,911.55</b>	<b>3,779.48</b>	<b>(374.18)</b>	<b>4,64,513.82</b>
										<b>4,52,547.91</b>

(i) Cost incurred by company ownership of which vest with State Electricity Boards & Indian Railways.

(ii) The amount of ₹ 13,216.50 lacs represents the amount capitalised during the year

(iii) It includes freehold land for minning having cost of 3274.81/- (31st March 2017 : 3082.44/-), amortisation of 117.66/- (31st March 2017 : 74.16/-) and net block of 2,449.95/- (P.Y. 2,375.24/-)

(iv) Property , plant & equipment pledged as security: Refer note no. 17(a) for information on property, plant & equipment pledged as security by the company.

(v) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for 1 case of leasehold land and 4 cases of freehold land amounting to gross block of ₹ 1,353.07 lacs (net block: ₹ 177.29 lacs) and gross block of ₹ 225.64 lacs (net block: ₹ 225.64 lacs) respectively as at March 31, 2018 for which title deeds are in the name of the erstwhile company that merged with the Company pursuant to a scheme of amalgamation and arrangement as approved by the honourable High Court in earlier years.

(vi) Assets related to Thermal Power Plant and other DG Set at Rajasthan Location are decapitalised & kept for final disposal. Refer Note No.44 & 45.

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## 3. INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	Opening	Additions	Deletions / Adj	Foreign Exchange Impact	As at 31.03.2018	Opening	Additions	Deletions / Adj	Foreign Exchange Impact	As at 31.03.2018
<b>Intangible Assets</b>										
Computer Software	739.47	149.59	48.46	-	840.60	182.50	220.63	-	-	437.47
Mining Rights	1,877.38	-	-	1.15	1,877.38	102.23	-	-	0.06	1,775.15
<b>Total</b>	<b>2,616.85</b>	<b>149.59</b>	<b>48.46</b>	<b>1.15</b>	<b>2,717.98</b>	<b>284.73</b>	<b>220.63</b>	<b>-</b>	<b>0.06</b>	<b>2,212.62</b>

₹/Lacs

# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>4 NON CURRENT INVESTMENTS</b>		
<b>A. Investment in equity instruments (fully paid-up)</b>		
<b>Unquoted (at FVTPL)</b>		
- 8000 (31st March 2017 : 5200) equity shares of ReNew Wind Energy AP (Pvt.) Ltd. (Face value ₹ 10 each)	8.00	5.20
- 3140101(31st March 2017 : 3140101) equity shares of VS Legnite Power Pvt. Ltd. (Face value ₹ 10) <sup>##</sup>	-	-
<b>B. Investment in preference shares (fully paid up) Unquoted (at FVTPL)</b>		
- 2785552(31st March 2017 : 2785552) 0.01% cumulative redeemable Preference shares in VS Legnite Power Pvt. Ltd. (Face value ₹ 10) <sup>##</sup>	-	-
<b>C. Investment In Mutual Funds</b>		
<b>Quoted (at FVTPL)</b>		
5000000( 31st March 2017:5000000) HDFC fmp 1302D Sep2016(1)Regular-Growth -Series-37 Maturity date2020	569.69	500.00
5000000( 31st March 2017:5000000) HDFC fmp 1188D Mar-2017(1)-Regular-Growth-Series38- Maturity date-29-6-2020	540.32	500.00
5000000 (31st March 2017: Nil) UTI FITF Series XXVII-II (1161 Days)	522.56	-
5000000( 31st March 2017:NIL) ICICI Prudential Fixed Maturity Plan Series 82-1187 Days	508.53	-
5000000( 31st March 2017:NIL) ICICI Prudential Fixed Maturity Plan Series 82-1136 Days	501.51	-
<b>D. Investments in Bonds (Quoted) (at FVTPL)</b>		
50 (31st March 2017:50) State bank of India SR-III 8.39% BD perpetual Bonds, Face value per Bond ₹ 1000000 purchased @991285	494.15	495.64
50 (31st March 2017:NIL) State bank of India SR-II 8.75% BD perpetual Bonds, Face value per Bond ₹ 1000000 purchased @1007773	499.44	-
50 (31st March 2017:NIL) Punjab National Bank SR- VIII, 8.95% BD perpetual Bonds, Face value per Bond ₹ 1000000 purchased @1006175	491.37	-
	<b>4,135.57</b>	<b>1,500.84</b>
<b>Aggregate amount of market value of quoted investment</b>	<b>4,127.57</b>	<b>1,495.64</b>
<b>Aggregate amount of unquoted investment</b>	<b>8.00</b>	<b>5.20</b>

<sup>##</sup>The fair value of investment is Nil (31 March 2017: Nil).

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>5 NON CURRENT LOAN &amp; ADVANCES</b>		
<b>(unsecured, considered good)</b>		
Fixed Deposits*	563.76	10,413.25
Vehicle Loan Recoverable	143.41	12.03
Security Deposits	3,095.76	3,052.15
	<b>3,802.93</b>	<b>13,477.43</b>

\*Non Current Fixed Deposits includes deposit of ₹ 27.16 Lacs (31 March 2017 is ₹ 112.82 Lacs ) pledged against overdraft /other commitments.

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to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
₹/Lacs		
<b>6 OTHER NON-CURRENT ASSETS</b>		
Capital Advances	10,579.16	9,720.69
Prepaid Rent	29.43	26.92
Deferred Employee Compensation	26.03	25.69
Advance to Employees	122.41	130.93
Deposit under protest with Govt Authorities	1,581.52	1,432.92
	<b>12,338.55</b>	<b>11,337.15</b>

	As at 31 March 2018	As at 31 March 2017
₹/Lacs		
<b>7 INVENTORIES</b>		
<b>(Valued at lower of cost and net realisable value)</b>		
Raw Materials	8,977.25	8,492.07
Work-in-Process	7,412.67	8,584.16
Finished goods	7,343.63	8,032.86
Stock-in-Trade	8.04	16.45
Consumable Stores and Spares (net of provisions for non-moving inventories of ₹ 108.75 lacs (31 March 2017: ₹ 38.91))	30,542.79	29,625.49
<b>Goods in transit :</b>		
- Consumable Stores and Spares	4,696.58	1,338.26
	<b>58,980.96</b>	<b>56,089.29</b>

Refer to note 17 for information on inventories pledged as security by the company.

	As at 31 March 2018	As at 31 March 2017
₹/Lacs		
<b>8 CURRENT INVESTMENTS</b>		
<b>Investment in Mutual Funds</b>		
<b>Quoted (at FVTPL)</b>		
- 6568620.89(31st March 2017 : 6568620.89) units in "ICICI Prudential Regular Income fund"	1,151.85	1,076.47
- 1774748.873 (31st March 2017 : 1774748.873) units in "HDFC Regular Saving - Growth"	611.12	575.19
- 2721606.837(31st March 2017 : 2721606.837) units in Edelweiss Mutual Fund "Edelweiss Government Securities Regular- Growth"	389.06	372.44
- 9322487.4370 (31st March 2017 : 3180661.58) units in "Axis Regular Saving Fund -Regular Plan Growth"	1,579.11	500.81
- 73605.432(31st March 2017 : 39292.91) units in "SBI Premier Liquid fund -DIR Plan Growth"	2,005.30	1,000.28
-44082.999 (31st March 2017 : 46894.59) units in HDFC Liquid Fund Growth	1,504.04	1,500.46
-Nil ( 31st March 2017 :86538.37) units in IDBI Liquid Fund -Regular Plan-Growth	-	1,500.35
-2353040.835 ( 31st March 2017 :Nil) units in Birla Sun Life(BSL)	517.14	-
<b>Aggregate amount of quoted Investments</b>	<b>7,757.62</b>	<b>6,526.00</b>



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to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
<b>9 TRADE RECEIVABLES</b>		
<b>Secured</b>		
Considered good	10,428.10	11,604.71
<b>Unsecured</b>		
Considered good	13,150.81	8,588.63
Considered doubtful	959.87	739.12
Less: Provision for doubtful balances	959.87	739.12
	<b>23,578.91</b>	<b>20,193.34</b>

Refer to Note 17 for information on Trade receivables pledged as security by the company.

	As at 31 March 2018	As at 31 March 2017
<b>10 CASH AND CASH EQUIVALENTS</b>		
Balance with banks:		
- In current accounts	3,566.47	4,007.82
-Fixed Deposits with maturity of upto 3 months	14,060.34	8,944.68
Cash on hand	41.31	33.23
Cheques in hand	2,171.41	25.23
	<b>19,839.53</b>	<b>13,010.96</b>

	As at 31 March 2018	As at 31 March 2017
<b>11 OTHER BANK BALANCES</b>		
Earmarked Bank balances#	117.88	99.20
Fixed Deposits for more than 3 months & upto one year*	35,989.94	30,421.23
	<b>36,107.82</b>	<b>30,520.43</b>

\*Fixed Deposits for more than 3 months & upto one year include deposit of ₹ 2,698.08 Lacs (31 March 2017: ₹ 1,839.70 Lacs ) pledged against overdraft /other commitments.  
# bank balance are against unpaid dividend.

	As at 31 March 2018	As at 31 March 2017
<b>12 OTHER CURRENT FINANCIAL ASSETS</b>		
Other Loans and Advances - Doubtful	33.96	49.63
Provision for doubtful advances	(33.96)	(49.63)
Loans and Advances to Related Parties#	1,302.96	915.89
Other Loans and Advances *	4,899.51	2,509.21
Advance to Employees	40.74	217.32
Interest Accrued	1,198.79	1,258.12
Others	-	365.82
	<b>7,442.00</b>	<b>5,266.36</b>

\*Includes Government Subsidy of ₹ 3,233.65 Lacs (31 March 2017: ₹ 1,403.11 Lacs ).

# Funds remitted after consolidated period (31st December) to J.K.Cement (Fujairah) FZC.

Refer to Note 17 for information on other current financial assets pledged as security by the company.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
<b>13 CURRENT TAX (NET)</b>		
Advance tax/(Liability) (Net of provision for income tax of ₹ 9,413.62 Lacs)	757.45	(148.90)
	<b>757.45</b>	<b>(148.90)</b>

	As at 31 March 2018	As at 31 March 2017
<b>14 OTHER CURRENT ASSETS</b>		
Balances with Government authorities	3,041.24	5,806.66
Prepaid Expenses	2,686.42	2,550.58
Advance to Employees	88.52	75.09
Advances recoverable in cash or in kind	9,184.07	7,871.92
Deferred employee compensation	14.54	15.45
	<b>15,014.79</b>	<b>16,319.70</b>

	As at 31 March 2018	As at 31 March 2017
<b>15 SHARE CAPITAL</b>		
Authorised:		
8,00,00,000 (As at 31 March 2017 - 8,00,00,000) equity shares of ₹ 10/- each	8,000.00	8,000.00
Issued, subscribed & fully paid up:		
6,99,27,250 (As at 31 March 2017 - 6,99,27,250) equity Shares of ₹ 10/- each	6,992.72	6,992.72
	<b>6,992.72</b>	<b>6,992.72</b>

**a. Terms and rights attached to equity shares**

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. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

**b. Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Number of Shares	Amount
Outstanding at the 1 April 2016	6,99,27,250	6,992.72
Equity Shares issued during the year	-	-
Outstanding at the 31 March 2017	6,99,27,250	6,992.72
Equity Shares issued during the year	-	-
Outstanding at the 31 March 2018	6,99,27,250	6,992.72

**c. Shareholders holding more than 5% shares in the company**

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Percentage	No. of Shares	Percentage
Yadu International Ltd	3,01,99,518.00	43.19%	2,99,49,518.00	42.83%
Yadupati Singhania	1,20,64,198.00	17.25%	1,22,84,198.00	17.57%

# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>16 OTHER EQUITY</b>		
<b>a. Securities premium reserve</b>		
Balance at the beginning of the year	25,988.60	25,988.60
Balance at the end of the year	<b>25,988.60</b>	<b>25,988.60</b>
<b>b. Debenture redemption reserve</b>		
Balance at the beginning of the year	9,955.10	8,244.45
Add: Transfer from retained earnings	9.40	1,710.65
Balance at the end of the year	<b>9,964.50</b>	<b>9,955.10</b>
<b>c. General reserve</b>		
Balance at the beginning of the year	74,325.02	69,501.31
Add: Transfer from retained earnings	6,000.00	5,000.00
Less :Amortisation of mining rights	-	(176.29)
Balance at the end of the year	<b>80,325.02</b>	<b>74,325.02</b>
<b>d. Retained earnings</b>		
Balance at the beginning of the year	53,807.11	47,975.39
Add: Dividend on 3% cumulative preference shares	2,385.84	-
Add: Net profit for the year	28,957.50	17,773.53
Add: Other Comprehensive income for the year	1,807.95	(1,864.65)
Less: Transfer to general reserve	6,000.00	5,000.00
Less: Transfer to debenture redemption reserve	9.40	1,710.65
Less: Dividend on equity shares	5,594.18	2,797.09
Less: Dividend distribution tax on equity shares	1,138.84	569.42
	<b>74,215.98</b>	<b>53,807.11</b>
	<b>1,90,494.10</b>	<b>1,64,075.83</b>

## Nature and purpose of other reserves/ other equity

### Debenture Redemption Reserve

The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

### General reserve

The Company appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act

### Other Comprehensive Income

#### a) Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) actuarial gains and losses

- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

#### b) Foreign Currency Translations

Foreign Currency Translation adjustments on foreign subsidiaries.

### Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or

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to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
Borrowings (Note 17)	2,57,410.51	2,87,014.50
Current maturity of Long term Borrowings (Note 24)	20,997.58	22,103.95
Cash and cash equivalents (Note 10)	(19,839.53)	(13,010.96)
<b>Net debt</b>	<b>2,58,568.56</b>	<b>2,96,107.49</b>
Total Equity	1,97,486.82	1,71,467.29
<b>Capital and net debt</b>	<b>4,56,055.38</b>	<b>4,67,574.78</b>
Gearing ratio	56.70%	63.33%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>17 BORROWINGS</b>		
<b>Secured</b>		
Non convertible debentures	58,992.88	66,197.39
Less: Current maturities of non convertible debentures (Refer note 24)	7,300.00	7,300.00
Term loans (Secured)		
- From banks	2,09,624.11	2,33,666.65
Less: Current maturities of Term loans (Refer note 24)	12,712.50	14,032.48
- Vehicle loans	672.04	539.29
Less: Current maturities of Vehicle loans (Refer note 24)	325.13	239.79
- VAT loans from Government	5,300.66	4,419.13
<b>Unsecured</b>		
Deferred sales tax liabilities	3,818.40	4,295.99
Less: Current maturities of Def.sales tax liabilities (Refer note 24)	659.95	531.68
	<b>2,57,410.51</b>	<b>2,87,014.50</b>

# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

## a. Particulars of Securities, Repayment & Interest

Loan's Securities	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at 31 March 2018	As at 31 March 2017
<b>1) Secured Non Convertible Debentures</b>					
NCD as shown includes ₹ 207.12 Lacs ( 31 March 2017 ₹ 302.61) towards amortised expenses.					
Non Convertible Debentures(NCDs): ₹ 59,200.00 lacs (31 March 2017 ₹ 66,500.00 lacs)	Annual	2020-21	10.25%	7,200.00	9,000.00
i) Security for NCDs for ₹ 29,200.00 lacs (₹ 36,500.00 lacs)	Annual	2020-21	10.50%	7,200.00	9,000.00
Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified below:-	Annual	2020-21	11.00%	3,660.00	7,000.00
Secured by pari-passu first charge on the Company's PPE (movable & immovable) by way of equitable mortgage on immovable Assets and hypothecation on movable PPE ,related to company's plant at Nimbahera ,Mangrol,Gotan Grey and Katni .	Annual	2020-21	11.00%	11,140.00	11,500.00
a) Company's Existing Plant at Nimbahera having capacity of 3.25 MnTPA.	Annual	2023-24	10.50%	8,500.00	8,500.00
b) Company's Existing Plant at Mangrol having capacity of 0.75 MnTPA.					
c) Company's Existing Plant at Gotan consisting of White Cement plant having capacity of 0.40 MnTPA and Thermal Power Plant.					
d) Company's Existing Thermal power plant at Bamania.					
ii Security for NCDs for ₹ 30,000.00 lacs (₹ 30,000.00 lacs)	Annual	2023-24	11.00%	11,500.00	11,500.00
Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of movable PPE pertaining to Company's existing cement plant at village Muddapur Karnataka	Annual	2025-26	9.65%	10,000.00	10,000.00
Sub Total (1)				59,200.00	66,500.00
<b>2) Secured Term Loans from Banks</b>					
Term Loan as shown includes ₹ 313.13 Lacs (31 March 2017 ₹ 344.92 Lacs) towards amortised expenses .					
Secured by pari-passu first charge on the Company's PPE (movable & immovable) by way of equitable mortgage on immovable Assets and hypothecation on movable PPE ,related to company's existing plant at Nimbahera, Mangrol,Gotan Grey and Katni .	Quarterly	2021-22	-	-	3,570.69
i) Company's Existing Plant at Nimbahera having capacity of 3.25 MnTPA.	Quarterly	2019-20	LTMLR	625.00	1,134.32
ii) Company's Existing Plant at Mangrol having capacity of 0.75 MnTPA.	Quarterly	2019-20	MCLR+0.75%	2,910.70	4,262.64
	Quarterly	2023-24	MCLR+0.50%	8,460.28	9,469.21

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

					Carrying Amount	
Loan's Securities		Repayment Frequency	Year of Maturity	Rate of Interest p.a.	As at 31 March 2018	As at 31 March 2017
iii)	Company's Existing Plant at Gotan consisting of White Cement plant having capacity of 0.40 MnTPA and Thermal Power Plant.	Quarterly	2018-19	MCLR+0.20%	428.57	857.14
		Quarterly	2018-19	-	-	714.18
iv)	Company's Existing Thermal power plant at Bamania.	Quarterly	2017-18	-	-	248.07
	Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable assets pertaining to the specified properties.	Quarterly	2018-19	-	-	850.98
		Quarterly	2020-21	MCLR+0.65%	1,541.91	1,542.00
	Secured by equitable mortgage of immovable properties and hypothecation of movable PPE pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.	Quarterly	2019-20	-	-	2,475.58
		Quarterly	2022-23	LTMLR	3,750.00	4,464.75
	Secured by First Pari-passu charge by way of equitable mortgage of all the immovable Properties (except mining land) and hypothecation of all moveable non current assets, present and future pertaining to J.K. Cement Works and Thermal power plant, Muddapur, Karnataka.	Quarterly	2021-22	MCLR+ 0.50%	6,267.50	7,279.83
		Quarterly	2021-22	MCLR	433.30	488.37
		Quarterly	2021-22	MCLR	757.50	851.58
	Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable PPE, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.	Quarterly	2022-23	MCLR+0.50%	3,058.57	3,815.13
	Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable PPE, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.	Quarterly	2023-24	MCLR+0.25%	1,718.69	2,031.21
	Secured against exclusive charge on entire movable PPE (by way of hypothecation) and on immovable PPE related to the Wall Putty project at Katni, Madhya Pradesh (excluding current assets and mining land, if any).	Quarterly	2023-24	LTMLR	8,800.00	9,300.00
	First pari-passu charge on the entire movable and immovable fixed assets pertaining to J.K. Cement Works(Fujairah)FZC, UAE as per prevalent local laws in UAE. Hypothecation of Inventories & assignment of trade receivables.					
	Assignment of the rights under the Land Lease Agreement in respect of lease hold land(both plant and mining land). Corporate Guarantee of J.K. Cement Limited for entire tenor of loan. Assignment of Insurance Contracts/Insurance proceeds arising from the Insurance Contracts.	Quarterly	2024-25	3.25% + 6 Month LIBORE	54,392.17	61,563.33

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

Loan's Securities	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at 31 March 2018	As at 31 March 2017
Secured by First charge by way of mortgage, on all the immovable properties, both present and future pertaining to, of the new cement Plants at Mangrol, Rajasthan (save and except mining land) including captive power plant of 25 MW and waste heat recovery based power plant of 10 MW and split Grinding Unit at Jharli, Haryana and hypothecation of all the movable PPE of the above plants (save and except Current Assets), both present and future and second charge on all current assets, present and future, pertaining to the above plants (subject to prior charge created or to be created on the Current Assets in favour of the Working Capital Lenders for securing the Working Capital Facilities.	Quarterly	2030-31	MCLR+ 0.50%	1,04,254.72	1,11,604.23
	Quarterly	2030-31	MCLR+ 0.40%	12,538.33	7,488.33
<b>Sub Total (2)</b>				<b>2,09,937.24</b>	<b>2,34,011.57</b>
<b>Total (1) + (2)</b>				<b>2,69,137.24</b>	<b>3,00,511.57</b>
Less : Shown in current maturities of long term debt				20,012.50	21,332.48
<b>Balance shown as above</b>				<b>2,49,124.74</b>	<b>2,79,179.09</b>

### b Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	56,393.23	53,845.44
Liquid investments	7,757.62	6,526.00
Current borrowings	(36,644.51)	(44,697.23)
Non Current borrowings	(2,57,410.51)	(2,87,014.50)
<b>Net Debt</b>	<b>(2,29,904.17)</b>	<b>(2,71,340.29)</b>



# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
<b>18 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security Deposits	20,678.88	17,671.71
	<b>20,678.88</b>	<b>17,671.71</b>

	As at 31 March 2018	As at 31 March 2017
<b>19 LONG-TERM PROVISIONS</b>		
Provision for employee benefits (Refer Note No.38)		
- Gratuity	20.00	10.00
- Leave encashment	2,505.57	2,030.84
Provision for Mines Restoration Charges*	211.55	197.15
	<b>2,737.12</b>	<b>2,237.99</b>
<b>* Provision for Mines Restoration charges:</b>		
Opening Balance	197.15	175.67
Addition during the year	14.40	21.48
Closing Balance	<b>211.55</b>	<b>197.15</b>

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on the estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

	As at 31 March 2018	As at 31 March 2017
<b>20 DEFERRED TAX LIABILITIES (NET)</b>		
<b>A. The balance comprises temporary differences attributable to:</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment	60,057.48	58,450.60
<b>Deferred tax assets</b>		
Unabsorbed depreciation & Losses	1,915.62	9,980.15
Employee benefits	965.63	840.63
Trade receivables	343.95	272.97
Liability on payment basis	2,763.18	3,291.07
MAT Credit adjustment	27,372.44	18,079.26
	<b>26,696.66</b>	<b>25,986.52</b>

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

				₹/Lacs
B. Movement in deferred tax balances	As at 31 March 2017	Recognized in P&L	Recognized in OCI	As at 31 March 2018
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation & Losses	9,980.15	(8,064.53)		1,915.62
Employee benefits	840.63	192.67	(67.67)	965.63
Trade receivables	272.97	70.98		343.95
Liability on expenses	3,291.07	(527.89)		2,763.18
MAT Credit Entitlement	18,079.26	9,293.18		27,372.44
<b>Sub- Total (a)</b>	<b>32,464.08</b>	<b>964.41</b>	<b>(67.67)</b>	<b>33,360.82</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	58,450.60	1,606.88		60,057.48
<b>Sub- Total (b)</b>	<b>58,450.60</b>	<b>1,606.88</b>	<b>-</b>	<b>60,057.48</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>25,986.52</b>	<b>*642.47</b>	<b>67.67</b>	<b>26,696.66</b>

				₹/Lacs
	As at 31 March 2016	Recognized in P&L	Recognized in OCI	As at 31 March 2017
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation & Losses	18,140.11	(8,159.96)	-	9,980.15
Employee benefits	700.75	156.55	(16.67)	840.63
Trade receivables	235.44	37.53		272.97
Liability on expenses	3,933.49	(642.42)		3,291.07
MAT Credit Entitlement	11,029.37	7,049.89		18,079.26
<b>Sub- Total (a)</b>	<b>34,039.16</b>	<b>1,558.41</b>	<b>(16.67)</b>	<b>32,464.08</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	55,691.41	2,759.19	-	58,450.60
<b>Sub- Total (b)</b>	<b>55,691.41</b>	<b>2,759.19</b>	<b>-</b>	<b>58,450.60</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>21652.25</b>	<b>4,317.60</b>	<b>16.67</b>	<b>25,986.52</b>

# Movement included ₹ 293.02 Lacs of earlier year tax adjustment

			₹/Lacs
C. Amounts recognised in profit or loss	For the year ended 31 March 2018	For the year ended 31 March 2017	
<b>Current tax expense</b>			
Current year	9,413.62	7,047.08	
	<b>9,413.62</b>	<b>7,047.08</b>	
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences	349.45	4,320.39	
Earlier year Tax Adjustment	-	(2.75)	
	<b>349.45</b>	<b>4,317.64</b>	
<b>Total Tax Expense</b>	<b>9,763.07</b>	<b>11,364.72</b>	

							₹/Lacs
D. Amounts recognised in Other Comprehensive Income	For the year ended 31 March 2018 Before tax	Tax (Expense)/ Income	Net of tax	For the year ended 31 March 2017 Before tax	Tax (Expense)/ Income	Net of tax	
Remeasurements of defined benefit liability	195.55	(67.67)	127.88	48.17	(16.67)	31.50	
	<b>195.55</b>	<b>(67.67)</b>	<b>127.88</b>	<b>48.17</b>	<b>(16.67)</b>	<b>31.50</b>	

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

			₹/Lacs	
	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Rate	Amount	Rate	Amount
<b>E. Reconciliation of effective tax rate</b>				
<b>Profit before tax from continuing operations</b>	34.608	43,972.76	34.608	32,443.17
Tax using the Company's domestic tax rate		15,218.10		11,227.93
Tax effect of:				
Non-deductible expenses		300.36		1,344.28
Tax-exempt income & incentives		(5,786.91)		(1,402.87)
Recognition of tax effect of previously unrecognised tax losses		-		187.92
Others		31.52		7.46
		<b>9,763.07</b>		<b>11,364.72</b>

			₹/Lacs	
	31 March 2018		31 March 2017	
	Amount	Expiry date	Amount	Expiry date
<b>F. Tax losses carried forward</b>				
<b>Unabsorbed Depreciation carried forward expire as follows.</b>				
Never expire	4,276.46	-	*42,936.13	-

\*Actual carry over was ₹ 28,604.07 Lacs.

			₹/Lacs	
	As at 31 March 2018		As at 31 March 2017	
<b>21 OTHER NON-CURRENT LIABILITIES</b>				
Deferred government subsidies				
- Capital subsidy sanctioned by Rajasthan government on PPE		9,232.02		8,633.01
		<b>9,232.02</b>		<b>8,633.01</b>

Government grants have been received against the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

			₹/Lacs	
	As at 31 March 2018		As at 31 March 2017	
As at 31 March 2017		606.88		399.19
Current		8,633.01		7,747.68
Non Current		9,239.89		8,146.87
		<b>1,499.65</b>		<b>1,699.90</b>
Received during the year		753.76		606.88
Released to statement of profit or loss				
As at 31 March 2018		<b>753.76</b>		<b>606.88</b>
Current		9,232.02		8,633.01
Non Current		9,985.78		9,239.89

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
<b>22 SHORT TERM BORROWINGS</b>		
Loan repayable on demand (Secured)*		
- From banks	15,646.93	22,593.28
	<b>15,646.93</b>	<b>22,593.28</b>

\* Cash credit account : ₹ 11,351.76 Lacs(31 March 2017 is ₹ 16,729.17 Lacs )

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders.

\* Short Term Loan/Over Draft Account : ₹ 4,295.17 lacs (₹ 5,864.11 lacs)

Working Capital facilities are secured by first charge on current assets of the Company namely inventories, book debts etc. and undated cheques covering the exposure.

	As at 31 March 2018	As at 31 March 2017
<b>23 TRADE PAYABLE</b>		
Micro, Small and Medium Enterprises	1,227.33	403.57
Trade Payables	42,344.33	42,309.41
	<b>43,571.66</b>	<b>42,712.98</b>

Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March,2018 as per the terms of contract.

	As at 31 March 2018	As at 31 March 2017
<b>24 OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term debt	20,997.58	22,103.95
Employee Dues	1,358.09	2,286.93
Interest accrued but not due on borrowings	1,362.60	1,463.51
Interest accrued and due on borrowings	-	90.22
Unpaid dividends	117.88	99.20
Unclaimed fraction money	9.22	9.23
Security deposits	1,033.33	843.12
Project Creditors	686.34	558.04
Temporary Book Overdraft	54.28	185.29
Others*	24,965.81	18,292.29
	<b>50,585.13</b>	<b>45,931.78</b>

\*Other Includes Customer obligations ,customers claims etc.

	As at 31 March 2018	As at 31 March 2017
<b>25 OTHER CURRENT LIABILITIES</b>		
Statutory Dues Payable	9,046.25	7,008.75
Government Grant	753.76	606.88
Advance from Customers	9,019.44	7,178.34
Others	271.86	844.22
	<b>19,091.31</b>	<b>15,638.19</b>

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	As at 31 March 2018	As at 31 March 2017
<b>26 SHORT-TERM PROVISIONS</b>		
Employee benefits		
- Gratuity (Refer Note 38)	1,788.03	663.09
- Leave Encashment	494.20	388.20
	<b>2,282.23</b>	<b>1,051.29</b>

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>27 REVENUE FROM OPERATIONS</b>		
<b>Sale of products (including excise duty)</b>	4,97,162.19	4,60,200.01
<b>Total (i)</b>	<b>4,97,162.19</b>	<b>4,60,200.01</b>
<b>Other operating revenue</b>		
Claims realised	356.42	511.69
Government grants	3,825.13	4,451.75
Miscellaneous income	703.89	236.46
<b>Total (ii)</b>	<b>4,885.44</b>	<b>5,199.90</b>
<b>Revenue from operations [(i) + (ii)]</b>	<b>5,02,047.63</b>	<b>4,65,399.91</b>

Sale of products includes excise duty collected from customers of ₹ 16,696.42 lacs (31 March 2017: ₹ 62,428.74 lacs). Sale of goods net of excise duty is ₹ 4,80,465.77 lacs (31 March 2017: ₹ 3,97,771.27 lacs). Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2018 is not comparable 31 March 2017.

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>28 OTHER INCOME</b>		
Interest income from financial assets measured at amortised cost		
- from bank deposits	3,133.73	3,269.26
- from others	1,086.39	970.31
Net fair value gain/(loss) on financial assets measured at fair value through profit or loss	284.83	(165.04)
Profit on sale of current investment (net)	171.73	239.67
Government grants	332.23	359.56
Miscellaneous income	7,804.94	4,443.30
Net Gain on Foreign Currency transactions and translation	-	725.95
	<b>12,813.85</b>	<b>9,843.01</b>

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>29 COST OF MATERIALS CONSUMED</b>		
Raw material Consumed	78,185.98	68,647.53
	<b>78,185.98</b>	<b>68,647.53</b>

# NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>Closing Inventory</b>		
Work-in-Progress	(7,412.67)	(8,584.16)
Finished Goods	(7,343.63)	(8,032.86)
Stock in Trade	(8.04)	(16.45)
<b>Total (A)</b>	<b>(14,764.34)</b>	<b>(16,633.47)</b>
<b>Opening Inventory</b>		
Work-in-Progress	8,584.16	9,801.12
Finished Goods	8,032.86	8,260.75
Stock in Trade	16.45	23.43
<b>Total (B)</b>	<b>16,633.47</b>	<b>18,085.30</b>
<b>Total (A-B)</b>	<b>1,869.13</b>	<b>1,451.83</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>31 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	30,717.79	26,816.09
Contribution to provident and other funds (Refer Note No 38)	4,036.19	2,524.13
Staff welfare expenses	2,073.88	2,214.06
	<b>36,827.86</b>	<b>31,554.28</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>32 FINANCE COST</b>		
Interest expenses	27,698.35	29,513.52
Other Borrowing Costs (includes bank charges, etc.)	268.16	691.79
Unwinding of discounts	442.64	60.95
	<b>28,409.15</b>	<b>30,266.26</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>33 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on tangible assets	22,911.55	21,469.58
Amortisation on intangible assets	220.63	225.41
	<b>23,132.18</b>	<b>21,694.99</b>

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>34 OTHER EXPENSES</b>		
Packing material consumed	22,171.05	18,171.27
Stores and spares consumed	10,871.96	10,544.75
Repairs and maintenance:		
- Buildings	1,235.10	1,257.04
- Plant and machinery	7,709.39	8,342.29
- Other Assets	89.43	134.41
Other manufacturing expenses	989.97	1,107.74
Power and fuel	95,213.30	66,451.05
Rent	2,276.10	3,351.32
Lease rent and hire charges	1,744.50	51.22
Rates and taxes	548.66	641.58
Insurance	1,184.38	967.32
Travelling and conveyance	2,949.08	2,777.98
CSR expenses (Refer Note No 43)	498.29	322.69
Bad trade receivables / advances / deposits written off	9.85	1,000.00
Provision for doubtful trade receivables / advances / deposits	174.68	172.25
Sales Tax/VAT	343.13	1,089.70
Excise Duty Paid	17,415.81	63,260.16
Loss on disposal of Property, plant and equipments	164.20	26.77
Miscellaneous expenses	13,429.27	15,037.54
Selling and promotion expenses	10,686.99	11,695.23
Freight and forwarding	1,10,607.40	81,275.59
Advertisement and publicity	6,021.91	3,364.49
	<b>3,06,334.45</b>	<b>2,91,042.39</b>

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>35 EARNING PER SHARE</b>		
Total profit/ (loss) for the year	28,957.50	17,773.53
Weighted average number of equity shares of ₹ 10/- each (In lacs)	699.27	699.27
EPS - Basic and Diluted (₹)	<b>41.41</b>	<b>25.42</b>



## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

	₹/Lacs	
	As at 31-03-2018	As at 31-03-2017
<b>36.(A) CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS</b>		
(i) Claim against the Company not acknowledged as debts (includes show cause notices pertaining to excise duty and others) (Cash Flow is dependent on court decisions pending at various level)	22,345.42	16,338.86
<b>Other for which the Company is contingently liable</b>		
(ii) In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts-no provision has been considered necessary by the Management		
a) Excise Duty*	1,724.76	1,662.53
b) Sales Tax and Entry Tax*	5,469.56	5,162.02
c) Service Tax*	1,362.89	1,314.31
d) Income Tax (primarily on account of disallowance of depreciation on goodwill and additional depreciation on Power Plants etc.)	5,450.36	5,450.36
(iii) In respect of Interest on "Cement Retention Price" realised in earlier years	1,251.43	1,231.06
(iv) In respect of penalty of non lifting of fly ash	1,270.56	839.29
(v) The Competition Commission of India (CCI) has imposed penalty of ₹ 128.54 crores and ₹ 9.28 crores in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders COMPAT has stayed the CCI order in first matter on deposit of ₹ 6.56 crores and Appeal is being heard. In second matter stayed demand and appeal are yet to be heard. The Company, backed by a legal opinion, believes that it has a good case and accordingly no Provision has been made in the Accounts	13,782.00	13,782.00
(vi) In respect of demand made by Revenue Department, Karnataka for conversion of agricultural land into non agricultural land for mining purpose	-	560.17
(vii) In respect of land tax levied by State Government of Rajasthan	206.69	191.23
(viii) In respect of demand of Railway Administration pending with Jodhpur High Court	218.86	212.10
(ix) In respect of charges on account of electricity duty, water cess etc levied by Ajmer Vidyut Vitran Nigam Ltd.	4,497.04	3,869.34
(x) In respect of Environmental and Health Cess	324.52	324.52
* disputes are primarily on account of disallowances of input credits, interest on entry tax etc.		
<b>FINANCIAL GUARANTEES</b>		
(i) Other Financial Guarantees including Joint Ventures	-	613.89
<b>(B) COMMITMENTS</b>		
i) Capital commitments	-	535.66
ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	3,804.91	1,319.83
iii) Contractual Commitments for Lease		
Non cancellable operating lease commitments ;		
Not longer than one year	1,458.09	1,550.28
Longer than one year and not longer than five years	5,832.34	6,201.13
Longer than five years	16,038.94	18,603.39
<b>(C) Contingent assets</b>		
i) Insurance Claims	685.00	1,228.41

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### 37 SEGMENT INFORMATION

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

#### Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at company level, accordingly there is only one Reportable Segment for the Company which is "Cement", hence no specific disclosures have been made.

#### Entity wide disclosures

#### A. Information about product total revenue

	₹/Lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Grey Cement	3,33,489.26	2,92,632.34
White Cement and allied products	1,63,672.93	1,67,567.67

#### B. Information about geographical areas

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets ) are in India and UAE.

#### C. Information about major customers (from external customers)

The Company has not derived revenues from single customer during the year as well as during previous year which amount to 10 per cent or more of the entity's revenues.

### 38. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

#### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

	₹/Lacs	
	For the year ended	
	31 March 2018	31 March 2017
Contribution to Government Provident Fund	1,135.91	942.09
Contribution to Superannuation Scheme	478.06	398.25
Contribution to Family Pension Fund	473.87	444.72

#### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity Trust registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

## NOTES

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- A.** Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	₹/Lacs	
	31 March 2018	31 March 2017
Net defined benefit obligation	7,190.39	6,061.68
Total employee benefit asset	5,331.48	5,596.87
Net defined benefit liability	1,858.91	464.81

**B. Movement in net defined benefit (asset) liability - Gratuity (Funded)**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2018			31 March 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 31 March	6,061.68	5,596.87	464.81	5,739.12	5,388.80	350.32
<b>Included in profit or loss</b>						
Current service cost	420.41		420.41	347.70		347.70
Past service credit	1,137.18		1,137.18			-
Interest cost (income)	400.58	368.51	32.07	420.45	401.33	19.12
	<b>1,958.17</b>	<b>368.51</b>	<b>1,589.66</b>	<b>768.15</b>	<b>401.33</b>	<b>366.82</b>
<b>Included in OCI</b>						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- demographic assumptions						-
- financial assumptions	(251.19)		(251.19)	309.49		309.49
- experience adjustment	(65.95)	(121.58)	55.63	(197.53)	160.13	(357.66)
- Return on plan assets excluding interest income						
	<b>(317.14)</b>	<b>(121.58)</b>	<b>(195.56)</b>	<b>111.96</b>	<b>160.13</b>	<b>(48.17)</b>
<b>Other</b>						
Contributions paid by the employer		468.68	468.68		204.16	(204.16)
Benefits paid	(512.32)	(512.32)		(557.55)	(557.55)	
	(512.32)	(43.64)	468.68	(557.55)	(353.39)	(204.16)
<b>Balance as at 31 March</b>	<b>7,190.39</b>	<b>5,800.16</b>	<b>1,390.23</b>	<b>6,061.68</b>	<b>5,596.87</b>	<b>464.81</b>

Gratuity in the books of Subsidiary Companies is accounted on actual basis.

**C. Plan assets**

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Company.

Particulars	As at 31 March 2018	As at 31 March 2017
Government of India Securities (Central and State)	52.57%	0.00%
High quality corporate bonds (including Public Sector Bonds)	1.81%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Cash (including Special Deposits)	23.27%	0.00%
Schemes of insurance - conventional products	0.00%	0.00%
Schemes of insurance - ULIP products	0.00%	0.00%
Others	22.35%	100%

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### D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	As at 31 March 2018	As at 31 March 2017
	₹/Lacs	
Discount rate	7.40%	6.90%
Expected rate of return on plan assets	8.50%	8.50%
Mortality		
Turnover rate : Staff	5% of all ages	5% of all ages
Turnover rate : Worker	1% of all ages	1% of all ages
Expected rate of future salary increase	10%	10%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2018, the weighted-average duration of the defined benefit obligation was 6 years (as at 31 March 2017: 6 years).

### E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

#### Gratuity

	31 March 2018		31 March 2017	
	₹/Lacs			
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(450.10)	522.30	(381.71)	439.89
Expected rate of future salary increase (1% movement)	424.00	(388.00)	285.84	(280.87)
	(26.10)	134.30	(95.87)	159.02

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### F. Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the scheme's bond holdings.

**Life expectancy:** The pension obligations are to provide benefits for the life of the member, so increase in life expectancy will result in increase in plans liability. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the pension obligations under the employee benefit plan term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets at reporting date consists of government and corporate bonds, although the group also invests in equities, cash and mutual funds. The group believes that equities offer the best returns over the long term with an acceptable level of risk.

### G. The expected benefit payments in future years:

	₹/Lacs	
	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	963.40	716.83
Between 2 and 5 years	3,593.55	3,644.18
Between 5 and 10 years	4,276.01	4,333.77
Beyond 10 years	18,905.01	18,905.01
<b>Total expected payments</b>	<b>27,737.97</b>	<b>27,599.79</b>

### H. The expected employer contribution in the next year

	₹/Lacs	
	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	594.95	326.49

## 39. RELATED PARTIES

### (1) (a) Parties where the control/significant influence exists

- i) Yadu International Ltd

### (b) Key Management Personnel & their Relatives

- i) Shri Yadupati Singhania Chairman & Managing Director
- ii) Smt. Shushila Devi Singhania Relative of Chairman & Managing Director
- iii) Shri Ajay Kumar Saraogi President (Corp.Affairs) & CFO
- iv) Shri Shambhu Singh Company Secretary
- v) Shri A.Karati Non Executive Independent Director
- vi) Shri J.N Godbole Non Executive Independent Director
- vii) Dr. K.B.Agarwal Non Executive Independent Director
- viii) Shri K.N.Khandelwal Non Executive Non Independent Director
- ix) Shri Raj Kumar Lohia Non Executive Independent Director
- x) Shri Suparas Bhandari Non Executive Independent Director
- xi) Shri Shyam Lal Bansal Non Executive Independent Director
- xii) Mr. Paul Heinz Hugentobler Non Executive Non Independent Director

### (c) Enterprises significantly influenced by Key Management Personnel or their Relatives

- i) Jaykay Enterprises Ltd
- ii) J.K. Cotton Ltd.
- iii) Jaykaycem (Eastern) Ltd
- iv) J.K.Cement(Western) Ltd

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### (2) a) Following are the transactions with related parties as defined under section 188 of Companies Act 2013

		₹/Lacs	
		For the year ended	
		31 March 2018	31 March 2017
(i)	Jaykay Enterprises Ltd		
	- Services received	35.17	34.47
	- Rent paid	49.50	47.71
	- Expenses Reimbursed	60.34	50.60
(ii)	J.K. Cotton Ltd		
	- Rent paid	32.39	45.42
	- Purchases	-	0.21
	- Sale of Products		
(iii)	J.K. Cement(Fujairah) FZC		
	Advances given	1,302.80	915.89
(iv)	J.K. Cement(Western) Ltd		
	Opening	-	15.00
	Advances given during the year	-	-
	Received during the year	-	15.00
	Balance as at close of the year	-	-
(v)	Key Management Personnel and their relatives		
a)	Shri Y.P. Singhania(Chairman & Managing Director)		
	- Remuneration	1,761.00	1,266.92
	- Sale of farm house	5,087.99	-
	- Rent paid	15.13	-
	- Rent paid to relatives	30.47	-
b)	Smt Sushila Devi Singhania		
	- Commission	9.00	8.00
	- Sitting Fees	5.26	4.52
c)	Shri Ajay Kumar Saraogi		
	- Remuneration	226.52	197.34
d)	Shri Shambhu Singh		
	- Remuneration	45.41	38.15
e)	Other Directors		
	- Commission	72.00	64.00
	-Sitting Fees	30.55	31.41
	and ₹108.13 lacs (111.31 lacs) paid to other Director Mr. Paul Heinz Hugentobler on professional capacity.	108.13	111.31

### b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided (except corporate bank guarantee) or received for any related party receivables or payables. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## NOTES

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### c) Compensation of key management personnel of the Group

	₹/Lacs	
	For the year ended	
	31 March 2018	31 March 2017
- short-term employee benefits	2,032.93	1,368.91
- other long-term benefits	48.54	133.50

### 40 OPERATING LEASE

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

### 41. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

#### I. Fair value measurements

##### A. Financial instruments by category

	As at 31 March 2018			As at 31 March 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	11,893.19	-	-	8,026.84	-	-
Other financial assets	-	-	11,244.93	-	-	18,743.79
Trade receivables	-	-	23,578.91	-	-	20,193.34
Cash and cash equivalents	-	-	19,839.53	-	-	13,010.96
Other Bank balances	-	-	36,107.82	-	-	30,520.43
	<b>11,893.19</b>	<b>-</b>	<b>90,771.19</b>	<b>8,026.84</b>	<b>-</b>	<b>82,468.52</b>
Non-Current Borrowings	-	-	2,57,410.51	-	-	2,87,014.50
Other non-current financial liabilities	-	-	20,678.88	-	-	17,671.71
Short term borrowings	-	-	15,646.93	-	-	22,593.28
Trade payables	-	-	43,571.66	-	-	42,712.98
Other current financial liabilities	-	-	50,585.13	-	-	45,931.78
	<b>-</b>	<b>-</b>	<b>3,87,893.11</b>	<b>-</b>	<b>-</b>	<b>4,15,924.25</b>

##### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



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## Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2018:

	₹/Lacs			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Assets measured at fair value</b>				
Investments				
Equity Shares			8.00	8.00
Mutual Funds & Bonds	11,885.19	-		11,885.19
<b>Financial liabilities</b>				
<b>Liabilities for which fair values are disclosed</b>				
Long Term Borrowings			2,56,601.57	2,56,601.57
	<b>11,885.19</b>	<b>-</b>	<b>2,56,609.57</b>	<b>2,68,494.76</b>

## Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2017:

	₹/Lacs			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Assets measured at fair value</b>				
Investments				
Equity Shares			5.20	5.20
Mutual Funds & Bonds	8,021.64	-		8,021.64
<b>Financial liabilities</b>				
<b>Liabilities for which fair values are disclosed</b>				
Long Term Borrowings	-	-	2,86,923.33	2,86,923.33
	<b>8,021.64</b>	<b>-</b>	<b>2,86,928.53</b>	<b>2,94,950.17</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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### C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2018		As at 31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Other financial assets	11,244.93	11,244.93	18,743.79	18,743.79
Trade receivables	23,578.91	23,578.91	20,193.34	20,193.34
Cash and cash equivalents	19,839.53	19,839.53	13,010.96	13,010.96
Other Bank balances	36,107.82	36,107.82	30,520.43	30,520.43
	<b>90,771.19</b>	<b>90,771.19</b>	<b>82,468.52</b>	<b>82,468.52</b>
<b>Financial liabilities</b>				
Non-Current Borrowings	2,57,410.51	2,56,601.57	2,87,014.50	2,86,923.33
Other non current financial liabilities	20,678.88	20,678.88	17,671.71	17,671.71
Short term borrowings	15,646.93	15,646.93	22,593.28	22,593.28
Trade payables	43,571.66	43,571.66	42,712.98	42,712.98
Other current financial liabilities	50,585.13	50,585.13	45,931.78	45,931.78
	<b>3,87,893.11</b>	<b>3,87,084.17</b>	<b>4,15,924.25</b>	<b>4,15,833.08</b>

₹/Lacs

- The carrying amounts of trade receivables, trade payables, Short Term Borrowings, cash and cash equivalents, other bank balances, other financial liabilities, and other financial assets are considered to be the same as their fair values, due to their short-term nature. The fair values for security deposits are calculated based on cash flows discounted using a current lending rate.
- The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale..

### II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed

regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises

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principally from the Company's receivables from customers including deposits with banks and financial institutions.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

In monitoring customer credit risk, customers are Companyed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and

operate in largely independent markets.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors. The Company holds bank guarantees/ security deposits against trade receivables of ₹ 10,428.10 lacs (31 March 2017: ₹ 11,604.71) and as per the terms and condition of the agreements, the Company has the right to encash the bank guarantee or adjust the security deposits in case of defaults.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

During the based on specific assessment, the Company recognised bad debts and advances of ₹ 9.85 lacs (31 March 2017: ₹ 1,000). The year end trade receivables do not include any amounts with such parties.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 9

### Reconciliation of loss allowance provision - Trade Receivables

Particulars	As at 31 March 2018	As at 31 March 2017
Opening Balance	739.12	602.00
Change in loss allowance	220.75	137.12
<b>Closing Balance</b>	<b>959.87</b>	<b>739.12</b>

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 and 31 March 2017 is the carrying amounts as shown in Note 4,8,10,11 & 12. The Company has not recorded any further loss during the year in these financial instruments and cash deposits as these pertains to counter parties of good credit ratings/credit worthiness.

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A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### iii. 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 to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due,

under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### (a) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	₹/Lacs	
	As at 31 March 2018	As at 31 March 2017
<b>Floating rate</b>		
Expiring within one year (bank overdraft and other facilities)	Nil	700.00
Expiring beyond one year (bank loans)	Nil	6,958.00
	-	<b>7,658.00</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of Nil years (as at 31 March 2017 - 6.57 years).

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### (b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

		₹/Lacs				
	Carrying Amounts 31 March 2018	Contractual cash flows				
		Total	2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current Borrowings	2,57,410.51	2,62,626.82			1,29,679.60	1,32,947.22
Other non-current financial liabilities	20,678.88	20,678.88			20,678.88	
Short term borrowings	15,646.93	15,646.93		15,646.93		
Trade payables	43,571.66	43,571.66	43,571.66			
Other current financial liabilities	50,585.13	50,585.13	4,963.88	45,484.80	136.45	
<b>Total non-derivative liabilities</b>	<b>3,87,893.11</b>	<b>3,93,109.42</b>	<b>48,535.54</b>	<b>61,131.73</b>	<b>1,50,494.93</b>	<b>1,32,947</b>

₹/Lacs

₹/Lacs						
	Carrying Amounts 31 March 2017	Contractual cash flows				
		Total	2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current Borrowings	2,87,014.50	2,91,270.99			1,28,300	162,970.09
Other non-current financial liabilities	17,671.71	17,671.71			17,671.71	
Short term borrowings	22,593.28	22,593.28		22,593.28		
Trade payables	42,712.98	42,712.98	42,712.98			
Other current financial liabilities	45,931.78	45,931.78	6,497.88	39,334.70	99.20	
<b>Total non-derivative liabilities</b>	<b>4,15,924.25</b>	<b>4,20,180.74</b>	<b>49,210.86</b>	<b>61,927.98</b>	<b>1,45,352.00</b>	<b>162,970</b>

₹/Lacs

Further the Company issued financial guarantee as disclosed in note 39 for which the possibility of payment is remote.

### iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk primarily include trade and other receivables, trade and other payables and borrowings.

### 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company manages its foreign currency risk by taking foreign currency forward contracts, if required

### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at 31 March 2018		As at 31 March 2017	
	USD	EUR	USD	EUR
Trade payables	19,39,975.00	18,86,009.00	11,38,140.00	20,89,440.00
Net statement of financial position exposure	19,39,975.00	18,86,009.00	11,38,140.00	20,89,440.00

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD 1	64.39	66.97	65.04	64.84
EUR 1	75.32	73.50	80.62	69.25
AED 1	17.53	18.27	18.24	17.66

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss, before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2018</b>				
USD (10% movement)	126.17	(126.17)	82.50	(82.50)
EUR (10% movement)	152.05	(152.05)	99.43	(99.43)
GBP (10% movement)	-	-	-	-
<b>31 March 2017</b>				
USD (10% movement)	73.79	(73.79)	48.25	(48.25)
EUR (10% movement)	144.69	(144.69)	94.62	(94.62)
GBP (10% movement)	-	-	-	-

### Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the company is as follows.

	Nominal Amount	
	31 March 2018	31 March 2017
<b>Fixed-rate instruments</b>		
Financial assets	56,393.55	54,585.07
Financial liabilities	89,462.86	93,123.51
	1,45,856.41	1,47,708.58
<b>Variable-rate instruments</b>		
Financial assets	10,408.23	7,531.20
Financial liabilities	2,25,271.04	2,56,259.93
	2,35,679.27	2,63,791.13

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	₹/Lacs			
	Profit or loss, before tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2018</b>				
Variable-rate instruments	(2,321.01)	2,321.01	(1,735.98)	1,735.98
<b>Cash flow sensitivity</b>	<b>(2,321.01)</b>	<b>2,321.01</b>	<b>(1,735.98)</b>	<b>1,735.98</b>
<b>31 March 2017</b>				
Variable-rate instruments	(2,462.51)	2,462.51	(1,841.79)	1,841.79
<b>Cash flow sensitivity</b>	<b>(2,462.51)</b>	<b>2,462.51</b>	<b>(1,841.79)</b>	<b>1,841.79</b>

### 42. a) PRIOR YEAR ERRORS

During the financial year ended 31 March 2018, the Company discovered that the deferred tax charge was erroneously created lower by ₹ 4,879.19 lacs due to consideration of incorrect carried forward unabsorbed depreciations and business losses. Consequently, Deferred tax liability (net) was shown lower by the same amount. Financial statements for the year ended 31 March 2017 has been restated to correct this error. The effect of the restatement on those financial statements is summarised below. There is no effect in financial year 2017-18.

In financial year ended 31 March 2017, the Company reported as follows:

	₹/Lacs
<b>31 March 2017</b>	
Profit before tax	28,561.52
Current Tax	7,047.08
MAT credit entitlement	(7,047.08)
Earlier years tax adjustments	(2.75)
Deferred tax	6,488.28
Profit/(loss) for the year	22,075.99
Basic and Diluted earnings per share (₹)	32.39

Deferred tax liability (net) was shown ₹ 21,107.33 in the Balance Sheet as at 31 March 2017

The following are the restated amounts which are being reported after correction for the year ended 31 March 2017 as comparatives.

	₹/Lacs
<b>31 March 2017 Restated</b>	
Profit before tax	28,561.52
Current Tax	7,047.08
Earlier years tax adjustments	(2.75)
Deferred tax charged/(credit)	4,320.39
Profit/(loss) for the year	17,196.80
Basic and Diluted earnings per share (₹)	25.42

Deferred tax liability (net) restated to ₹ 25986.52 in the Balance Sheet as at 31 March 2017



## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

- b) In addition to the above, following are the reclassifications made in the previous year figures to make them comparable/better presentation with the current year figures. These reclassification does not have any significant effect on the balance sheet at the beginning of the preceding financial year, i.e, April 1, 2016. Also, these reclassifications do not have any impact on the profit other than those described in note (a) above.

Particulars	As at 31st March 2017 (Restated)	As at 31st March 2017 (Published)	Nature
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Non current - Investments	1500.84	1500.84	Reclassification items
Non current - Loans and advances	13477.43	14264.06	Reclassification items
Other non current assets	11337.15	9773.30	Reclassification items
<b>CURRENT ASSETS</b>			
Current Assets - Financial assets - Cash and cash equivalents	13010.96	42624.56	Reclassification items
Current Assets - Financial assets - Bank balances other than (iii) above	30520.43	99.20	Reclassification items
Other Current Financial Assets	5266.36	4925.82	Reclassification items
Other current assets	16319.70	17583.05	Reclassification items
<b>EQUITY AND LIABILITIES</b>			
Other Equity	164075.83	168955.02	Reclassification items
Borrowings - Non Current	287014.50	290623.46	Reclassification items
Deferred tax liabilities (net)	25986.52	21107.33	Variance due to error as mentioned in note above
Other non-current liabilities	8633.01	5271.37	Reclassification items
<b>Current Liabilities</b>			
Borrowings - Current	22593.28	22441.35	Reclassification items
Trade Payable - Current	42712.98	23371.51	Reclassification items
Other financial liabilities	45931.78	70868.97	Reclassification items
Other current liabilities	15638.19	8382.12	Reclassification items
Short-term provisions	1051.29	1946.56	Reclassification items
Current tax Liability (net)	148.90	156.55	Reclassification items
<b>Profit &amp; loss Account</b>			
Revenue from operations	465399.91	469487.60	Reclassification items
Other income	9843.01	5029.39	Reclassification items
Cost of materials consumed	68647.53	73794.08	Reclassification items
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	1451.83	2102.72	Reclassification items
Finance costs	30266.26	29540.31	Reclassification items
Other expenses	291042.39	285244.97	Reclassification items
<b>Tax Expense</b>			
MAT Credit Entitlement		-7047.08	Reclassification items
Deferred Tax	4320.39	6488.28	Variance due to :-
			i) reclassification of MAT credit entitlement in deferred tax
			ii) error as mentioned in note above
<b>Profit/ (loss) for the year</b>	17196.80	22075.99	
<b>Earning per equity share (₹)</b>			
Basic	25.42	32.39	
Diluted	25.42	32.39	

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### 43. CORPORATE SOCIAL RESPONSIBILITY

- a. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 461.28 lacs i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013
- b. Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 481.07 lacs. Further, no amount has been spent on construction/acquisition of an asset of the Company and entire amount is spent on cash basis.

### 44. ASSETS HELD FOR SALE

During the year, the Company entered into agreement to sell the thermal power plant and other DG sets at Rajasthan location as these were not in active use. Accordingly, these assets has been classified as 'held for sale'. Sale of these assets are expected to be completed within next 12 months.

### 45. EXCEPTIONAL ITEMS

This represents the loss booked on accounts of sale of thermal power plant and other DG sets in current year. The previous year exceptional item represents government cess reversed.

### 46 (1) Additional informations, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary/Joint Ventures

Name of Enterprise	Net Assets i.e. (Total Assets - Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Assets	Amount (₹ in lacs)	As % of Consolidated Profit	Amount (₹ in lacs)
<b>Parent</b>				
J.K.Cement Ltd.	96.84%	1,91,239.52	118.06%	34,187.36
<b>Subsidiary (Indian)</b>				
Jaykaycem Central Ltd.	4.40%	8,689.28	-0.22%	(64.41)
<b>Subsidiary including Fellow Subsidiary (Foreign)</b>				
J.K.Cement (Fujairah) FZC & J.K.Cement Works (Fujairah) FZC	-1.24%	(2,457.84)	-19.22%	(5,564.89)
<b>Minority Interest in Foreign Subsidiary</b>	-	-	1.38%	398.74
<b>Joint Venture</b>				
Bander Coal Company Pvt. Ltd	0.01%	15.86	0.00%	0.70
<b>Total</b>	<b>100.00%</b>	<b>1,97,486.82</b>	<b>100.00%</b>	<b>28,957.50</b>

NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

46 (2). SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES (PART-A)

S.No.	Name of the Subsidiary Company	Reporting Currency #	Share Capital	Reserves & Surplus	Non Current Assets	Current Assets	Total Assets	Non Current Liabilities	Current Liabilities	Total Liabilities	Total Investment	Total Income	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Holding
1	J.K.Cement (Fujairah) FZC *	AED	15,190.03	517.64	48,230.57	8.06	48,238.62	32,510.48	20.47	32,530.95	44,846.41	1,105.37	266.26	-	266.26	-	100.00
2	J.K.Cement Works (Fujairah) FZC * (Fellow Subsidiary) @	AED	15,518.52	(21,234.56)	80,825.75	11,733.91	92,559.66	84,648.30	13,627.40	98,275.71	-	26,230.11	(5,567.40)	-	(5,567.40)	-	90.00
3	Jaykaycem (Central) Ltd.	INR	1,044.72	7,644.56	7,444.60	1,255.67	8,700.27	-	10.99	10.99	-	48.01	(86.74)	(22.33)	(64.41)	-	-

Notes;

# Exchange Rate adopted for consolidation ₹ 17.407025 1 AED

\* Company having 31st December as a reporting date.

@ Non-controlling interest as on reporting date is Nil

46 (3). SALIENT FEATURES OF FINANCIAL STATEMENTS OF JOINT VENTURES (PART-B)

S.No.	Name of Joint Venture	Shares of Joint Ventures held by the company on the year end					Profit/(Loss) for the year**			
		Latest Audited Balance Sheet Date	Nos. Investment in Joint Venture	Amount of Investment in Joint Venture	Extent of Holding	Description of how there is significant influence	Reason why the Joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation
1	Bander Coal Company Pvt. Ltd	31.03.2017	375000	37.50	37.50%	Share holding	-	15.14	0.70	-

Note ;

\*\* Financial Information is based on Unaudited Results

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### 46. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the modified retrospective method.

The Company is in the business of manufacturing and selling cement and related products. The cement and related products are sold both on their own in separate identified contracts with customers and through distribution channel of dealers and distributors.

#### (a) Sale of goods

For contracts with customers in which the sale of cement and related products is generally expected to be the only performance obligation, adoption of Ind AS 115 is not expected to have any material impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

In preparing to adopt Ind AS 115, the Company is considering the following:

##### (i) Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates.

Currently, the Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception and updated thereafter.

Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Company does not expect that application of the constraint will result in material revenue being deferred than under current Ind AS.

#### (b) Presentation and disclosure requirements

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Company's financial statements. Many of the disclosure requirements in Ind AS 115 are new and the Company has assessed that the impact of these disclosures requirements will not be significant. In particular, the Company does not expect that the notes to the financial statements will be expanded because of the disclosure of significant judgements made: . In addition, as required by Ind AS 115, the Company will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for reportable segment

#### (c) Other adjustments

The recognition and measurement requirements in Ind AS 115 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property, plant and equipment and intangible assets), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Company.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### **Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

These amendments are not applicable to the Company.

### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have significant impact on the Company.

### **TRANSFERS OF INVESTMENT PROPERTY - AMENDMENTS TO IND AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in

management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have significant impact on the Company.

### **Ind AS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the company.

## NOTES

to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018

### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its consolidated financial statements.

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **S.R. Batliboi & Co.LLP.**

Chartered Accountants

ICAI Firm Regn. No. 301003E/E300005

per **Atul Seksaria**

Partner

Membership No - 086370

Place : Kanpur

Dated : 12<sup>th</sup> May, 2018

**A.K. Saraogi**

President (Corp.Affairs) & CFO

**Shambhu Singh**

Company Secretary

Membership No -F5836

For and on behalf of the Board of Directors of  
**J K Cement Limited**

**Yadupati Singhania**

Chairman & Managing Director

DIN - 00050364

**Krishna Behari Agarwal**

Director

DIN - 00339934

## SHAREHOLDERS GENERAL INFORMATION & GUIDANCE

1. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone number, NECS/ECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number at any of our e-mail address viz. (a) shambhu.singh@jkcement.com, (b) rc.srivastava@jkcement.com, (c) investorservices@jkcement.com, (d) jkshr@jkcement.com and send NECS/ECS Mandate to the Registered Office of the Company.
2. The equity shares of your company are listed on the Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai and the same are compulsorily traded in dematerialized mode. Shareholders who wish to dematerialize their shareholdings may send their request on prescribed form (available with DP) alongwith share certificate(s)/ for dematerialisation through depository participant (DP) with whom they are maintaining a demat account. The ISIN of the Company is INE 823G01014.
3. The share holders who have not received corporate benefit i.e. share certificates, on account of shares held by them in Jay Kay Enterprises Ltd (erstwhile J K Synthetics Ltd), dispatched by the company during April, 2005 may intimate the company by quoting reference of Folio No. / DP-ID and Client ID etc.
4. The share holders who have not received dividend warrants for the year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 on account of their change in address or any other reason may write to the Company's Registrar & Transfer Agents, Jaykay Enterprises Ltd, Kamla Tower, Kanpur by quoting reference of their folio or DP-ID & Client ID.
5. The shareholders who wish to seek any information, clarification in respect of share transfer activities or status of their grievances may write to Company's Registrar Transfer Agent, Jaykay Enterprises Ltd, Kamla Tower, Kanpur at following email address: shambhu.singh@jkcement.com.
6. The share holders of physical segment who are having identical names in different folios are advised to consolidate their holdings in one folio which will facilitate the investors in receiving consolidate dividend or non-cash corporate benefit of future and would reduce un-necessary paper work and service cost.
7. The Investors who have not received Demat credit of shares allotted under public issue may write to us by quoting reference of their application no., name, address & No. of shares applied for.
8. Shareholders of physical segment who wish to notify change in their address may intimate complete new address with Pin code No. by quoting their Folio No. and proof of Address i.e. copy of telephone/electricity bill or any receipt of Municipal Corporation etc.  
  
The Shareholders who holds shares in electronic / Demat segment may notify their change in their address to the DP with whom they are maintaining a Demat account. No request For change in address from the holders of Demat segment will be entertained directly by The Company.
9. The shareholders who wish to make nomination may send their application on prescribed form under Companies Act 2013 and Rules framed thereunder. The said form is also available on company's website [www.jkcement.com](http://www.jkcement.com).
10. The Shareholders who holds shares in physical segment are mandatorily required to notify their updated Bank Account Details for printing on the Dividend Warrant as required in Sebi Circular No.CIR/MRD/DP/10/2013 dated 21.3.13.
11. Investor Facilitator Scheme ('Scheme') has been framed by J.K. Cement Ltd ('JKCL') to provide opportunity to its shareholders holding upto 100 shares in physical segment to dispose of their holding at Market Value without undergoing the process of dematerialisation of shares and other costs related thereto. Interested shareholders may contact at shambhu.singh@jkcement.com or The Asst. Vice President (Legal) & Company Secretary, J.K. Cement Ltd, Kamla Tower, Kanpur-208001.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Yadupati Singhania, Chairman and Managing Director

Smt. Sushila Devi Singhania

Achintya Karati

Jayant Narayan Godbole

Dr. K.B. Agarwal

Kailash Nath Khandelwal

Paul Heinz Hugentobler

Raj Kumar Lohia

Suparas Bhandari

Shyam Lal Bansal

## BANKERS

Allahabad Bank

Andhra Bank

Axis Bank

Canara Bank

Dena Bank

Export Import Bank of India

IDBI Bank Ltd.

Indian Bank

Jammu & Kashmir Bank

Oriental Bank of Commerce

State Bank of India

Union Bank of India

United Bank of India

National Bank of Fujairah-UAE

## REGISTERED & CORPORATE OFFICE

Kamla Tower,

Kanpur - 208001

## SENIOR MANAGEMENT PERSONNEL

Raghavpat Singhania – Special Executive

Madhavkrishna Singhania – Special Executive

Abhishek Singhania – Special Executive

A.K. Saraogi, President (Corporate Affairs) & CFO

Ashok Ghosh, President (Education & CSR)

Rajnish Kapur, Business Head – Grey Cement

B.K. Arora, Business Head – White Cement

S.K. Rathore, Unit Head – Grey Cement – Rajasthan

Rajeev Sharma, Unit Head – White Cement – Rajasthan

R.B.M. Tripathi, Unit Head – Grey Cement, Karnataka

Harish Agarwal, Unit Head – Grey Cement, Haryana

Pushpraj Singh, President (Marketing) – Grey Cement

Niranjan Mishra, President (Marketing) – White Cement

S.K. Tejwani, President (Projects)

Anil Kumar Agrawal, Senior Vice President (Tax & Management Services)

Andleeb Jain, Chief People Officer

Jitendra Singh, Chief Information Officer

Christer Mikael Eriksson, CEO – (UAE Operations)

Ajay Mathur, Marketing & Sales – (UAE Operations)

## ASST. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Shambhu Singh

## AUDITORS

M/s S. R. Batliboi & Co, LLP, Chartered Accountants

Golf View Corporate Tower B, Sector 42, Sector Road,

Gurgaon-122002

## REGISTRAR & SHARE TRANSFER AGENT

Jaykay Enterprises Ltd.

Kamla Tower, Kanpur-208001

E-mail: jkshr@jkcement.com

Shambhu.singh@jkcement.com

## CENTRAL MARKETING OFFICE

Padam Tower, 19, DDA Community Centre, Okhla, Phase-1,

New Delhi-110020

## PLANTS LOCATION

Plants	Location
<b>INDIA</b>	
Grey Cement Plants	Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist: Bagalkot, Karnataka
	Jharli, Dist: Jhajjar, Haryana
White Cement/Wall Putty Plants	Gotan, Dist. Nagaur, Rajasthan
Thermal Power Plants	Rupaund, Tehsil- Badwara, Distt. Katni, M.P.
	Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist: Bagalkot, Karnataka
Waste Heat Recovery Power Plant (For captive consumption)	Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
<b>OVERSEAS UNDERTAKEN BY SUBSIDIARY</b>	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE

**JK SUPER**  
CEMENT  
BUILD SAFE



**JK**  
**PrimaxX**<sup>TM</sup>  
White Cement Based Wall Dressing



**JK Cement LTD.**

Registered and Corporate Office

Kamla Tower, Kanpur - 208001, Uttar Pradesh, INDIA

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