JK LAKSHMI CEMENT Ltd.

JKLC/SECTL/REG. 34/18
14th September 2018

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

Through: BSE Listing

Security Code No. 500380

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

Through: NEAPS

Symbol: JKLAKSHMI, Series EQ

Dear Sir,

Re: Annual Report for the Financial Year 2017-18

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith Annual Report for the Financial Year 2017-18 ending 31st March 2018, as approved and adopted by the shareholders of the Company in the Annual General Meeting held on Friday, 7th September 2018 at the Registered Office of the Company at Jaykaypuram, Dist. Sirohi, Rajasthan - 307019.

Kindly take the above on record.

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

Yours faithfully
For JK Lakshmi Cement Ltd.

Encl:a.a.

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

Admn. Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi 110 002; Phone: 33001142 / 33001112; Fax: 91-011-23722251/ 23722021;
E-Mail: jklc.customercare@jkmail.com; Website: www.jklakshmi.com, C I N L74999RJ1938PLC019511
Regd. & Works Office: Jaykaypuram, Distt. Sirohi, Rajasthan; Phone: 02971-244409/ 244410; Fax: 02971-244417; E-Mail: lakshmi_cement@lc.jkmail.com
Secretarial Deptt. : Gulab Bhawan (Rear Wing), 3rd Floor, 6-A, Bahadur Shah Zafar Marg, New Delhi-110 002
Phone: 30179860, 33001142, 33001112; Fax: 91-11-23739475, E-mail: bkdaga@jkmail.com

JK LAKSHMI CEMENT Ltd.



Turning Team Spirit into **Concrete** Performance

ANNUAL REPORT 2017-18



Vision

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



Mission

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



Core values

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust
- Commitment to excellence



Cement Grinding Unit, Jhajjar

INDEX

CONCEPT 01

OUR JOURNEY 02

CMD MESSAGE 04

VCMD MESSAGE 06

BOARD OF DIRECTORS 08

HIGHLIGHTS 09

PASSION 10

SYNERGY 16

HARMONY 22

AWARDS 30

DIRECTORS' REPORT & MDA 31

CORPORATE GOVERNANCE REPORT 54

SUSTAINABILITY AND BUSINESS RESPONSIBILITY REPORT 65

STANDALONE FINANCIAL STATEMENT 82

CONSOLIDATED FINANCIAL STATEMENT 132

AGM NOTICE 167

"Great things in work are never done by one person. They're done by a team of people "

Steve Jobs

At JK Lakshmi, we firmly believe that ours is an organisation that is built on strong fundamentals and collective spirit of our management and employees. This collective spirit guides us, motivates us, gives us solutions, encourages us to achieve our goals and propels us to be future-ready. This collective spirit that characterizes our corporate DNA is our Team spirit. It is this Team spirit of JK Lakshmi Cement that has helped us to turn our efforts into concrete performance.

The Team spirit of JK Lakshmi is characterized by three essential elements that course through our organisation: Our Passion to achieve our goals, the synergy with which we work and the harmony that we pursue to achieve, with our Customers, the Environment and the Community at large.

PASSION

Passion is our drive, ambition and the love of what we do and who we serve. It provides us with a very special view of the world that others often don't see. The difference between those who push through difficult times and those who do not is passion and we at JK Lakshmi understand it fully well.

SYNERGY

At JK Lakshmi, Synergy is a goal and achieving it is critical to our success, whether it is an individual, team or the entire organisation. We are well aware that good synergy makes our team more effective. With Synergy, our people are able to work as a team to accomplish things beyond their individual skills. This synergy of an indomitable team spirit makes our team stronger and enables us to strive towards achieving our goals.

HARMONY

For us at JK Lakshmi, good profitability, environmental accountability and social responsibility are all connected. Our team spirit is reflected in the fact that we are always trying to achieve a balance between business growth, environmental responsibility and our contribution towards the society. It is with this central thought that team JK Lakshmi pursues harmony; harmony with our customers, harmony with the environment and harmony with the community at large.

OUR JOURNEY

2018 0.8 Mn MT GU under progress in Orissa and expected to be commissioned in FY 18-19, Adding to the Total **Capacity - 13.30 Mn MT**

2017 Successfully commissioned Company's Subsidiary - UCWL - 1.6 Mn MT, Total **Capacity - 12.5 Mn MT**

2017 Capacity Addition at Durg - 0.9 Mn MT, Total **Capacity - 10.90 Mn MT**

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

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

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

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

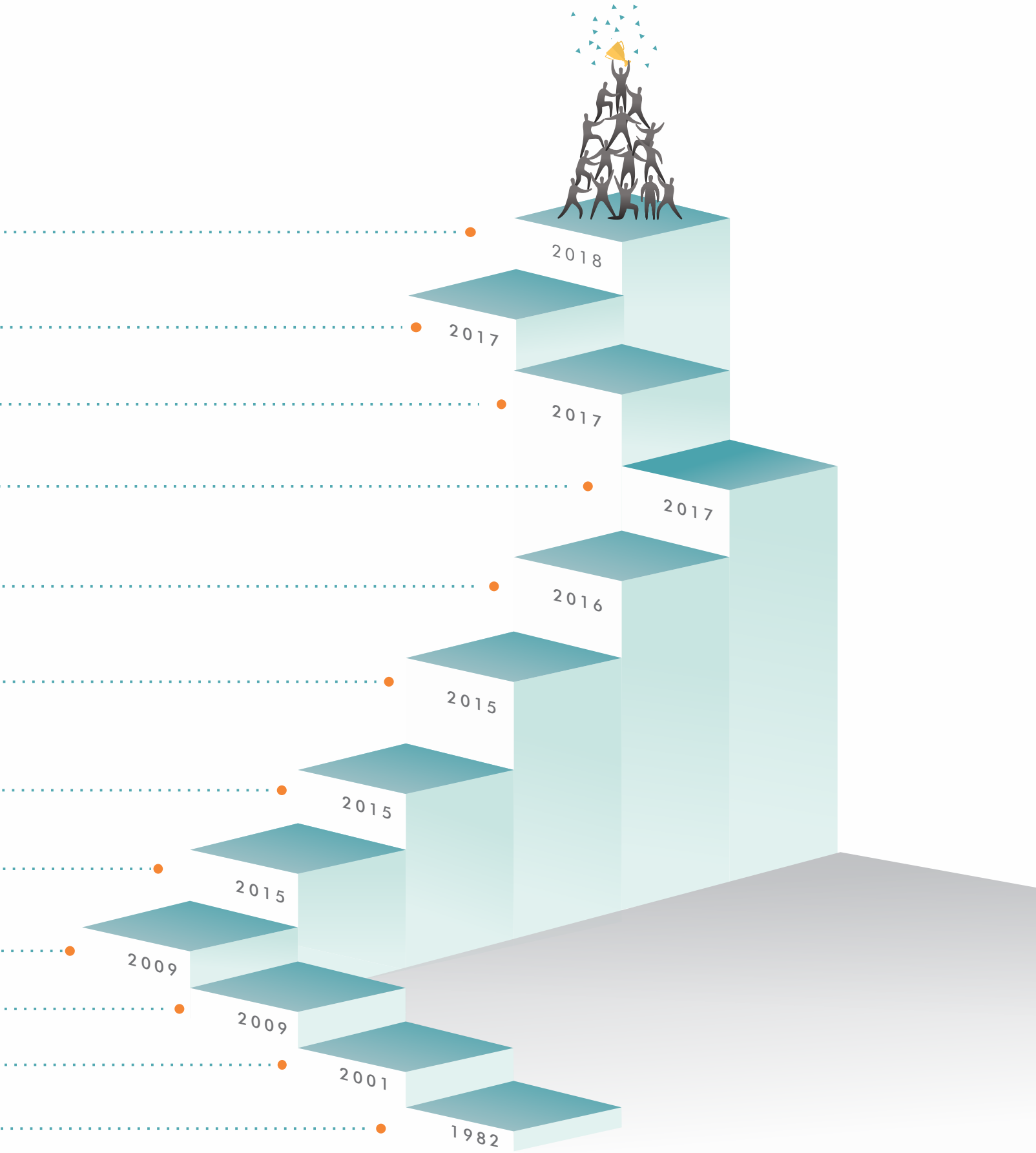
2015 Jharli GU Started & Capacity added - 1.2 Mn MT Total **Capacity - 5.9 Mn MT**

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

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

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

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


2018
2017
2017
2017
2016
2015
2015
2015
2009
2009
2001
1982



Dear Shareholders,

The financial year 2017-18 seems to be an inflection point for the economy and as can be seen later in this message, for the company as well. The turbulences caused by structural reforms seems to have calmed down now. After turning the corner, the country seems to be picking up speed along a faster growth track; by any reckoning, the country is set to retain its position as the fastest growing major economy for years into the future.

Most macro trends in our sector are looking up including the tax revenues, gross capital formation & the demand is gathering momentum. The Cement industry is no exception, which is undergoing a phase of consolidation. After a spurt in capacity additions that was witnessed during last decade; during which the industry capacity has almost doubled to over 450 Million MTPA; the pace of new capacity addition has considerably slowed down. However considerable surplus has already been created in the system because of sub-optimal demand growth in last 3-4 years; which fortunately now has gathered momentum. Nevertheless even at current pace of growth, the surpluses will take at least 3-4 more years to be fully absorbed. Though, this is not to say that the new capacities shall not be added until existing capacities are fully absorbed but hopefully it would be more mature and

responsible.

Locations of the cement capacities are largely a factor of availability of the lime stone, which is not uniformly available in all geographies. As a result, while there is an overall surplus in the system, there are pockets of huge surplus, while there are areas which are relatively well placed. The cement prices in these pockets of excess have been a big casualty so much so that the retail selling price in many markets today are what prevailed 5 years back. The cost pressure on the other hand has accelerated considerably owing to the steep increase which the oil prices has seen in the international market. The overhang of supplies has impacted the cement prices considerably especially in the markets of high surplus.

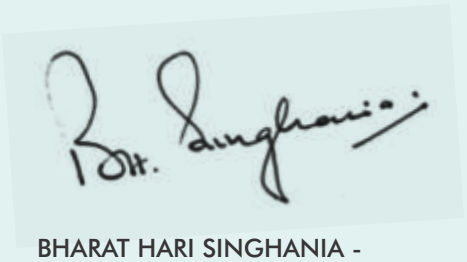
The cement industry to some extent is witnessing predatory pricing in some segments of the market. In our response to the prevailing industry and market conditions we have adopted a calibrated approach. Starting with completion of various projects that we have undertaken in last 3 – 4 years, we are now focusing on consolidating our presence in operating markets. This is with a view to optimize our logistics costs. The efficiencies and cost parameters of the new capacities and expansions are being brought at the level, which the mature plant at Sirohi has already achieved and which has enabled the plant to be in the league of the least cost producers. Absence of adequate captive power capacity in our eastern operation was one of the cost handicaps that we sought to correct first by installing WHRP at Durg in FY 2018 and the balance power requirement shall be met by the captive thermal power plant which shall be completed during the ongoing financial year. We are confident that the steps we are taking on all fronts would hold us well in the emerging growth period not withstanding the short term challenges of unremunerative prices and incessant cost push.

While the future looks to be full of promises, the year gone by was full of challenges. If on one hand industry witnessed softening of prices especially in non trade segment to an unprecedented low levels, it also faced the challenge of rising input costs especially in fuel, energy, and logistics. In respect of fuel, besides the increasing prices, challenges were also faced on account of uncertainty of availability of Petcoke – which is a source of energy as well as feedstock in clinker manufacturing. Undoubtedly these have taken their toll on the operating performance of the industry, with your company not being an exception. Yet with our heads high and feet firmly on ground, despite such challenges, your company grew its turnover by 8% and operating profits (EBITDA) by 10% in FY18.

Future is all about team work, collaboration, and cooperation. Different functions, departments, teams, and individuals in the organisation have collaborated together to deliver world class manufacturing facilities, operational efficiencies, and have set benchmarks in project execution. For me, this word 'together' has larger meaning as it pertains to not only the company and its people, but includes its other group associates, their people, all the stakeholders, the community and the environment. If together we have come this far i.e. growing from a modest capacity of 0.5 million MTPA to more than 12 million MTPA now, collectively we can go even farther. Even for the country, with ever increasing focus on democratic values; and cooperative & collaborative federalism; the word together has far deeper meanings and insights. With India considerably improving its international ranking and the states competing between themselves on 'Ease of Doing Business', there can never be a better opportunity than this to collaborate, cooperate, and work together to take the next big leap.

For India to retain its position as a strong economic contender it will continuously have to invest not just in the physical infrastructure but in its social health and education infrastructure too. Number of initiatives taken by the government in this direction are a precursor to these developments, and the pace of these developments will only step-up in the coming years. We are keeping our antennas open to scout opportunities for aligning our own growth with economic growth that our country is witnessing.

As, we take bold and firm steps into the future, I would like to express my utmost gratitude to all our customers, shareholders, channel partners, business associates, financial institutions and all our employees who have bestowed confidence and faith in us. Their continued trust and invaluable support motivates and inspires us to keep delivering a concrete performance year after year.



BHARAT HARI SINGHANIA -
CHAIRMAN & MANAGING DIRECTOR



Dear Shareholders,

When the going gets tough, the tough get going. Our team firmly believes that any situation can be met with team work; which by itself is epitomized by the principles of 3Cs namely Collaboration, Cooperation, and Creative Endeavor. When we collaborate and cooperate, everyone wins. Creativity and innovations are at their best in collaborative and cooperative environment. Competition is good as it brings or it forces the best in everyone. However excessive or obsessive desire to compete can be counterproductive as it obliterates the spirit of collaboration and cooperation. In extreme situations in business it leads to predatory pricing or price wars. In the short run it makes the consumer happy but in the long run it kills the competition, creates monolithic monopolies, kills efficiencies, and finally exploits the customers.

The Last decade has seen some very important defining moments in the history of cement industry which is now more than 100 years old. In these 10 years, the industry has seen its capacity almost doubling from 200+ MTPA to 400+ MTPA and still growing to reach or cross 500 MTPA in next 2 – 3 years. During these years the industry has also seen a consolidation drive by the top players mostly by way of mergers and acquisitions. However, during these years the demand has not grown as expected and it has impacted the prices and industry margins.

Your company and myself personally have looked at consolidation in an entirely different perspective. To us it has meant working as a team collectively and collaborating with all the stakeholders in unison towards common objectives and shared goals. Some of the prominent elements of our consolidation drive have included New Products, Premium Brands, and investing in Technology & People. I would briefly elaborate on each of these and begin with New Products.

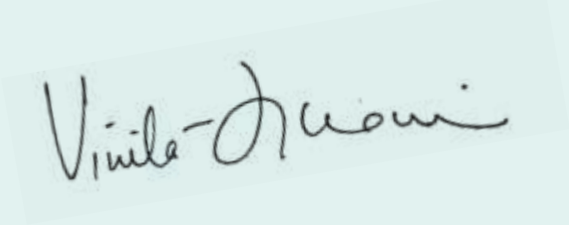
Your company took the lead by entering the ready mix concrete business and gradually added more and more products and solutions such as POP, AAC Blocks etc. to our offering, to emerge as a preferred source for construction materials in our markets. I am happy to note that our efforts are bearing fruits now and our product portfolio contributes nearly about 10% to our net revenues from Sales. It is an asset light model and as we are adding more and more new products in our range, I am confident that it will position your company as a preferred brand in its operating markets.

Your company once again was one of the early companies to launch premium cement brand in its markets 3 years ago when it launched PRO+. I am happy to note that within a short span of 3 years, PRO+ has now emerged as a brand of choice among home builders. In some of the markets PRO+ now contributes more than 50% to the sales made through trade channels. This gives us immense confidence to continue to develop and introduce superior, high performing products and brands.

Lastly, investing in technology and people. We have always taken pride in your company being a preferred work place of choice and continues to remain in the league of top 100 best places to work in all sectors. In fact, being the only cement company as per ranking in the Great Places to Work in the manufacturing sector. These measures have helped us to attract top talent from best of the institutions and also retaining them. We are diversifying our talent pool and are becoming younger organization. This is also helping us to innovate and use technology in many areas of our business and operations. We are aiming to drive more and more of our front-ending business processes with increasing use of technologies and especially application of mobile technology. Our endeavor is not only to be the best place to work but also be the best to do business with.

Social development is a part of our work culture. We have initiated various programs in health, sanitation, education, adult literacy, skills training, entrepreneurship, livelihoods, women empowerment and rural development to help local communities. We believe in 'catching them young,' when it comes to developing people. Our programs in vocational skill development, health and education for young men and women are meant to create 'social assets,' who will eventually help their community prosper. Activities directed towards environment protection and plantation are our humble contribution towards the environment.

In the end, all such initiatives are possible because of excellent synergy between diverse teams working together in an atmosphere of trust, respect and sense of ownership. These have been our core values that we continue to cherish. I thank all our team members, our shareholders, our associates and channel partners. Their continued faith and support is the raison d'etre for our being at JK Lakshmi.



VINITA SINGHANIA
Vice Chairman and Managing Director

BOARD OF DIRECTORS

BHARAT HARI SINGHANIA
CHAIRMAN &
MANAGING DIRECTOR

VINITA SINGHANIA
VICE CHAIRMAN &
MANAGING DIRECTOR

B. V. BHARGAVA

DR. RAGHUPATI SINGHANIA

N. G. KHAITAN

DR. S. CHOUKSEY
WHOLE-TIME DIRECTOR

RAVI JHUNJHUNWALA

K. N. MEMANI

PRADEEP DINODIA

S. K. WALI
WHOLE-TIME DIRECTOR

SUDHIR A. BIDKAR
CHIEF FINANCIAL OFFICER

BRIJESH K. DAGA
COMPANY SECRETARY

REGISTERED OFFICE
JAYKAYAPURAM,
DISTRICT SIROHI - 307019 (RAJASTHAN)

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

CEMENT PLANTS

RAJASTHAN
JAYKAYPURAM,
DISTRICT SIROHI - 307019

HARYANA
VILLAGE BAJITPUR, P.O. JHAMRI,
DISTRICT JHAJJAR - 124507

CHHATTISGARH
MALPURI KHURD, AHIWARA,
DISTRICT DURG - 491001

GUJARAT
VILLAGE DASTAN, TALUKA PALSANA,
DISTRICT SURAT - 394310

GUJARAT
MOTIBHOYAN, KALOL,
DISTRICT GANDHINAGAR - 382010

AUDITORS
S. S. KOTHARI MEHTA & CO.,
CHARTERED ACCOUNTANTS

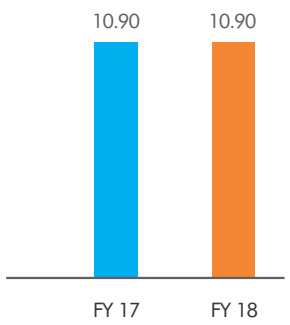
BANKERS
STATE BANK OF INDIA
PUNJAB NATIONAL BANK
IDBI BANK LTD.
CENTRAL BANK OF INDIA
AXIS BANK LTD.
INDIAN BANK
YES BANK

TRANSFER AGENTS
MCS SHARE TRANSFER AGENT LTD.
F-65, FIRST FLOOR, OKHLA INDI. AREA,
PHASE 1, NEW DELHI-110020
PH.: (011) 41406149-52
FAX NO : (011) 41709881
E-mail : admin@mcsregistrars.com

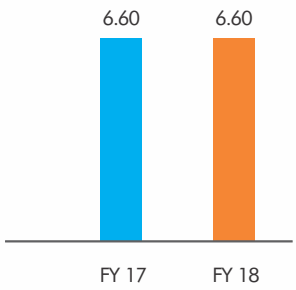
Website: www.jklakshmicement.com
CIN:L74999RJ1938PLC019511

FINANCIAL HIGHLIGHTS

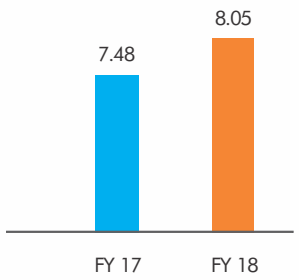
Cement Capacity (Mn MT)



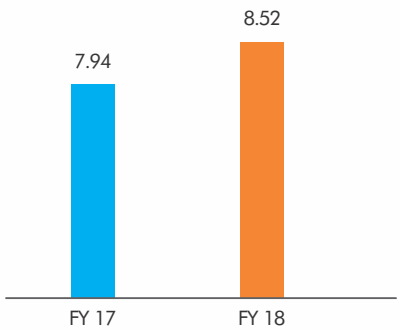
Clinker Capacity (Mn MT)



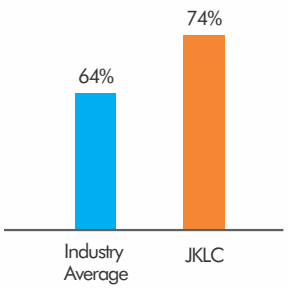
Production (Mn MT)



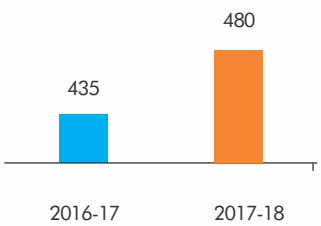
Sales FY 18 (Mn MT)



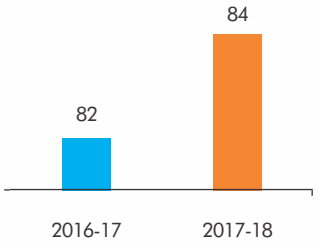
Capacity Utilisations FY 18



EBIDTA (₹ In Crore)



Profit After Tax (₹ In Crore)



"**Business is about people. It's about passion. It's about bold ideas, bold small ideas or bold large ideas**"

Tom Peters

A successful management consultant and writer on business management practices

Passion fuels confidence, it is contagious and it creates excitement. At JK Lakshmi, passion is the key, not only in the way we work as individuals, but is also exhibited in the way we work as a team. Our passion helps us in being confident at what we do. Passion at JK Lakshmi is contagious; it creates a win-win situation that helps the organisation. This passion of ours reflects in our team spirit and has encouraged us to do our best in the various areas of our business, whether it is capacity expansion and utilisation; product development and business development; and also other key areas like people management and financial prudence. This passion of team JK Lakshmi motivated us to keep working hard to ensure that we continue to remain amongst the least cost producers of cement in the Industry. This contagious passion is shared by the team as a whole and it motivates us to turn our team-spirit into a concrete and robust performance.

Augmenting production capabilities and efficiencies through passion and teamwork

As they say, it takes passion and great teamwork to build a business. Fortunately, there is no dearth of any of these elements at JK Lakshmi. Over the years, we have worked passionately to expand our coverage of the Indian markets through strategic acumen and hard work. The manufacturing plants of JK Lakshmi Cement are located strategically so as to cater to our two distinctive markets – East and North-west.

The last financial year saw the first full year of stabilised performance in the East market for JK Lakshmi Cement. Exceptional teamwork, passion for in-house innovations and effective optimisation of plant operating parameters ensured that we achieved our set goal of increasing the installed capacity of our Durg Plant for clinker by 22% and for cement by 39%. More so, our dedicated team ensured that this was accomplished without any major capital investments. This capacity enhancement in turn was reflected in higher production and higher sales.

A 1.35 MTPA Grinding Unit at Surat, Gujarat has been commissioned and is now fully stabilised. The work on our Grinding Unit project in Orissa with an annual capacity of 0.8 MT is progressing satisfactorily and is expected to be completed by the fourth Quarter of



Financial Year 2018-19. Udaipur Cement Works Limited (UCWL), our subsidiary has successfully started commercial production and with this commissioning, our overall operating capacity including that of UCWL stands increased to 12.5 MT as on 31st March 2018. With guidance from our Management's vision along with the passionate and collaborative approach of team JK Lakshmi, we have also developed brown-field expansion capabilities which can enable us to reach 20 MTPA capacity in a comparatively shorter period.

While we have been working on augmenting our production capabilities, team JK Lakshmi has also been



CMD, VCMD & WTDs with Senior Key Officials Inaugurating our Integrated Green field plant at Durg

keeping a keen eye on capacity utilisation. The Indian cement industry is the second largest globally with production capacity of nearly 450 MT. The industry is currently producing 280 MT for meeting its domestic demand and 5 MT for exports requirement; making the cement industry capacity utilisation at a moderate 64%. At JK Lakshmi, while our team was focusing on enhancing our production capacities, we were also cognizant of our capacity utilisation. It is the passion and the strong spirit of Team JK Lakshmi that today our overall capacity utilization stands at about 75% which is much higher than the industry average – A fact of immense pride for us.

Continual Innovation – Our Mantra for Progress

At JK Lakshmi, we are passionate about innovation and ensure that our team at all levels and across all functions is continually working on innovative ideas that will benefit the organisation in their own way. Our continuous drive to devise and implement in-house low-cost innovative projects with lower Capex investment as compared to industry norms has been instrumental in making us one of the least cost producers of Cement in the Indian cement industry.

Innovations like Reverse Air Bag Houses for emission control (RABH), Innovative Windmill, Installation of Automatic Bag Placer and Truck Loading Systems, Online Continuous Emissions Monitoring Systems (OCEMS), etc. have significantly contributed towards the technological sustainability for our Company. The efforts



Hot air tapping from stack

of our collaborative teamwork have resulted in successfully implementing Reduction in VRM fan-power consumption by installation of Aerofoil-design Louver Ring in VRM-3 at our Sirohi Unit. Moreover, our innovative project of Hot Air Recirculation has helped us to generate 9500 Units/Day at the Sirohi Plant.

JK Lakshmi Cement has implemented strategies and initiatives to address the global environmental issues, more particularly, climate change. Our endeavours towards making 'Green Cement' encourage us to take actions which benefit the environment while improving our profitability. Jaykaypuram is the first plant in India which has opted for advanced technology of SNCR (Selective Non-Catalytic Reduction) system to mitigate the NOx emission. Usage of alternative fuels like Bio-Mass, D-Oil Cake, RDF, TPP Fly Ash and HZ Waste has helped us in producing Green Cement, which leads to conservation of the natural resources and further helps us reduce our input costs and in better waste management. By using different Alternative Fuels we have achieved 5.5 % TSR in FY18, resulting in CO2 emission reduction by 72000 MT/year on this account. The performance of Waste Heat Recovery Project (WHRP) by generating more Green Power through re-circulation of hot gases from Vent Stack to Cooler is another

milestone in our journey of greener environment.

Through continual product development and innovation, Team JK Lakshmi launched Platinum Heavy Duty Cement during the Financial Year 2018, which in a short span of time got a good market traction. Our newly launched Composite Steel-Guard Cement, which has a mix of Sulphates and Chloride protection and has rust-resistant abilities, is another example of innovation at JK Lakshmi Cement. The passion and enthusiasm of our team for innovative products has resulted in the development of a new performance enhancing additive for concrete which is under technical validation process (jointly developed by IIT Delhi and our Team), thus it will improve the performance of concrete in terms of strength, rheology and water-proofing at a much lower cost.



Building Cost-efficiencies with the thrust of teamwork

The team at JK Lakshmi, guided by the Management has always realised the importance of building cost-efficiencies in our business. Our Durg plant which is already outperforming the industry is a prime example of how cost-efficiencies can create a winning unit. With the commissioning of 7 MW Waste Heat Recovery Project (WHRP) and expected commissioning of 20 MW captive power Plant in FY 19; the power cost per MT of cement shall drastically reduce and would make Durg plant amongst the most cost-efficient plants in the cement industry.



Surat Grinding Unit has commissioned 2.36 MW captive solar power plant that meets about 12 % of the total power requirement of the Unit

In the North–West part of our operations; where our manufacturing plants are in operation for quite some time; the focus was on consolidation in terms of improving the efficiencies in manufacturing, operations and distribution. On power and fuel consumption efficiency, our Sirohi plant is one amongst the best in the industry and its associated grinding units at Kalol and Jharli too are the leaders in power efficiency. The recently commissioned cement grinding unit at Surat is also rapidly progressing towards stabilisation and is continuously setting up new benchmarks on operational parameters. The grinding units at Surat and Jhajjar are also producing solar power at a much lower cost to partly meet their own consumption needs. The 500 KWH Solar plant at the Jhajjar Unit has managed to reduce the LT Power-load. A Block Cutting Machine was installed in the AAC Plant at our Jhajjar Unit to resize the rejected material. This resulted into conversion of almost 50% rejected blocks to resized usable fresh blocks without loosing its realizable value.

Another example of how the team at JK Lakshmi is building cost-efficiencies into the system through collaborative effort is the initiative taken by our team at Sirohi. A Small Group Activity (SGA) workshop was organised at the plant and these groups were then made responsible for implementing identified energy saving measures. The initiatives thus taken resulted in an electrical energy saving of 490 units/hr and 01 kcal/kg clinker in one of our Kiln's at Sirohi.



AAC Block Cutting Machine

In distribution, partly aided by implementation of GST, we have recently taken various initiatives like increase in direct dispatches, enhancing dispatches from Grinding Units, optimisation of dumps, which will result in a lower

logistic costs; thereby increasing the profitability margin. We have also initiated the practice of reverse auctioning



Commissioned 500 KW capacity of Solar power plant in Kalol Grinding Unit

of our road freights, which has resulted into substantial freight savings.

Due to many such smaller yet significant cost-saving measures, our EBIDTA stood at ₹ 479.46 Crore; which compares favourably with the EBIDTA of ₹ 435.22 in the previous financial year. This is a testimony to the continual thrust and passion of our team across all the Plants to achieve to better cost-efficiencies, however small they may be.

Sharp Focus and Strong Fundamentals – Keys to Our Financial Prudence

While, team JK Lakshmi continues to focus on finding innovative methods for further improving our achieved efficiency parameters and maintaining our position as one of the least cost producers of cement in the industry, our efficiency parameters both in terms of power and fuel consumption are regarded as one of the best in the Industry today. The passion for financial prudence in team JK Lakshmi has been evident over the years and has been instrumental in achieving good financial health and stability for the Company.

Having completed its ambitious journey of expanding its cement capacity from 5 Million Tonnes (about 5 years back) to over 12 Million Tonnes in Financial Year 2017, the Company is now in the consolidation phase & the deleveraging of the balance sheet has already started. The total debt of the Company has been reduced from ₹ 2171 crore as of 31st March, 2017 to ₹ 2020 crore to 31st March, 2018. As a result, Debt Equity ratio of the Company has come down from 1.57 from 31st March, 2017 to 1.39 as of 31st March, 2018.

The Company continues to enjoy a healthy treasury corpus of over ₹ 450 crore which is being deployed judiciously in various tax efficient instruments to garner Returns higher than the cost of funds. Taking into account this healthy treasury corpus of the Company, the Net Debt Equity of the Company has come down from 1.20 as of 31st March, 2017 to 1.08 times as of 31st March, 2018.

The Company proposes to consolidate its position at the existing capacity levels over the next 15-18 months before embarking on a fresh brownfield expansions which can take its cement capacity from 12.5 Million Tonnes as of 31st March, 2018 to over 20 Million Tonnes in a comparatively shorter period. These brownfield expansions would be taken up sequentially depending on the demand-supply scenario in various regions where the Company presently operates.

Based on the inherent operating strength of the Company and its key fundamentals financial ratios, Credit Analysis & Research Ltd (CARE) has reaffirmed the Company's Long-term Credit Rating at AA (Double A) which is a reflection of the Company's strong financial health. Further, the Company continues to enjoy the



Investors' Meet with CFO

highest possible Rating of P1+ (P One Plus) accorded to it by both CARE & CRISIL.

Based on the Company's consistent growth over the last 4-5 years, its capital employed as well as the book value

of its equity share have steadily grown over this period.

Our People are our biggest Strength – the words we live by

At JK Lakshmi, we have always believed and will continue to believe in "our people are our greatest assets". Augmenting our human capital and investing in our people towards their all-round development has been our passion at JK Lakshmi. Our Management has endeavoured over the years to create an environment which encourages the individual passion in tandem with the team-spirit. An environment that has clear-cut and fair HR Policies, breeds self-starters, infuses empowerment, provides opportunities, creates challenges, gives training, rewards the deserving and provides a clear-cut growth path is what defines the organisation set-up of JK Lakshmi Cement. With one of the lowest level of attrition in the Industry, the Company continues to work on creating an ever positive work-culture and vibrant environment. Our initiatives towards enhancing our human capital have been recognized and appreciated not only within the industry but also in the business world. Your Company was recognised as "Best in the Industry: Manufacturing and Production 2018" by Great Place to Work Institute India, which testifies the importance we have placed on our Teammates and the way they are groomed, nurtured, developed and retained.



Mr. Wali & Dr. Chouksey Receiving Best Places to Work Award 2017

JK Lakshmi Officials including Smt. Vinita Singhania, VCMD; Dr S Chouksey, Whole Time Director, Mr SK Wali, Whole Time Director & Mr Sumit Malhotra, Chief Executive Marketing , Plant Heads with top Business Partners & Senior Officials



"Synergy is better than my way or your way. It's OUR way."

Stephen R. Covey

American Author of a popular Business and Self-Help Book - 'The 7 Habits of Highly Effective People'

Our Synergistic approach and team spirit is the part of our DNA at JK Lakshmi Cement. Synergy is a process of getting a problem solved or an opportunity encashed as a team with creative cooperation, open-mindedness and valuing everyone's point of view or rather differences, experience and expertise. Together, we can always produce far better results than what an individual could have ever done.

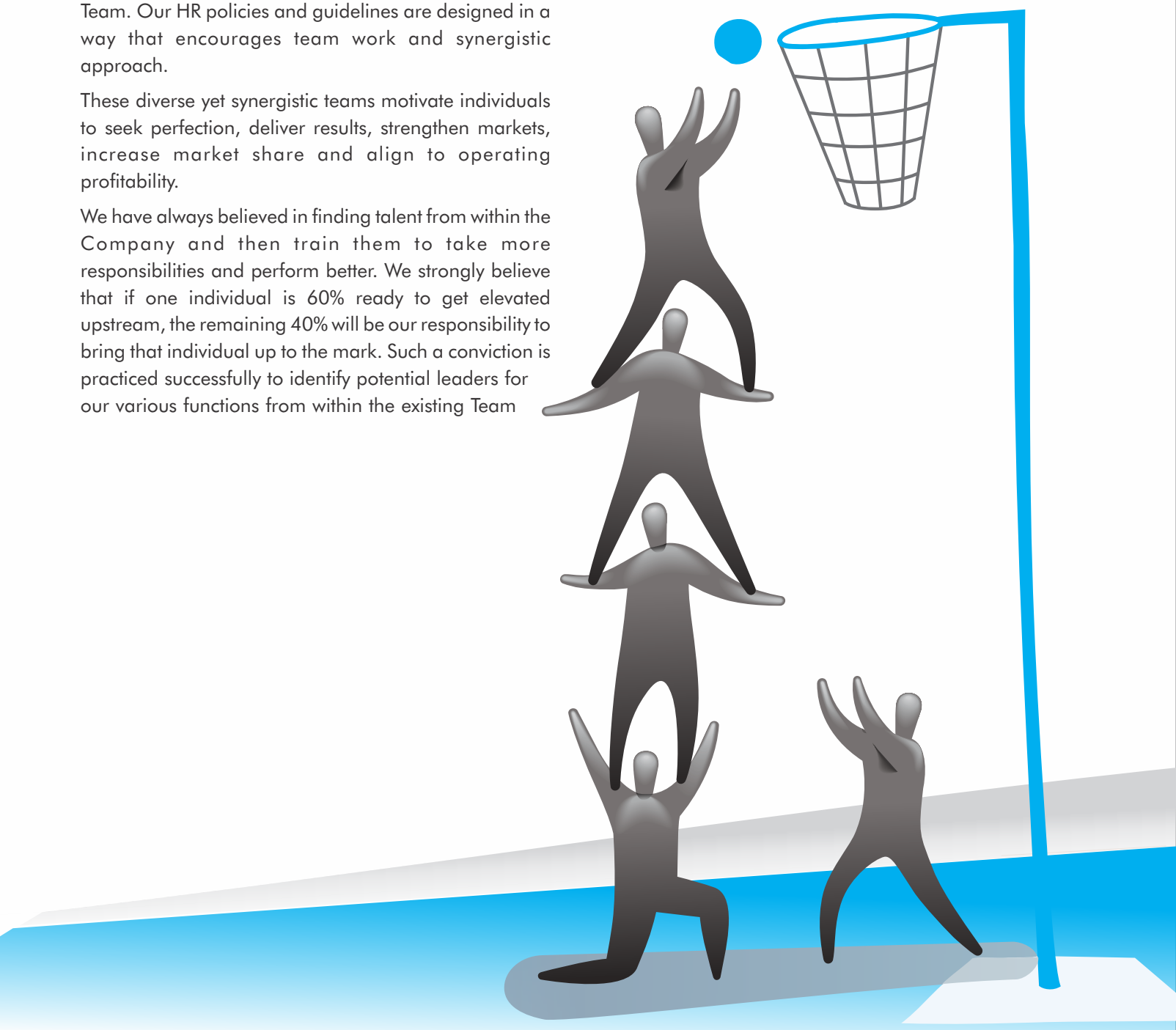
At JK Lakshmi Cement, Cross Functional Synergies are a way of life. Be it between R&D and Manufacturing; Manufacturing, IT and Logistics; Sales and HR; within a single department or between multiple departments; with the Distributors; our CFTs at JK Lakshmi Cement persistently follow the path of working together in order to succeed and better the past performances. This in turn has creating a bond like family members and instilled a sense of enormous pride among the team-members.

The Synergy of Our Human Resources – The Secret of our Success

We, at JK Lakshmi have always believed in the spirit of working together as one team that produces incredible performances. Our multi-cultural workforce hails from the length and breadth of India and have come together to form a perfect synergy of an efficient and effective Team. Our HR policies and guidelines are designed in a way that encourages team work and synergistic approach.

These diverse yet synergistic teams motivate individuals to seek perfection, deliver results, strengthen markets, increase market share and align to operating profitability.

We have always believed in finding talent from within the Company and then train them to take more responsibilities and perform better. We strongly believe that if one individual is 60% ready to get elevated upstream, the remaining 40% will be our responsibility to bring that individual up to the mark. Such a conviction is practiced successfully to identify potential leaders for our various functions from within the existing Team members. By doing so, youngsters in the Company are encouraged, equipped and empowered to handle larger responsibilities. Such synergistic policy, which is aligned with the needs and expectations of any employee, has created a win-win work environment.



To further synergise our bond with the employees, several unique initiatives are undertaken. Few of the noteworthy ones are:

- Annual Open House Communication Meeting at the Head Office, Marketing Zones and Factories. These meetings are addressed by the Top Management and the major highlights, challenges, achievements and suggestions are discussed.



Annual Open House Communication

- To encourage young employees (upto 35 years of age) to come up with innovative ideas and the winners along with their family are invited for a one-to-one meeting with VCMD over a cup of coffee to discuss modalities for implementation of their suggestions and their ownership.
- Udaan Competition - To foster healthy creative competition amongst identified talents and high performers for the last five years up to DGM level.
- We-Care (Cementing Aspirations through Receptive Exchange) - New employees meet the Senior Management along with the HR Head after completion of 6 and 12 months in a structured 20-minutes one-to-one interaction. This has helped integrate the employees into the culture of our Company.
- Krishna–Arjuna Initiative - Employees from the lowest echelon of Management Cadre Staff (MCS) to the senior management team undergo Assessment & Development based on AON Methodology as part of leadership development.



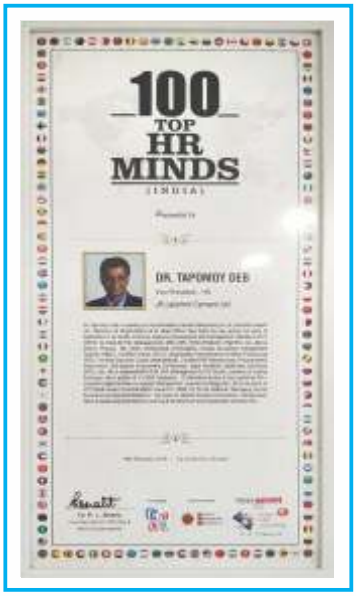
Udaan Competition Winners

- SPARK INITIATIVE - (Stimulating Passion in Achievers for Excellence in Results & enhanced Knowledge) - To develop young leaders who would take up leadership responsibilities in the Company in the future as part of our "grow our own timber" philosophy.
- Self Development Scheme – Encourage the employees to pursue Part-time/DLP Programs from recognised Institutions; fees of which are reimbursed by our Company.

Team JK Lakshmi ready to cheer for Rajasthan Royals at Delhi



- As part of leadership development, a 360-degree Feedback and Executive Coaching Program is undertaken by a reputed external agency; comprising of 8 feedback sources including boss, peer, subordinate and internal/external customer of the executive.



- Employee Satisfaction Survey (ESS) through M/s TNS India once in every two years.

Testimony to the impact of such encouraging and secured atmosphere is:

- Attrition in our Company is less than 5% vis-a-vis Industry average of about 12%
- According to the Employee Satisfaction Survey (ESS) done by TNS, we are amongst Top 10% in the Global Survey and No. 1 in India for 'Preference to Work' by the Employees

We firmly believe in the axiom, "***When you are Successful, We are Successful.***"

Synergy between Manufacturing and Logistics – Seamless Integration at its best

Team JK Lakshmi has time and again displayed strong adaptability and agility to the dynamic market conditions. Synergy and seamless coordination between Manufacturing, Logistics and Distribution has ensured that the speed of supply to market is at par with demand. The teams at our plants, our distribution team and our logistics team collaborated with the central IT team to develop Geo-targeted delivery schedules, which has brought transparency and accuracy in delivery and currently more than 1800 trucks are now under the surveillance of GPS Tracking System. By the end of FY19, we aim to double the number of trucks with GPS Tracking System. Simultaneously, we have also geo-fenced all the warehouses with GPS Tracking System resulting in to



GPS Tracking enabled Delivery system

long-term savings. With these efficient and synergistic measures, we have achieved optimal utilisation of warehouses, logistical equipments and vehicles. This in turn has enabled us to deliver on time, every time.

Taking forward our synergistic approach, these teams also worked hand-in-hand with the IT team and helped in developing a mobile app through which dealers, customers, logistics, accounts, etc. are inter-connected to make the entire delivery process smooth and transparent.

Synergy between Sales and Distribution network – A symbiotic relationship built on trust

At JK Lakshmi Cement, we believe in cherishing and nurturing our relationship with 4000+ Dealers across India. We are continually developing retailer and stockist network across the geographies of our interest. A concrete network of mutual trust and relationship, this association is an epitome of synergy between our business associates and us.

Our marketing and branding team works in synergy with the sales team to ensure that we keep coming up with programs and initiatives to keep cementing our relationship with our distribution network. To enhance this bond and further cement the association, our Company has designed an exclusive Rewards Program for our Partners in Growth – JK Lakshmi SKY. Under this Program, our associates earn loyalty points on purchase

of Cement and in turn they are rewarded with host of attractive gifts. Annual Dealer Conference and Tour, Result-oriented Retailers' Meet, Dealer and Retailer Family Meet, Annual Appreciation Meet, Dealer Plant Visit, etc. are just a few of the many initiatives undertaken to further strengthen and synergise our bond with our partners in progress, our Valued Business Associates.

Synergy between R & D, Marketing and Customers – From Customer Voice to Product Development

At JK Lakshmi, our synergistic approach of utilizing Cross-Functional teams is not just limited to our manufacturing processes but an organisation wide phenomenon. Our Cross-Functional team comprising of the bright minds from Research & Development and Marketing are continuously in sync with the need-gaps in customers' expectations and demands. Our Team relentlessly pursues innovations and additions in the product mix to increase customer traction and serve the customers with Value Added Products (VAP) by providing superior and sustainable solutions to their unmet requirements. As a result of dedicated and relentless efforts by our team to connect with the Customers at every possible prospect; we are among the Top 3 in VAP Market across all the zones we are present. Our VAP range that fulfills niche and aligned demands of our Customers comprises Power-Mix Concrete (Ready Mix Concrete), Lakshmi Plast (Gypsum Plaster), Smartblox (Autoclaved Aerated Concrete Blocks) and GypGold (Light-weight Gypsum-based Plaster).

Team JK Lakshmi has ensured that we have always kept our focus on the needs of the customers, our teamwork and seamless inter-departmental communication ensures that this information is passed on to our enterprising and innovative Research & Development team so that we can come up with the kind of products that will satisfy the needs of the changing Indian Consumer. This flawless synergy was exhibited when we launched two such 'first of its kind products' like 'Steel Guard Composite Cement' and 'Platinum Heavy Duty Cement'.

Synergising boundless ideas and seamless technology , our team has developed 'Steel-Guard' - An eco-friendly composite cement - A mix made of Fly-ash, Slag and Clinker; thus making it economical than PPC. This cement is rust, chloride and sulphate resistant, making it a customer's delight. With improved performance and eco-friendly properties, we have bridged the gap between market's unmet demands through synergistic thinking without increasing the cost.



During the year we have also developed yet another cement variant - Platinum Heavy Duty Cement - A PPC cement product with enhanced strength and extra fibre to protect from cracks, yet another step towards bridging the Market demand with a superior product. Once again a prime example of a synergistic approach of being aligned to the need-gaps in the market and delivering superior value.

Synergy between Human Resources and Sales – We are all a Family

In line with our belief in a synergistic working environment, the Sales and Marketing teams at JK Lakshmi have divided their operations in to various zones across the Country in order to have a sharper focus on proximity, market share and profitability. We have trained around 400 Sales Team Members with hands-on

experience of making concrete on-site. This in turn forms a unique synergistic long-term bond between our Company and the customers. To service the rural demand, we have created a dedicated team of people from rural backgrounds that ensures last mile delivery right up to the Tehsil level, besides ensuring customer satisfaction. With the launch of a very unique HR and Sales initiative - Project 2X, for the very first time we have convinced the families of employees to get involved in the sales process. Under this project, we launched a unique Spouses Club Program where, the housewives of the sales team were involved in order to motivate and encourage their husbands to achieve the sales targets. This initiative has produced some solid performances and made the teams stronger than ever before. Such a synergy between the organisation, the employees and their families was unheard of, and symbolises the way we work at JK Lakshmi.

Dealer's Annual Appreciation Meet



Synergy through Information Technology – Being Future-ready

At JK Lakshmi, while we believe in synergy and keep it as a centre of our focus, we also firmly believe that as we grow bigger and the world advances, we need to match pace with some of the best companies in the country and the world. Keeping this in mind and in order to be future-ready, we have been consistently investing in bringing Information technology into various functions. Information Technology has played a huge role in integrating the organisational functions on a real-time basis and enabling synergy between all the departments of our Company.

Through several automation initiatives like Customer Relationship Management, various Mobile Applications, GST Integration and Roll-out, E-Bidding (Reverse Auction) Software, Costing Module, Business Continuity plan, Safety Module in SAP, E-recruitment model, E Learning Kiosk System implementation, etc. our concerned team have lead from the front in their successful implementation. Our Company has also implemented Sales-force platform to manage Leads, Complaints, Movement of Sales, Stocks and Prices, which in turn helps the Sales team to plan their day effectively and efficiently. Our efforts in using the power of technology to transform JKLC and the ecosystem at large in a highly competitive marketplace is well recognized in the form of awards and honors, being recognized with the Infosec Masetro Leadership Award 2017, and recognized and featured in India's CIO Power List as the Mobility Icon of 2018. At JK Lakshmi, our endeavour to build a synergy across the departments and functions by using Information Technology is enabling us to be a future-ready company.

Synergy through Digital Communication – Expanding our foot-print to the virtual world

As India moves rapidly towards a digital era, the Indian consumers are becoming digitally savvy and have started interacting with marketers and brand online. Your Company recognized this trend at its beginning and since then has established a strong digital foot-print across various digital platforms. Today, JK Lakshmi Cement has one of the highest followers on its Facebook page amongst Cement Companies in India. These followers who are our existing as well as potential customers share their feedback with us through reviews and rating, moreover they also engage with us by sharing their ideas on developing new products and services. This creates a unique synergy between the Company and our Customers, that not only helps us in improving our offerings but also helps the customers in getting the kind of products and services that they need. During the year, we kept the level of engagement with the followers high by interacting with them on relevant content on products and services, featuring content like Top Management interviews that gave our company's perspective, and also high engagement activities like an IPL contest. This Synergy with our followers and customers achieved digitally enabled us to not only leverage our brand but also to further build a strong connect with our Customers.

"Happiness is when what you think, what you say, and what you do are in harmony"

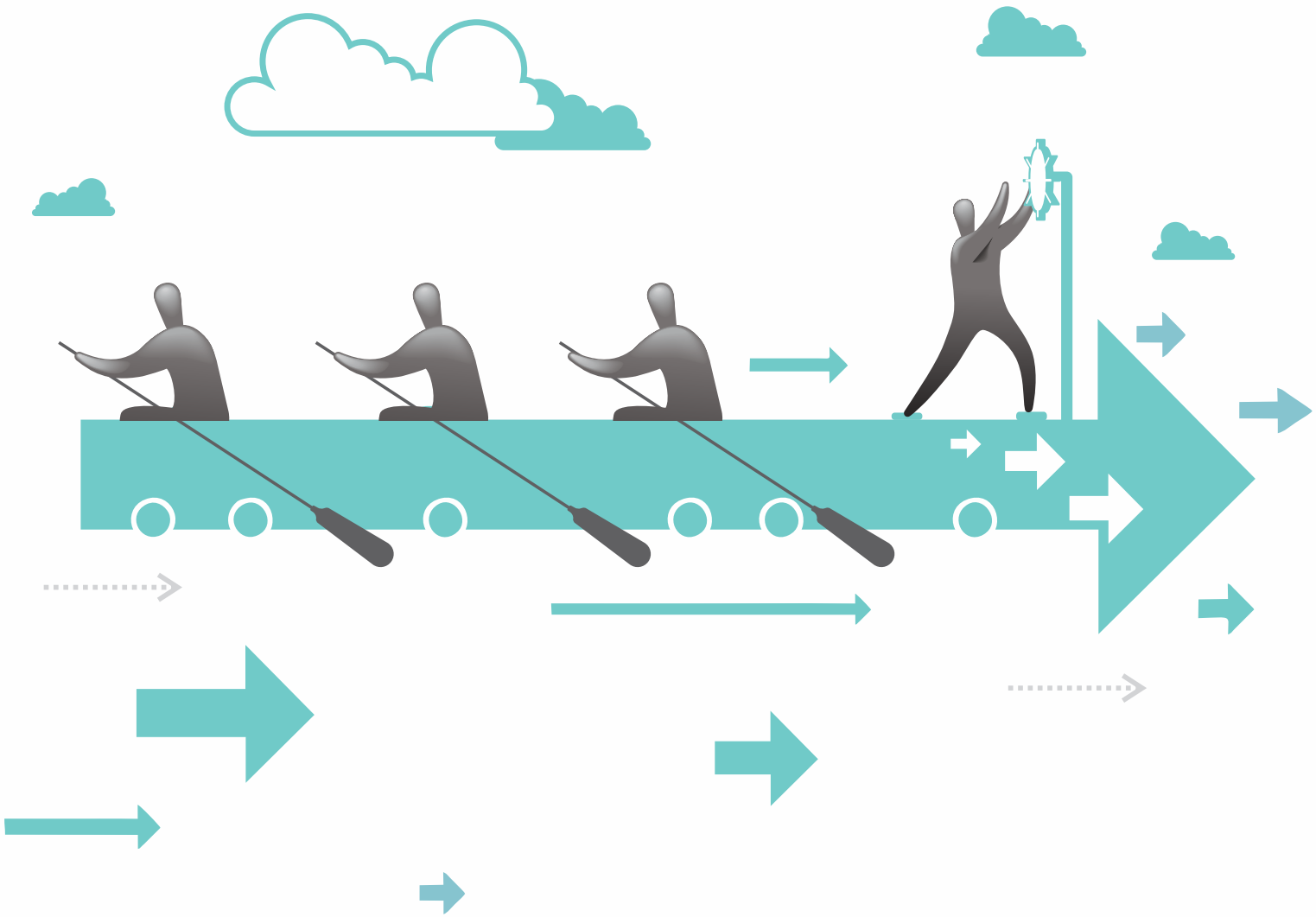
Mahatma Gandhi

At Jk Lakshmi, we are always in pursuit of achieving harmony that helps us to be on the same page as the external environment within which the organisation thrives. Our endeavour always has been to be in perfect harmony with our Customers, Harmony with the Environment and Harmony with the Community at large. We believe this will not only help us grow as individuals and as an organisation, but will also ensure that we make a small yet significant contribution to our nation and the world.

Attuned to the Voice of Customer – In pursuit of achieving Harmony with our Customers

We have always believed in 'Customer First' philosophy. Our endeavour always has been to achieve long-lasting harmony with our customers. With strong adaptability and agility towards the customer's expectations and needs, Team JK Lakshmi works continuously to enhance customer satisfaction. At the same time we are continuously working and innovating on the product mix so as to respond to customer's demand actively. Every measure is taken to ensure that the speed of supply to the market is at par with the demand.

In a very unique initiative, non-marketing employees led by the HR Team, visit and meet the end customers on quarterly basis to first-hand customer experience. This is in addition to the external customer survey that is conducted periodically through a reputed research





JKLC Smart Serv Mobile Silos

agency.

Our Team has also introduced this unique concept of 'Smart Serv Mobile Silos', a unique offering is developed to offer loose cement in a container at site locations. This initiative garnered phenomenal response from the smaller residency, mass housing, etc. Yet another unique initiative "Sahyogi Sanrakshan Sansthan" is created by our team for masons and petty contractors, which provides an accidental cover of around Rs. 1 Lakh. We have also created a CEM Connect Platform to be in regular touch with influencers and masons.

At JK Lakshmi, we have always believed that "customer always comes first'. Our endeavour to create a dedicated touch point for Customer Care and Service Support has been able to add significantly in our engagement with our customers. Besides various outbound campaigns to obtain feedback on our CSR activities, our marketing and branding activities, this customer care touch point is available for inbound calls from the customers in case of any complaints and queries. With the help of the Sales force application our team has been able to monitor and track all the service queries on a timely basis. Besides this, we also utilize other technologies like Email, SMS, Missed Call, etc to reach out to our customers. This direct interaction has benefited the company as the feedback and suggestions from the customers are accumulated and incorporated towards further improving our internal systems and processes, and, helps us provide the best-in-class products and services to our valued customers.

Our Branding team has worked diligently in carving out strategic and creative marketing campaigns targeting both the influencers as well as the end users. In FY18, our Company was the proud 'Title Sponsor' for Rajasthan Royals IPL Team. Through this opportunity, we were able to reach out to millions of TV sets in India and abroad. This was a perfect alliance between two entities who believe in unwavering Team Spirit and 'Buland Soch' and it resulted in to strengthening our footprints in various markets across the country. As a result of this approach of Team JK Lakshmi, towards achieving Harmony with our customers, today, we have this unique distinction of having a superior brand recall and equity.



JKLC was the proud 'Title Sponsor' for Rajasthan Royals IPL Team

"NO_x Control through Installation of SNCR system" – Spearheading new technology to create Harmony with the Environment

At JK Lakshmi, we are always striving to ensure that our manufacturing processes are in harmony with the environment, our teams are constantly working towards ensuring a greener tomorrow for the future generations.

Even before the stringent norms set by Ministry of

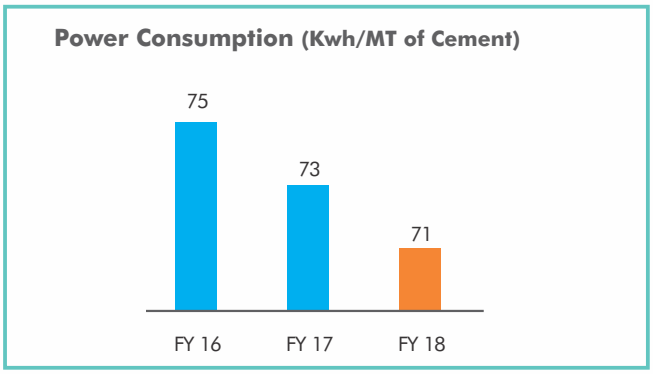
Environment and forest for cement industries to mitigate the NO_x emission.

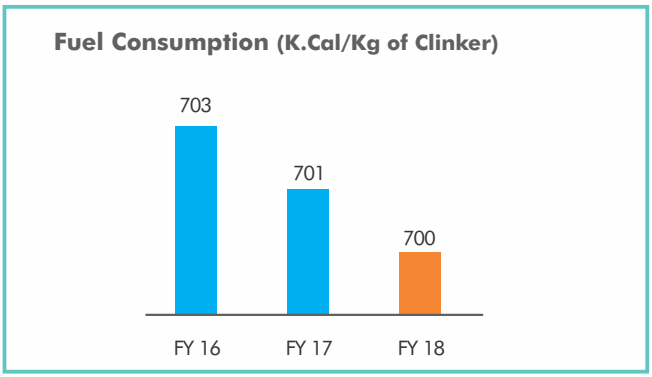
JKLC proactively implemented a number of unique in-house primary NO_x mitigation measures and we were



SNCR System at Jaykaypuram

able to reduce NO_x emisson by 20 to 30%. However, to further achieve the new norms, team JKLC has installed a distinct technology the "SNCR" (Selective Non-Catalytic Reduction) System. Such a technology was being implanted for the first time in India. Initially the SNCR system was successfully installed in our Kiln-1 for the inline calciner where ammonia solvent is used to suppress the NO_x level & then with the prompt results we decided to go for a new technology of Online CFD in SNCR system for our Kiln-2 & Kiln-3 for the separate line calciner and completed the commissioning in February, 2018. As aqueous ammonia is the main reagent to be used in the SNCR system and critical to handle, this requires sincere attention while handling and using, so





from the beginning of the project, team JK Lakshmi decided to go for the full proof system in terms of safety.

Sustainable Growth through Water Positivity" – conserving precious resources to ensure long-lasting Harmony with Mother Nature

At JK Lakshmi, in our pursuit of achieving Harmony with Mother Nature, we understand the importance of water conservation and its ever increasing significance in the time to come. Our teams have been constantly endeavouring to achieve excellence in management and conservation of water - one of the most important resources of nature.

With a habit of setting superlative examples through innovation and efficiencies, our Jaykaypuram unit has always kept a check towards its growth in a sustainable way. Conservation of natural resources has always been an indispensable part of the company's core values. Moving on with same pace, the Jaykaypuram unit has constructed 10 Nos. of unique underground rain water harvesting structures known as "KFP" along with 5 Nos. of "Furaat" Structures.



Certificate Of Kedia Farm Pattern

These rain water harvesting structures infiltrate the surface water into the subsurface aquifers before getting lost by the surface runoff and helps in recharging the groundwater positively. This water improves the quality of groundwater by diluting its fluorides, nitrates and Its salinity maintaining neutral pH and zero hardness. Earlier 30-35% of harvested water is lost through evaporation from reservoirs whereas 50-55% water gets lost through surface runoff but through KFP and Furaat Structures we are able to capture 90% of total rain water under the ground with an harvesting capacity of 3 crore litres/Annum. Thus retaining the soil moisture by 40-50% and recharging ground water by 30% which in turn reduces our dependency on water for horticulture as we are in process of adding more water to ground than we withdraw.

Similarly, our unit at Kalol, Gujarat today stands water positive, achieving Water Positivity Index of 1.35, in accordance to ISO 14046: Water Foot-printing Assessment. The Kalol unit is the first standalone cement grinding unit in the country to achieve this ISO Standard. Working beyond compliance, the unit since its inception has strived on the thought that not even a single drop of rainwater should go to waste. The entire unit is covered under scientifically designed rainwater harvesting system. Moreover, the unit has also extended the same in the society by installing rooftop rainwater harvesting system at government primary school, in village Khatraj, Kalol, Gujarat, that recharges the school water tank and the nearby well, thereby augmenting the groundwater resource. With very little rainfall in the region, the system installed at the government primary school has the potential to harvest about 118592 litres of rainwater per year.

Our pursuit of achieving Harmony with the Community – working towards Inclusion and Community Development

JK Lakshmi Cement Ltd. has always been one of the champions of inclusive growth and has been undertaking community development projects for holistic development and empowerment of women around its business and plant locations, thereby trying to achieve the perfect harmony with the community at large. Our key strategy for women empowerment is to deliver multiple CSR projects addressing the core issues in the



thrust areas of health, education, water & sanitation, and livelihoods promotion. The CSR projects are in the states of Rajasthan, Haryana, Chhattisgarh and Gujarat and having direct coverage of over 1.6 lakh beneficiaries under its various CSR projects. The contributions made by the Company towards CSR were awarded at World HRD Congress in February and your Company was recognised as one of the top 100 most impactful CSR leaders from all walks of life.

Naya Savera – A new beginning

Naya Savera is one of the key initiatives taken up by team JK Lakshmi, which focuses on improving reproductive and child health by targeting some of the key issues like maternal and infant's mortality, spacing, safe delivery and routine immunization and adolescents sexual health. The project directly covers about 40,000 women population across 35 villages in the Sirohi district of Rajasthan. The project has been able to substantially reduce the maternal and infants death in the intervention area and that too amongst some of the most deprived tribal communities. Through this project, Team JK

Lakshmi provides reproductive health/ family welfare services to more than 1500 pregnant women and lactating mothers on annual basis. Till date, this project has directly covered and delivered services to approximately 19,500 pregnant and lactating mothers.

The Naya Savera project has consistently achieved better reproductive and child health outcomes in comparison to state and district outcomes against key indicators.

The reproductive and child health improvement has resulted into higher women participation in the education and livelihoods activities, thereby, improving their overall social and economic status in the family as well as in the community.

Adult Literacy – Educating the Present for a better tomorrow

Another key project taken up by team JK Lakshmi in our



Adult Literacy Program

endeavour to achieve harmony with the community and which has facilitated women empowerment has been "Adult Literacy" for illiterate women as well as providing educational and other support to girls before they are mainstreamed in the schools. These projects so far have made more than 5400 adult women literate and have mainstreamed about 700 girls at various classes. More than 90% of the beneficiaries of these projects have been from the SC and ST communities.

Education and awareness among women and girls on personal hygiene through promotion of low cost sanitary napkins in more than 88 villages in the states of Rajasthan, Haryana, Gujarat and Chhattisgarh, has been a critical project. Under this project, low cost sanitary napkin manufacturing units were installed and the local women and girls were trained for the production and its distribution. Sanitary napkin vending machines and incinerators for its disposal have also been installed at girls' toilets at schools. Besides over 65 toilets for girls have been constructed in the government schools. These initiatives have resulted into increased school attendance and decrease in girls drop-out.

Champa – A journey from dependence to independence

Name : - Champa Devi | Age : - 35
Husband's Name : - Mani Lal
Village : - Kalimagri (Rampura)

Champa Devi is a 35 year old woman living in a tribal



An Independent Champa Devi

village Kalimagri in Sirohi district Rajasthan with her husband and 2 sons. She was illiterate and because of her illiteracy and typical stereotyping of Indian men she was never given the desired importance by her husband in taking financial and non financial decisions. She was not allowed to step out of her home or to meet outsiders visiting their home. These demotivating conditions had made her resign to her fate as she lost confidence in

herself over the years. This was the case untill she came in touch with the JK Lakshmi CSR team.

The JKLC CSR team asked her to visit the Literacy Centre operated in the nearby community centre where illiterate women are taught how to read, write and do basic mathematical calculations and how to improve the standard of living. She finally visited the centre and when she saw how her neighbourhood women were getting transformed in terms of education, health and livelihood, she got inspired by them and joined the centre, the very next day. When her husband came to know that she was going to a literacy centre he restricted her from joining the literacy centre. Despite knowing the consequences Champa dared to go to the centre for 3 months training. After the completion of training, when her husband saw the transformation in her, he also supported her by asking her opinions in financial and non-financial decisions of the family and felt proud for his literate wife.

Now she owns a kirana store from where she generates a sale of Rs700/day. She also bought a flour mill by investing Rs. 60,000 to generate more income for her family. Recently, she has also endeavoured to support her husband by purchasing for him an auto rickshaw on loan and pays the EMIs through the income she generates from her Kirana store and Flour mill. Moreover, she has also renovated her house to a Pakka Ghar. Having realised the value of literacy and education, they have enrolled their children in a school to ensure that their lives have a better future.



Sewing Training Program



Creating Sustainable Livelihood – paving the path to self-sustenance

We at JK Lakshmi have always undertaken projects that can ensure sustainable livelihood creation through skills training, formation and strengthening of women Self-Help-Groups (SHG), and enterprise development for the economic empowerment of women in and around our plant communities. Micro enterprises like Phenyl making, Bag making, Plate / Dona making, Broom making and others have also been promoted among the rural women as a part of income generation. More than 100 small and marginal farmers are being supported with high yielding seeds and other inputs which have increased their annual income. Apart from this about 586 women/ girls attended sewing training program organised at various locations. The company also launched "JK Lakshmi Vidya Scholarship Program" for daughters of masons to support their education. We, at JK Lakshmi believe that if we can help these women create sustainable livelihoods, we can help them create a better future for their families.

LAKSHMIPAT SINGHANIA - IIM, LUCKNOW NATIONAL LEADERSHIP AWARDS - 2016-17

"In association with IIM, Lucknow, your company as a member of JK Organization organises the Lakshimpat Singhania IIM, Lucknow National Leadership Awards yearly. This award is an effort to acknowledge and honour men and women, who are impacting and transforming for the betterment of our great country through their tireless endeavors, creating new paths for others to follow and have the ability to see possibilities where none seem to exist.

The award in the three fields of Business, Science & Technology, Community Service & Social Upliftment; comprises of a Trophy and a Citation. In FY18, then Honorable President of India - Shri Pranab Mukherjee felicitated all the Awardees."

SHRI PRANAB MUKHERJEE

HON'BLE PRESIDENT OF INDIA FELICITATES AWARDEES



From Left to Right (Standing) : Dr. Prakash Amte, Shri Raghavendra Singh (on behalf of Shri Uday Kotak, Smt. Jaya Devi, Prof. Jayant Narlikar, Dr. Sanghamitra Bandyopadhyay, Shri S. Sandilya (on behalf of Shri Siddhartha Lal),

From Left to Right (Sitting) : Dr. Raghupati Singhania, Shri Kewal Kumar Sharma (Chairman, Board of Governors, IIM Lucknow), Shri Pranab Mukherjee (Hon'ble President of India), Shri Bharat Hari Singhania, Dr. Ajit Prasad

AWARDS AND ACCOLADES



VCMD-ET NOW CSR Leadership Lifetime Achievement Award





International Safety Award 2017



Dr. Shailendra Chouksey, Global Business Icon Awards 2018'



JK Lakshmi Cement bagged second prize in the Overall Performance category-Sirohi Mines



JK Laksmi - Durg Plant was awarded Lowest Consumer of Power per tonne by CII in the Cement Producers' Cluster

JK Lakshmi Cement Limited Recognized as one of India's Top 10 Best Places to Work 2018 in Manufacturing Sector



DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

The Directors are pleased to present the 78th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2018.

FINANCIAL RESULTS

₹ in Crore

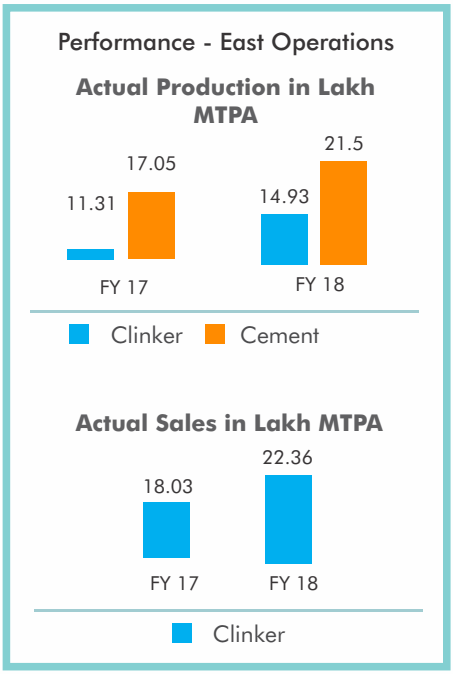
	2017-18	2016-17
Sales & Other Income	3582.29	3329.93
Profit before Interest & Depreciation	479.46	435.22
Profit before Depreciation	281.98	246.57
Profit / (Loss)after Tax	83.96	82.00
Transfer to Debenture Redemption Reserve	-	35.00
Surplus brought forward	199.63	156.17
Amount available for appropriation	**283.59**	**203.17**
Appropriations		
- Dividend paid during the year (Pertaining to Previous Year)	10.63	3.54
Surplus carried to Balance Sheet	272.96	199.63
	283.59	**203.17**

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.75 per Equity Share of ₹ 5 each (15%) for the Financial Year ended 31st March 2018. The Dividend outgo subject to approval at the ensuing Annual General Meeting will be ₹ 8.83 Crore (inclusive of Dividend Distribution Tax of ₹ 1.81Crore).

PERFORMANCE

The Company has its manufacturing plants located in two distinctive markets namely East, comprising the states of Chhattisgarh, Odisha, Eastern & Central MP, and Vidarbha region in Maharashtra; and North West, that mainly comprises Rajasthan, Gujarat, Haryana, Delhi, Punjab, Western UP, Western MP, and some parts of Maharashtra bordering Gujarat. Even though the Financial Year 2017-18 has been a relatively tough year for the Cement Industry on the whole and your Company was no exception; yet cement being a regional commodity the performance of the Company operating in multiple markets must be viewed with respect to the performance of the industry in those markets.



In East where the Company has entered in FY 2016. In the last Financial Year represented first full year of stabilized performance in these markets. The installed capacity of its Durg Plant for clinker and cement was increased by 22% and 39% respectively mainly due to in-house innovations and optimization of plant operating parameters without incurring any major capital investments. This capacity creation also got reflected in higher production and higher sales.

In terms of capacity utilization, growth in sales, and operational efficiencies, Durg plant is now amongst the best plant. With commissioning of Waste Heat Recovery Boiler of 7.50 MW capacity and expected commissioning of captive power plant of 20 MW capacity in Financial Year 2018-19; the power cost per MT of cement shall drastically be reduced and would make Durg plant amongst the most efficient plants in the cement industry. All these initiatives related to power shall lead to substantial savings when fully operationalized and stabilized.

Coming to the North – West part of the operations; where the Company's manufacturing plants are in operation for quite some time; the focus in Financial Year 2017-18 had been on consolidation, both in terms of improving the efficiencies in manufacturing operations and in distribution. On power and fuel consumption from the Sirohi plant of the Company

is one amongst the best in the industry and its associated grinding units at Kalol and Jharli too are leaders in power efficiency. The recently commissioned cement grinding unit at Surat is now fully stabilized and is continuously setting up new benchmarks on operational parameters. The Grinding units at Surat and Jharli are also producing Solar Power at much lower cost to partly meet their own consumption needs by utilizing the available space to install solar panels.

The demand situation in Northern & Western parts of India has rather been subdued in the concluded Financial Year as compared to a relatively better growth seen in Eastern & Central parts of India. As a consequence of this the production of clinker and cement sales have seen a marginal increase 3% and 6% respectively.

The Company has recently taken various initiatives to improvise its distribution partly aided by implementation of GST, such as increase in direct dispatches, enhancing the dispatches from Grinding Units, optimization of dumps which will result in lower logistic cost and thereby increasing the profitability margin of Company.

The Company's EBIDTA stood at ₹ 479.46 Crore, which compares favorably with the EBIDTA of ₹ 435.22 in the previous Financial Year. Company's net profit stood at ₹ 83.96 Crore as against a Profit of ₹ 82.00 Crore in the previous fiscal.

PROGRESS OF THE PROJECTS & EXPANSIONS

The Company is well on its way to complete all major growth related capital investments, as planned, by end of the Financial Year 2018-19. The 1.35 Million Tonnes per annum grinding unit at Surat, Gujarat had been commissioned and is now fully stabilized. The work on Company's Grinding Unit project in Orissa with an annual capacity of 0.8 Million Tonne is progressing satisfactorily and is expected to be completed by fourth Quarter of Financial Year 2018-19.

7.50 MW Waste Heat Recovery Project at Durg has been successfully commissioned in November 2017 and is generating power at rated capacity. The Company has already enhanced its Cement Capacity at Durg Plant from 1.80 Million Tonnes to 2.70 Million Tonnes and Clinker Capacity from 1.49 Million Tonnes to 1.95 Million Tonnes at a nominal Capital expenditure of ₹ 50 Crore only.

Udaipur Cement Works Limited (UCWL), Company's Subsidiary had successfully started commercial production and with this commissioning, the Company's overall operating capacity including that of UCWL stands increased to 12.5 Million Tonnes as on 31st March 2018.

OUTLOOK FOR INDIAN ECONOMY

With the series of major economic reforms undertaken by Central Government, such as demonetization in November 2016, introduction of RERA and implementation of GST in July 2017; though caused some temporary disruptions; the Indian economy appears to be at the cusp of major transformation. The Indian Economy seems to be picking up steadily on a robust trajectory. Appearing bullish on India's potential, the World Bank has projected the country's economic growth to reach 7.3 per cent in Financial Year 2018-19, outpacing that of China's. Besides, several pro-poor and pro-rural initiatives announced by the Government in the recent Budget will lead to spur in the demand and contribute towards future economic growth.

Even though, the short term cost associated with Demonetization spilled over into the Financial Year 2017-18 in the shape of hardship and inconvenience, especially in the informal and cash intensive sectors, who bore the brunt most in the form of loss in income and employment, it has also brought the digital payment agenda to the fore like never before. GST also upon introduction added to challenges as there were many sectors of the economy especially the MSME and small retail sector were not ready for it. While these disruptions caused hardships in short run the long term benefits are gradually emerging to show. It is reported that for the first time since the introduction in July 2017, gross GST collections have crossed ₹ 1 Lakh Crore in March 2018; and now in subsequent months are stabilizing towards this figure. The operation clean money is resulting in significant additions to tax base and direct taxes collections.

Healthy finances of the government bodes well for the economy and especially for those sectors of the economy where the government spending and investments create substantial impact.

Additionally, speedy resolution of the long outstanding problem of stressed companies by implementing new Indian Bankruptcy Code, major recapitalization package implementation to strengthen the public sector banks, further liberalization of Foreign Direct Investments, measures to uplift export etc., are expected to improve the investment climate significantly. India for the first time in its history has breached the 100 mark barrier to be amongst top 100 economies in the ease of doing business. All of these are indicators of an impending turnaround in the economy.

INDUSTRY OVERVIEW – THREATS, OUTLOOK & OPPORTUNITIES

Cement Industry has overcapacity, demand is not rising as it should as or was expected, input costs are going up, regulatory environment is becoming increasingly strict, customers more demanding, competition increasing, etc.; are common refrains when it comes to explaining reducing margins and reducing returns on capital employed. Clearly there is need to see beyond the obvious.

Industry in last 2 – 3 years has witnessed some major structural changes. The industry is witnessing a sort of consolidation in which the total capacity in the hands of large and mid size players is gradually rising. For instance nearly about 15% of industry capacity in last 2 – 3 years has changed hands and has largely gone into the hands of the players who already dominate the industry landscapes. As a consequence of this consolidation, while 10 years ago large and mid size players in the industry controlled 40% of the industry capacity, today more than 70% of industry capacity is with large and mid sized players. This consolidation undoubtedly on one hand has changed cost competitiveness equation for the industry; on the other hand, it has also put pressure on others to tighten the belt and be more cost competitive. Improving competitiveness is a good news for all and is also an opportunity for others to learn, improve, and adopt.

Another expected positive aspect of the consolidation in the industry is more responsible behavior and reducing volatility which has been one of its foremost characteristics. We are already witnessing the same in terms of a better price parity across markets and barring a few exceptions, the market is gradually getting used to pay a price per bag of cement which is more uniform across the country. GST will also contribute to it in no small measure. Though such a change is likely to cause some pain and discomfort initially but is also an opportunity for the industry to be more focused and concentrate on markets which are natural to them in terms of cost and price competitiveness. Stability in prices is also likely to result in stable markets and stable demand. A system that is stable and running in steady state is always more efficient and effective as compared to a system full of uncertainties and volatility.

After a period of initial turbulence caused by major disruptive economic reforms undertaken by the government, riding on the initiatives such as infrastructure development and Housing for all; cement demand is now witnessing a gradual but steady revival. Housing and infrastructure have always been the mainstay of cement consumption and both these sectors put together account for nearly 80% of cement consumption. Hence a revival of these sectors, even though in select pockets is overall a good news for the industry. Though this revival would certainly bridge the gap between the industry capacity which is inching towards 500 million mark and demand which is crossing 300 million mark; there is little to believe that new capacity shall not be added in the industry before existing capacities are fully absorbed or are absorbed to the extent of 90 – 95% utilization levels seen by the industry in past.

Hence moving forward with consolidation of capacities, consolidation of market presence and market share would be a major factor that would derive the capability to compete in the industry. Your company has taken various measures in this regard which will result in further consolidation of its presence and growth in market share in its operative markets. This combined with improvements in operational efficiencies should lead to better margins, accretion of wealth and thereby further reinvestment in future.

HUMAN CAPITAL MANAGEMENT

With increasing complexity in the competitive landscape, proactive and effective management of Human Capital has become even more crucial. We believe in 'War with Talent' rather than waging war for talents which is also aptly reflected in having one of the lowest attrition level in the industry. With agility, responsiveness and cutting-edge technology emerging as key drivers of business growth and sustenance through talent, this year the Company has placed significant emphasis on these critical drivers. Right from focussed skill and competency based training and development programmes including self-driven e-learning portals/kiosks to increased employee engagement activities, premium was placed on improving capacity, capability and inner drive of the human capital. The Company also ensured that these behaviours demonstrating key drivers of agility, responsiveness and cutting-edge technology are recognized and rewarded in the most appropriate ways so as to bolster the sense of achievement and pride, both in terms of the Company as well as individual and teams. For instance, the new initiative of 'District Premier League' in marketing function encompassing focus on trade sales target, journey plans, dealer productivity, direct dispatches, and premium products including value added products has yielded into desired tangible and intangible results both in

short as well as long term.

The contributions of human capital were reflected in terms of continued best-in-class hard as well as soft metrics. On people front, the Company was recognized as "Best in the Industry: Manufacturing and Production 2018" by Great Place to Work Institute, India which amplifies the premium Company has placed on its human capital and the way they are groomed, nurtured, developed and retained. With culture as its backbone, the Company continues with its acceleration towards excellence through limitless human possibility and contributions of its greatest resource- the talented, agile and strategic pool of managers and committed workforce.

INTERNAL CONTROL SYSTEMS

The Company has in place Internal Control Systems commensurate with the nature of its business, size and complexity of its operations. These Systems are regularly tested for their effectiveness by Statutory as well as Internal Auditors. The Company has a Strong and Independent Corporate Internal Audit Team comprising of Qualified Professionals who review the Internal Control Systems on regular basis to check its effectiveness and also to verify all statutory compliances. The Company has also appointed External Auditors to carry-out Internal Audit for its key locations and some of the Marketing offices. Based on the Internal Audit Programme approved by the Audit Committee of the Board, the Internal Auditors carry-out regular Internal Audits covering all offices, factories and key areas of business. These Internal Auditors report directly to the Chairman of the Audit Committee and their Reports are placed before the Audit Committee on Quarterly basis for review. The Audit Committee reviews the findings of the Internal Auditors and monitors the Implementation of the recommendation of the Auditors.

The Company also has a robust Budgetary Control System and MIS System under which actual Periodic Operating and Financial Performances are mapped against the Budget and variances are analyzed to take corrective actions.

INTERNAL FINANCIAL CONTROLS

The Company has laid down Internal Financial Control Systems, Policies and Procedures which ensure accuracy and completeness of the Accounting records and the timely preparation of reliable financial statements. These Internal Financial Control Systems are adequate for safeguarding the assets and for prevention and detection of errors and frauds commensurate with the size, nature and complexity of the operations of the Company. The Policies and Procedures are adequate for orderly and efficient conduct of Business of the Company. The Company also has a Strong Budgetary Control System and Management Reporting System which serve as the backbone to not only check the adequacy and effectiveness of the Internal Financial Controls, but also to monitor the existing operating systems to ensure that Business results are achieved and corrective remedial actions are taken, wherever necessary. No reportable material weaknesses were observed in the system during the previous financial year.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2018 in the prescribed Form MGT -9 is attached as Annexure 'A' to this Report and forms a part of it.

RELATED PARTY TRANSACTIONS

During the Financial Year ended 31st March 2018, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on an arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in Form AOC-2 is not applicable. The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013, Dr. Shailendra Chouksey retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

All the Independent Directors of the Company have given requisite declarations confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015.

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

CONSERVATION OF ENERGY ETC.

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

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2017-18 have been prepared in accordance with the Companies Act, 2013 ("Act") read with the Rules made thereunder and applicable Indian Accounting Standards. The Audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

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

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

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

DEPOSITS

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

The Particulars in respect of the deposits covered under Chapter V of the said Act, for the Financial Year ended 31st March 2018 are: (a) Accepted during the year - ₹ 24.63 Crore; (b) Remained unclaimed as at the end of the year – ₹ 0.22 Crore; (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - Nil and (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act- Nil.

AUDITORS

(a) **Statutory Auditors and their Report**

M/s S.S. Kothari Mehta & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 77th Annual General Meeting (AGM) held on 7th September 2017 until the conclusion of the 80th AGM to be held in the year 2020, subject to ratification by the Members at every subsequent AGM to be held during their said term in accordance with the provisions of the Companies Act, 2013. However, pursuant to the Companies (Amendment) Act, 2017, the requirement of ratification of appointment of the Auditors on yearly basis has been dispensed with. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory.

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

Pursuant to the provisions of Section 204 of the Companies Act 2013, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the Financial Year 2017-18. The Report given by him for the said Financial Year in the prescribed format is annexed to this Report as Annexure 'C'. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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

M/s R.J. Goel & Co., Cost Accountants, conducted the Audit of cost records of the Company for the Financial Year ended 31st March 2017 and as required, Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India.

The Audit of the Cost Accounts of the Company for the Financial Year ended 31st March 2018 is being conducted by the said firm and the Report will be duly filed.

CORPORATE SOCIAL RESPONSIBILITY

The Company is in the forefront of fostering a socially responsible corporate climate. Towards this end, a number of initiatives have been taken to improve the quality of living standards of the communities and people residing around the Company's plants.

Company's focus areas include 'protection of environment and conservation of natural resources, health care, education, skill development, water and sanitation, plantation and Green Cover Rehabilitation and rural development among others. Please also see details given in Principle 4 to the Company's Sustainability & Business Responsibility Report for the Financial Year 2017-18.

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

The Annual Report on the CSR activities undertaken by the Company during the Financial Year under review, in the prescribed format, is annexed to this Report as Annexure 'D.'

PARTICULARS OF REMUNERATION

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

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

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

CHANGE IN THE NATURE OF BUSINESS

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

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Sustainability & Business Responsibility Report of the Company for the Financial Year 2017-18 ended 31st March 2018 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms a part of it.

The Company's first Sustainability Report covering financial years 2014-16 based on the Global Reporting Initiatives, G4 framework, including all aspects of our sustainability activities is available on the Company's Website at www.jklakshmicement.com/ www.jklakshmisustainability.com.

CORPORATE GOVERNANCE

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

(a) Particulars of the four Board Meetings held during the Financial Year under review.

(b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, criteria for determining qualifications, positive attributes, independence of a director, etc.

(c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

(d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.

(e) Details regarding Risk Management.

(f) Dividend Distribution Policy.

COMPLIANCE OF SECRETARIAL STANDARDS

Based on the Secretarial Audit Report of the Secretarial Auditor, the Company has duly complied with the applicable

Secretarial Standards on Meetings of Board of Directors and General Meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

(f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors wish to place on record and acknowledge their appreciation for the continued support and valuable co-operation received from the Financial Institutions, Banks, Government Authorities, Dealers, Suppliers, Business Associates and Company's valued Customers and the esteemed Shareholders for the faith they continue to repose in the Company.

The Directors also express their gratitude to the "Team JK Lakshmi" for their significant efforts and collective contribution to enable the Company maintain steady progress.

CAUTIONARY STATEMENT

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

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

On behalf of the Board of Directors

Vinita Singhania
Vice Chairman & Managing Director

Dr. Shailendra Chouksey
Whole-time Director

Place: New Delhi
Date: 16th May 2018

ANNEXURE 'A' TO DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	:	L74999RJ1938PLC019511
(ii)	Registration Date	:	6th August 1938
(iii)	Name of the Company	:	JK Lakshmi Cement Limited
(iv)	Category/Sub-Category of the Company	:	Public Company Limited by shares/ Non-Government Company
(v)	Address of the Registered Office and Contact Details	:	Jaykaypuram Distt. : Sirohi- 307 019, Rajasthan Ph. No. : 02971-244409/244410 Fax No. : 02971-244417 Email id : lakshmi_cement@lc.jkmail.com Website : www.jklakshmicement.com
(vi)	Whether Listed Company (Yes/ No)	:	Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Ltd. F-65, 1st Floor, Okhla Industrial Area, Phase -I New Delhi- 110 020 Ph. No. : 91-11-41406149-50 Fax No : 91-11-41709881 Email id : admin@mcsregistrars.com Website : www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Cement	2394	94

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Hansdeep Industries & Trading Company Limited Patriot House, 4th Floor, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U74899DL1993PLC054817	Subsidiary	100	2(87)
2	Ram Kanta Properties Pvt. Ltd.# Nehru House, 4th Floor, 4, Bahadur Shah Zafar Marg, New Delhi-110 002	U74999DL1990PTC332116	Subsidiary	100	2(87)
3	Udaipur Cement Works Ltd. Shripati Nagar, P.O. CFA, Udaipur, Rajasthan-313021	L26943RJ1993PLC007267	Subsidiary	Equity-71.03 OCCRPS-100 @	2(87)
4	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002	U31200DL2005PLC278945	Associate	Equity-35 OCCRPS-33.33 @	2(6)

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

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

(i) Category-wise Shareholding

(Equity Share of ₹ 5/- each)

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2017)				No. of Shares held at the end of the year (as on 31st March 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters **									
(1) Indian									
a) Individual/HUF	8,65,542	-	8,65,542	0.73	8,65,542	-	8,65,542	0.73	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5,31,93,217	-	5,31,93,217	45.21	5,31,93,217	-	5,31,93,217	45.21	
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	5,40,58,759	-	5,40,58,759	45.94	5,40,58,759	-	5,40,58,759	45.94	0.00
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Share holding of Promoter (A)= (A)(1)+(A)(2)**	5,40,58,759	-	5,40,58,759	45.94	5,40,58,759	-	5,40,58,759	45.94	0.00

**The total shareholding of Promoters at (A) above includes 2,60,01,864 Equity Shares (22.10%) as on 1st April 2017 and 31st March 2018 pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

B. Public Shareholding									
(1.) Institutions									
a) Mutual Funds/UTI	1,86,55,811	5,040	1,86,60,851	15.86	1,83,82,957	2,160	1,83,85,117	15.62	-0.24
b) Banks/FI	8,090	25,398	33,488	0.03	8,527	24,742	33,269	0.03	-
c) Central Govt.	2,182	-	2,182	0.00	8,27,280	-	8,27,280	0.70	0.70
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	85,47,462	7,604	85,55,066	7.27	42,84,403	5,804	42,90,207	3.65	-3.62
g) FIIs	1,21,29,481	-	1,21,29,481	10.31	95,17,692	-	95,17,692	8.09	-2.22
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	3,93,43,026	38,042	3,93,81,068	33.47	3,30,20,859	32,706	3,30,53,565	28.09	-5.38
(2.) Non-Institutions									
a) Bodies Corp.									
i) Indian	41,90,531	1,25,474	43,16,005	3.67	1,09,76,582	1,19,436	1,10,96,018	9.43	5.76
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	97,90,503	16,97,701	1,14,88,204	9.77	95,96,555	13,57,153	1,09,53,708	9.31	-0.46
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	77,41,903	27,600	77,69,503	6.60	78,64,921	27,600	78,92,521	6.71	0.11
c) Others (specify)									
i) Non-Resident Indians	4,95,831	46,526	5,42,357	0.46	5,07,562	12,952	5,20,514	0.44	-0.02
ii) Trust & Foundation	6,422	484	6,906	0.01	68,795	484	69,279	0.06	0.05
iii) Cooperative Societies	12	822	834	0.00	12	448	460	0.00	-
iv) NBFCs registered with RBI	1,06,430	-	1,06,430	0.09	25,242	-	25,242	0.02	-0.07
Sub-Total (B)(2):-	2,23,31,632	18,98,607	2,42,30,239	20.60	2,90,39,669	15,18,073	3,05,57,742	25.97	5.37
Total Public shareholding (B)= (B)(1)+(B)(2)	6,16,74,658	19,36,649	6,36,11,307	54.06	6,20,60,528	15,50,779	6,36,11,307	54.06	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11,57,33,417	19,36,649	11,76,70,066	100	11,61,19,287	15,50,779	11,76,70,066	100	-

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2017)			Shareholding at the end of the year (as on 31st March 2018)			% change in share-holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumb-ered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumb-ered to total shares	
1	Bengal & Assam Company Ltd.	2,80,56,895	23.84	0.00	2,80,56,895	23.84	0.00	-
	Total	**2,80,56,895**	**23.84**	**0.00**	**2,80,56,895**	**23.84**	**0.00**	-

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

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Bengal & Assam Company Ltd.**				
	At the beginning of the year	2,80,56,895	23.84	2,80,56,895	23.84
	Date wise Increase/Decrease in Promoter Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment / Transfer / Bonus / Sweat equity, etc.)	No Change			
	At the end of the year i.e. 31st March 2018			2,80,56,895	23.84

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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2017)		Shareholding at the end of the year (31st March 2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Florence Investech Ltd. ^ ^	1,36,45,040	11.60	1,36,45,040	11.60
2	BMF Investments Limited ^ ^	1,10,11,386	9.36	1,10,11,386	9.36
3	HDFC Standard Life Insurance Company Ltd. ^ ^	43,28,289	3.68	47,15,854	4.01
4	Government Pension Fund Global ^ ^	27,11,865	2.30	30,94,262	2.63
5	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus @	5,37,670	0.46	30,00,000	2.55
6	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund@	14,71,040	1.25	29,50,976	2.51
7	Life Insurance Corporation of India Ltd. ^ ^	28,93,126	2.46	28,93,126	2.46
8	Sachin Bansal & Vivek Bansal ^ ^	26,51,000	2.25	28,79,533	2.45
9	Franklin India Smaller Companies Fund ^ ^	17,84,687	1.52	18,95,030	1.61
10	ICICI Prudential Balanced Fund @	31,296	0.03	16,15,763	1.37
11	Ashoka PTE Ltd.**	17,27,654	1.47	15,16,750	1.29
12	Vivek Bansal & Seema Bansal **	16,47,000	1.40	12,73,104	1.08
13	Kotak Select Focus Fund **	15,86,347	1.35	-	-

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

^ ^ Common Top ten Shareholders as on 1st April 2017 and 31st March 2018.

** Top Ten Shareholders only as on 1st April 2017.

@ Top ten Shareholders only as on 31st March 2018.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Shri Bharat Hari Singhania, Chairman & Managing Director**				
	At the beginning of the year	1,27,970	0.11	1,27,970	0.11
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			1,27,970	0.11
2.	**Smt. Vinita Singhania, Vice Chairman & Managing Director**				
	At the beginning of the year	88,758	0.08	88,758	0.08
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			88,758	0.08
3.	**Shri Bhupendranath Vidyanath Bhargava, Director**				
	At the beginning of the year	6,660	0.01	6,660	0.01
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			6,660	0.01
4.	**Dr. Raghupati Singhania, Director**				
	At the beginning of the year	1,77,948	0.15	1,77,948	0.15
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			1,77,948	0.15
5.	**Shri Nand Gopal Khaitan, Director**				
	At the beginning of the year	15,948	0. 01	15,948	0.01
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			15,948	0.01
6.	**Shri Brijesh Kumar Daga, Sr. Vice President & Company Secretary**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			1	0.00
7.	**Shri Sudhir Anna Bidkar, Chief Financial Officer**				
	At the beginning of the year	180	0.00	180	0.00
	Date wise Increase/Decrease in Shareholding during the year			No Change	
	At the end of the year i.e., 31.3.2018			180	0.00

Note: Shri Pradeep Dinodia, Shri Ravi Jhunjhunwala, Shri Kashi Nath Memani, Dr. Shailendra Chouksey and Shri S.K.Wali, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on 1st April 2017, during the year 2017-18 and at the end of the year i.e., as on 31st March 2018.

V. INDEBTEDNESS

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

(₹ In Crore)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (as on 1st April, 2017)				
(i) Principal Amount	1937.65	215.00	17.91	2170.56
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	9.47	-	0.56	10.03
Total (i+ii+iii)	**1947.12**	**215.00**	**18.47**	**2180.59**
Change in indebtedness during the Financial Year				
• Addition	30.38	-	20.19	50.57
• Reduction	(189.20)	(10.00)	-	(199.20)
Net Change	**(158.82)**	**(10.00)**	**20.19**	**(148.63)**
Indebtedness at the end of the Financial Year (as on 31st March 2018)				
(i) Principal Amount	1778.47	205.00	36.96	2020.43
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	9.83	-	1.70	11.53
Total (i+ii+iii)	**1788.30**	**205.00**	**38.66**	**2031.96**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ In Crore)

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Bharat Hari Singhania (Chairman & Managing Director)	Smt. Vinita Singhania (Vice-Chairman & Managing Director)	Dr. Shailendra Chouksey (Whole-time Director)	Shri Sushil Kumar Wali (Whole-time Director)	
1.	**Gross Salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.44	4.56	3.01	3.02	15.03
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.33	0.33	0.02	0.02	0.70
2.	Others (mainly contribution to Provident Fund)	0.45	0.45	0.15	0.15	1.20
	Total (A)	**5.22**	**5.34**	**3.18**	**3.19**	**16.93**
	Ceiling as per the Act	2.78 ^	2.78 ^	-	-	-

^ Based on effective capital of the Company as on 31st March 2017, as per Schedule V to the Companies Act, 2013.

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

B. Remuneration to other Directors

(₹ In Crore)

Sl. No	Particulars of Remuneration	Name of Directors						Total Amount
		Shri B. V. Bhargava	Shri N.G. Khaitan	Shri Ravi Jhunjhunwala	Shri K. N. Memani	Shri Pradeep Dinodia	Dr. Raghupati Singhania	
1	Independent Directors							
	• Fee for attending Board/ Committee Meetings	0.04	0.06	0.03	0.02	0.03	-	0.18
	• Commission	0.07	0.07	0.07	0.07	0.07	-	0.35
	Total (1)	**0.11**	**0.13**	**0.10**	**0.09**	**0.10**	**-**	**0.53**
2.	Other Non-executive Directors							
	• Fee for attending Board/ Committee Meetings	-	-	-	-	-	0.05	0.05
	• Commission	-	-	-	-	-	0.07	0.07
	Total (2)	**-**	**-**	**-**	**-**	**-**	**0.12**	**0.12**
	Total (B) = (1+2)	**0.11**	**0.13**	**0.10**	**0.09**	**0.10**	**0.12**	**0.65**
	Overall Ceiling as per the Act	Remuneration paid to Non-executive Directors was within the limit of 1% prescribed under the Act.						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Crore)

Sl .No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri S.A. Bidkar, Chief Financial Officer	Shri B.K.Daga, Sr. Vice President & Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.56	0.93	3.49
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.02	0.07	0.09
2.	Others(mainly contribution to provident fund)	0.07	0.03	0.10
	Total	**2.65**	**1.03**	**3.68**

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2018.

On behalf of the Board of Directors

Vinita Singhania
Vice Chairman & Managing Director

Dr. Shailendra Chouksey
Whole-time Director

Place: New Delhi
Date: 16th May, 2018

ANNEXURE 'B' TO DIRECTORS' REPORT

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

A. **Conservation Of Energy**

(I) **Steps Taken for Conservation Of Energy:-**

Energy conservation dictates how efficiently a Company can conduct its operations. Energy conservation has always been in the top priority of JKLC and recognized the importance of energy conservation in decreasing the harmful effects of Global Warming and climate change.

Major energy conservation initiatives /steps taken during 2017-18:-

- Installation of New Aerofoil design Louver Ring in VRM to reduce the Pressure drop across the Mill.
- Installation of VFD in Captive Thermal power plant Unit 1 & 2.
- Installation of Power connectivity of LS Crusher through plant 220KV line.
- Modification in Kiln to optimize and run WHR without Booster Fan.
- Installation of Exhaust Fans at various Load Centres /Substation connected in closed loop with Temperature controller.
- Optimisation in operating freq, pressure and interconnection of various compressors to reduce the energy consumption.
- Installation of LED lights in place of conventional light to save the energy cost.

(II) **Steps taken by the company for utilizing alternate sources of energy:-**

- Fossil use of Own Power plant fly ash, Bio mass, RDF pluff and other hazardous waste.
- Generation of Green Power by installing Waste Heat Recovery Plant (WHR) of 7.50 MW.
- Increase in Green Power generation by 1 MW through WHR system by Installing Hot Air Recirculation in Kiln-2
- Installed 3 Nos. Solar Power Plants 2.36 MW at Surat and 0.5 KWH each at Kalol & Jhajjar Grinding Units.

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

During the year, the Company has made capital Investment of ₹ 11.06 Crore on equipment or various capital schemes for conserving the energy resources. These Investments have resulted in saving of ₹ 5.28 Crore during 2017-18.

B. **Technology Absorption**

(I) **The Efforts made towards technology absorption:-**

- Installation of SNCR with Online CFD in Kiln-2 & Kiln-3
- Installed 04 Continuous Emission Monitoring System (CEMS).
- Installed 12 Nos. of KFP Patented Rain Water Harvesting Systems to augment ground water recharge.
- Installation of Aerofoil design Louver Ring in VRM2 & VRM-3.
- Multi Compartment Silo, with Real time Blender.
- Atomization of Fly Ash Unloading

(II) **The Benefits derived like product improvement, cost reduction, product development or Import substitution**

- Installation of modified tyres and table liners in VRM-2 & 3 and Optimisation of grinding pressure in VRM resulted in Productivity improvement by 6-8 TPH.
- Productivity improvement by 10 TPH in H.R.C.
- Multi Compartment Silo, with Real time Blender.
  a. Facility for multiple product dispatch with real time blending.
- Automization of Fly Ash Unloading
  a. Blending different sources of Fly Ash.

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

a. The Detail of Technology Imported

1. Boiler, Turbine and Generator Set for WHR.

b. The Year of Import.

Particulars	Year of Import
Green Power Generation through Waste Heat Recovery	2016-17

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

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

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

S.No.	Particulars	Amount (₹ in Crore)
1.	Capital Expenditure	-
2.	Revenue Expense	6.93

C. Foreign Exchange Earning and Outgo

S.No.	Particulars	Amount (₹ in Crore)
1.	Foreign Exchange Earned.	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, Capital Goods, Consultancy Charges, Know-How Fee, etc.)	159.50

On behalf of the Board of Directors

Vinita Singhania
Vice Chairman & Managing Director

Dr. Shailendra Chouksey
Whole-time Director

Place: New Delhi
Date: 16th May, 2018

ANNEXURE - C - 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,
JK Lakshmi Cement Limited,
Jaykaypuram-307019
District Sirohi, (Rajasthan)

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period),

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Management has identified and confirmed the following laws as being specifically applicable to the company and complied with:-

- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 and Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973
- Mines Act, 1952 and Mines Rules, 1955
- Mines Vocational Training Rules, 1966
- Metalliferous Mines Regulations, 1961, Mineral Conservation and Development Rules, 1988
- Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960
- Bureau of Indian Standards Act, 1986 and Cement (Quality Control) Order, 2003

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

(i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,

(ii) The Listing Agreement(s) entered into by the Company with the Stock Exchanges.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, there was no change in the composition of the Board of Directors of the Company.

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

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

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

Company's appeal with Competition Appellate Tribunal (COMPAT) against Competition Commission of India's (CCI) Order dated 19th January 2017 levying penalty on certain Cement Companies, including a Penalty of ₹ 6.55 Crore on the Company, pursuant to a reference filed by the Government of Haryana, is pending. COMPAT has since granted a stay on CCI order. Based on legal opinion, the Company believes that it has a good case.

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

(i) Company transferred 825,098 Equity Shares of ₹ 5 each to the demat account of Investor Education and Protection Fund Authority, in respect of which the dividend had not been claimed for seven consecutive years or more, in accordance with Section 124(6) of the Act and rules thereto,

(ii) Company subscribed for Optional Cumulative Convertible Redeemable Preference Shares of ₹ 50 Crores in Udaipur Cement Works Limited, a subsidiary of the company.

Further, this report is to be read alongwith the following:-

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

Place: New Delhi
Date: 15th May 2018

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

ANNEXURE 'D' CSR REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

   The philosophy of giving back to the society was laid down by the founding fathers of JK Group over a century ago and the group takes this as a moral responsibility to build a better society through contributing towards community services as well as working towards uplifting and empowering the disadvantaged sections of the society. The Mission statement of the company unequivocally state to be a "socially responsible corporate citizen". The social commitment that emanates from this mission statement has been an integral part of the JKLC business since beginning. For JK Lakshmi Cement, the business priorities coexist with the commitment for extending the help to the poor and the needy. This realization had given our organization a great opportunity to systematically develop and adopt an effective CSR approach to implement multiple interventions in the surrounding region of our business and plant locations. Our inclusive growth model fosters a passion for changing the lives of local communities that we operate in. For many years, we have been undertaking initiatives for the welfare of the underprivileged sections in the areas in close proximity to our plant locations. The guiding framework of the Company's CSR policy is to strengthen community relationship and to bring sustainable change in quality of life of neighborhood community through innovative solutions in Education, Health, Livelihoods and Community Development.

   The major CSR thrust areas of the organization are Health; Water & Sanitation; Education; Skill development and Livelihoods; Environment sustainability and Community Development. Our community CSR projects are in the states of Rajasthan, Haryana, Chhattisgarh and Gujarat and approximately cover a population of over 1.70 lakh.

   The Company continued with its one of the flagships CSR projects – Naya Savera- a family integrated welfare programme which focus on reducing maternal and infant's mortality in the Sirohi district of Rajasthan which benefitted more than 80,000 people. Due to this project the Company has been able to improve maternal and infants health in the area. Apart from this, total of 652 health camps including eye camps were organized during the reporting period at various plants, which benefited more than 20,000 populations. HIV /AIDS awareness camps were also organized. The Company also supported WHO recommended staple food to 30 MDR-TB patients in Gujarat.

   Under the education projects, the Company organized adult literacy centres, E-learning classes in Govt. Schools and mainstreamed drop- outs to various government schools.

   Last year, the Company initiated various activities in the areas of vocational skills and livelihood for the purpose of creating employability for unemployed youths through courses on Mobile Repairing, Beautician Training, Embroidery Training, Two Wheeler Repairing, etc. Income generation projects like stitching & embroidery, broom, paper plate/dona, phenyl making, pickle/papad making, cotton bags, sanitary napkin making were implemented for women for generating additional income.

   Integrated Livestock Development projects by the Company are successfully running for cattle breed improvement in collaboration with JK Trust near Jaykaypuram & Jharli plants covering 35 villages.

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

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

   The CSR Committee comprises of the following Members:

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

   During the Financial Year 2017-18 one meeting of the CSR Committee was held on 16th May 2018 which was attended by all the Members.

3. **Average Net Profit of the Company for last three Financial Years:** ₹ 4,448 Lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 89 Lakhs

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

   a. **Total amount to be spent for the Financial Year 2017-18:** ₹ 89 Lakhs

   b. **Total amount spent for the Financial Year 2017-18** : ₹130.78 Lakhs

   c. **Amount unspent, if any : NIL**

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

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
1	Medical Camps & Aids to patients under Health Care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Durg, Chattisgarh / Kalol, Gujarat/ Jharli, Haryana	21.45	16.83	120.20	Direct
2	Naya Savera Project (Integrated Family Welfare Programme)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan	20.39	19.77	100.59	Direct
3	Activities related to sanitation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Durg, Chattisgarh/Kalol, Gujarat/Jharli, Haryana	8.65	5.34	77.43	Direct
4	Educational & Extra-curicular support to students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan/Kalol, Gujarat/Jharli, Haryana	5.07	12.18	78.31	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
5	Support to Govt. Schools	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Durg, Chattisgarh/ Kalol, Gujarat	1.14	4.79	74.46	Direct
6	Adult Literacy Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan	1.00	1.33	15.39	Direct
7	Clean & Drinking Water Facilities to rural areas	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Jaykaypuram, Rajasthan/Kalol, Gujarat/Jharli, Haryana	3.70	10.64	50.39	Direct
8	Environment protection & plantation	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga fund set up by the central govt. for rejuvenation of river Ganga	Jaykaypuram, Rajasthan/Kalol, Gujarat	2.92	4.79	21.17	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
9	Vocational Skills & Livelihood Intervention	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jaykaypuram, Rajasthan/Durg, Chattisgarh/ Jharli, Haryana/ Kalol, Gujarat	17.33	29.29	138.42	Direct/ NGO
10	Special Education & Support to Differently Abled	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects	Jharli, Haryana	1.49	2.71	21.44	Direct
11	Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga fund set up by the central govt. for rejuvenation of river Ganga	Durg, Chattisgarh/ Jharli, Haryana	0.90	0.58	40.35	Direct
12	Promoting sports & games activities	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports	Kalol, Gujarat	1.30	1.67	12.10	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through Implementing Agency
13	Public Library Facilities in rural areas	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Kalol, Gujarat	-	0.34	0.60	Direct
14	Infrastructure support to villages	Rural Development Projects	Jaykaypuram, Rajasthan / Kalol, Gujarat	4.68	13.56	92.63	Direct
15	CSR Activities in Mktg. Zones & Misc. expenses			-	6.96	26.78	Direct
	TOTAL			**90.00**	**130.78**	**870.26***	

***Note:** The above mentioned cumulative total includes only the above mentioned projects. There were additional projects which are not included in the total.

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

Vinita Singhania
Chairperson, CSR Committee

Date: 16th May 2018

S.K.Wali
Whole-time Director

ANNEXURE 'E' TO DIRECTORS' REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the FY 2017-18 ended 31st March 2018:

A. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company -** (a) Non-Executive Directors: Shri N.G. Khaitan, 1.93; Shri Ravi Jhunjhunwala, 1.51 ; Shri Pradeep Dinodia, 1.45; Shri Kashi Nath Memani, 1.33, Dr. Raghupati Singhania, 1.82, and Shri B.V. Bhargava, 1.58 (b) Executive Directors: Shri Bharat Hari Singhania, CMD, 76.55; Smt. Vinita Singhania, VC &MD, 78.17; Shri S.K. Wali, WTD, 46.64 and Dr. S. Chouksey, WTD, 46.78.

B. **The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary -** The KMPs received normal annual increment in the Salary. Executive Directors & KMPs - Shri Bharat Hari Singhania, CMD, 8.30 %; Smt. Vinita Singhania, VC & MD, 0.38 %; Dr. S. Chouksey, WTD, 12.32% and Shri S.K. Wali, WTD, 11.97 % each; Shri S.A. Bidkar, CFO, 11.34% and Shri B.K. Daga, Sr.VP & CS, 19.77%. Non-executive Directors - Dr. Raghupati Singhania 0.00%; Shri B.V. Bhargava 25.58%, Shri Kashi Nath Memani 0.00%; Shri Pradeep Dinodia 17.16%; Shri Ravi Jhunjhunwala (15.23%); and Shri N.G. Khaitan (3.66%).

C. **The percentage Increase in the median remuneration of employees is 14.79 %. The number of permanent employees on the rolls of Company - 1704.**

D. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration -** On an average employee received an annual increment of 10% with individual increment varying from 0 to 20%.

E. **We affirm that the remuneration paid during the year 2017-18 is as per the Nomination & Remuneration Policy of the Company.**

On behalf of the Board of Directors

Vinita Singhania
Vice Chairman & Managing Director

Dr. Shailendra Chouksey
Whole-time Director

Place: New Delhi
Date: 16th May, 2018

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS

As on 31st March 2018, the Board of Directors of the Company consists of Ten Directors comprising of four Executive Directors and six Non-executive Directors (NED) out of which five are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2017-18 ended 31st March 2018, on 17th May 2017, 3rd August 2017, 8th November 2017 and 31st January 2018. Attendance and other details of the Directors as on 31st March 2018 are given below:

Name of the Director	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (7.9.2017)	No. of other Directorships and Committee Memberships/ Chairmanships		
					Director-ships $	Committee Memberships @	Committee Chairmanships @
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Shri Bharat Hari Singhania, Chairman & Managing Director	00041156	Executive	4	Yes	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	4	No	4	-	-
Shri B.V. Bhargava*	00001823	IND	3	No	3	3	1
Shri Kashi Nath Memani*	00020696	IND	3	No	4	3	1
Shri Nand Gopal Khaitan*	00020588	IND	4	Yes	7	6	2
Shri Pradeep Dinodia*	00027995	IND	4	No	6	8	5
Dr. Raghupati Singhania	00036129	NED	4	No	8	2	1
Shri Ravi Jhunjhunwala *	00060972	IND	3	No	8	4	1
Dr. Shailendra Chouksey, Whole-time Director	00040282	Executive	4	Yes	1	-	-
Shri Sushil Kumar Wali, Whole-time Director	00044890	Executive	4	Yes	1	-	-

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

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

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

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

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

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

The number of Equity Shares of ₹ 5/- each held by the Non-executive Directors as on 31st March 2018 are: Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan – 15,948 shares and Dr. Raghupati Singhania – 1,77,948 shares. Shri Kashi Nath Memani, Shri Pradeep Dinodia and Shri Ravi Jhunjhunwala do not hold any shares in the Company. The Company does not have any outstanding convertible instruments.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 31st January 2018. Shri Nand Gopal Khaitan was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting except Shri Ravi Jhunjhunwala to whom leave of absence was granted.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is http://www.jklakshmicement.com/wp-content/uploads/2017/09/Familiarisation-Programme.pdf

5. PERFORMANCE EVALUATION

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

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

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

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

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

6. AUDIT COMMITTEE

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

The Committee consists of five Directors, out of which three are Independent Directors, one is Non-executive Director and one Executive Director. Four meetings of the Audit Committee were held during the financial year ended 31st March 2018.

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
17th May 2017	4
3rd August 2017	3
8th November 2017	4
31st January 2018	4

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman	4
Dr. Raghupati Singhania	Member	4
Shri Ravi Jhunjhunwala	Member	3
Shri B.V. Bhargava	Member	3
Shri Sushil Kumar Wali*	Member	1

* Shri Sushil Kumar Wali had been inducted as a member of the Committee w.e.f. 8th November 2017.

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

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of four Directors out of which two are Non-executive Directors of which one is Independent and two are Executive Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
17th May 2017	3
3rd August 2017	3
8th November 2017	3
31st January 2018	4

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

Name	Status	No. of Meetings attended
Dr. Raghupati Singhania	Chairman (NED)	4
Shri Nand Gopal Khaitan	Member	4
Shri Bharat Hari Singhania	Member	4
Dr. Shailendra Chouskey	Member	1

* Dr. Shailendra Chouksey had been inducted as a member of the Committee w.e.f. 8th November 2017.

Shri B.K. Daga, Sr. Vice President & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transfer of shares, non-receipt of balance sheet and dividends etc. During the financial year ended 31st March 2018, the Company received 13 complaints from the investors and the same have since been resolved to the satisfaction of shareholders. Also, there are no complaints pending in respect of previous period.

The Board of Directors has delegated the power of transfer of shares and related matters to 'Share Transfer Committee'. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31st March 2018, 24 Meetings of the Share Transfer Committee were held.

8. NOMINATION AND REMUNERATION COMMITTEE

The Company has a 'Nomination and Remuneration Committee' comprising of four Directors, out of which one is Executive Director and three are Non-executive Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Date of the meeting and the number of Members attended:

Date of the Meeting	Number of Members attended
31st January 2018	3

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman	1
Shri B.V.Bhargava	Member	1
Shri Ravi Jhunjhunwala	Member	-
Shri Bharat Hari Singhania*	Member	1

* Shri Bharat Hari Singhania had been inducted as a member of the Committee w.e.f. 8th November 2017.

9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act, 2013 and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

(i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

(ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.

(iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.

(v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

10. REMUNERATION PAID TO DIRECTORS

(i) **Executive Directors:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31st March 2018 to the following Executive Directors is as follows: Shri Bharat Hari Singhania - ₹ 5.22 Crore, Smt. Vinita Singhania - ₹ 5.34 Crore, Shri Sushil Kumar Wali - ₹ 3.19 Crore and Dr. Shailendra Chouksey - ₹ 3.18 Crore. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT-9, which forms part of the Directors' Report.

The tenure of office of the Managing Directors and the Whole- time Directors is five years and three years, respectively from their respective dates of appointment. In the case of Executive Directors, their notice period is six months. Severance Fees for the Managing Directors is remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

(ii) **Non-executive Directors:** During the financial year 2017-18, the Company paid sitting fees aggregating to ₹ 23.60 Lakh to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of Directors of the Company. Commission payable to NEDs is ₹ 7 Lakh each to Shri B.V.Bhargava, Shri Kashi Nath Memani, Shri Nand Gopal Khaitan, Shri Pradeep Dinodia, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala. The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

11. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2014-15	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	26th September 2015	11:00 A.M.
2015- 16	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7th September 2016	12:00 Noon
2016- 17	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7th September 2017	12:30 PM

Special Resolutions regarding Authorisation to the Board of Directors to provide security by way of creation of mortgage and/or charge on the immovable and movable properties of the Company to support the obligations in respect of upto 4,750 NCDs aggregating up to ₹ 475 Crore issued/ being issued by Hansdeep Industries & Trading Company Limited and Authorisation to the Board of Directors to issue NCDs upto ₹ 1,000 Crore on private placement basis, in one or more tranches/ series were passed at the AGM held on 26th September 2015, Special Resolutions regarding re-appointment and payment of Minimum Remuneration to MDs and WTDs for FY 2015-16 and for their respective remaining tenure in FY 2016- 17 and approving payment of remuneration to Non- executive Directors of the Company were passed in the AGM held on 7th September 2016 and Special Resolution regarding issue of securities of upto ₹ 500 Crore was passed in the last AGM held on 7th September 2017.

12. DISCLOSURES

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

Suitable disclosures as required by Ind AS- 24 – Related Party Transactions have been made in the Annual Report.

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

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

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years: There were no cases of non-compliance of any matter related to capital markets during the last three years.

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

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

(iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women

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

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

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

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

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

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

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

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

(viii) **Dividend Distribution Policy**

1 Preamble

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

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

2 Objective

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

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

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

3 Factors to be considered while declaring Dividend

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

(1) Profitability of the Company during the relevant year.

(2) Past Dividend trends.

(3) Leverage profile.

(4) Future capital expenditure programmes including organic and inorganic growth opportunities.

(5) Company's Liquidity Position and Cash flow position.

(6) Economic conditions and regulatory environment.

(7) Any other relevant factors that the Board may deem fit to consider.

4 Utilisation of retained Earnings

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

5 **Declaration of Dividend**

The Board may declare/recommend Interim / Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act. Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

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

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

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

7 **Disclaimer**

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

13. MEANS OF COMMUNICATION

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

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

14. GENERAL SHAREHOLDERS' INFORMATION

(i) **Registered Office**

Jaykaypuram- 307 019, Dist. Sirohi, Rajasthan

(ii) **Annual General Meeting (AGM)**

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

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

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

(iii) **Financial Year** : April 1 to March 31

(iv) **Financial Calender (Tentative)**

Financial Reporting

for the quarter ending 30.06.2018	Within 45 days of the end of the quarter
for the half-year ending 30.09.2018	
for the quarter ending 31.12.2018	
for the year ending 31.03.2019 (Audited)	Within 60 days of the end of the financial year
Annual General Meeting for the Financial Year ending 2018-19	Between July and September2019

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

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

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

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

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

The annual listing fee for the financial year 2018-19 has been paid to both the aforesaid Stock Exchanges.

The securities of the Company are not suspended from trading.

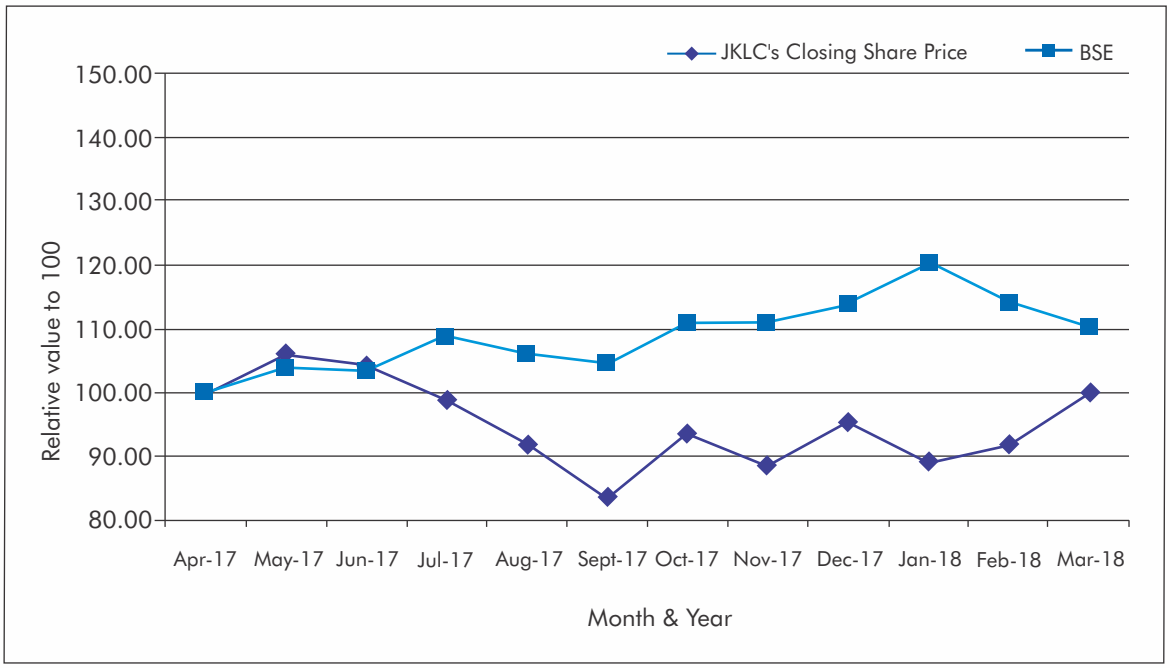
(viii) **Security Code for Company's Equity Shares on Stock Exchanges and ISIN** :

BSE – 500380 and NSE – JKLAKSHMI, ISIN : INE786A01032.

(ix) Stock Market Price Data

Months (2017-2018)	BSE Ltd. (₹)		National Stock Exchange Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2017	494.95	447.00	495.35	445.00
May 2017	535.00	462.70	536.95	460.00
June 2017	510.00	465.00	508.65	463.90
July 2017	486.50	441.80	489.50	441.00
August 2017	463.00	407.45	464.85	409.00
September 2017	443.80	380.25	443.90	382.00
October 2017	449.00	375.05	449.00	375.00
November 2017	460.00	389.50	458.80	388.00
December 2017	473.00	404.00	475.00	402.10
January 2018	461.70	407.00	460.40	406.20
February 2018	440.95	391.05	437.50	390.00
March 2018	484.00	408.55	487.40	400.00

JK Lakshmi Cement Ltd.'s Share Performance v/s BSE Sensex (April'17 - March'18)



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

No. of Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	52,84,629	4.49	63829	93.69
501-1000	18,34,537	1.56	2474	3.63
1001-5000	29,84,429	2.54	1425	2.09
5001-10000	13,17,850	1.12	182	0.27
10001 & above	10,62,48,621	90.29	216	0.32
TOTAL	**11,76,70,066**	**100**	**68,126**	**100**

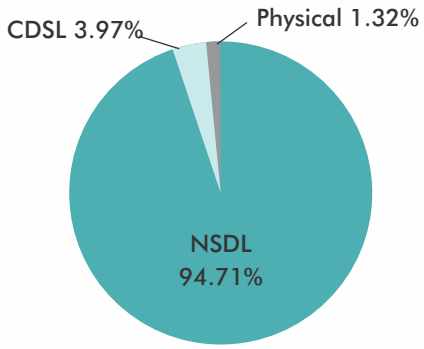
(xi) **Share Transfer System**

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

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

The Equity Shares of the Company are actively traded on BSE and NSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The ISIN for Equity Shares of the Company for both the depositories is INE786A01032. As on 31st March 2018, 98.68% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.

Shares held in Physical/Demat Form (with NSDL & CDSL) as on 31st March 2018



(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31st March 2018 – **NIL.**

(xiv) **Commodity price risk or foreign Exchange risk and hedging activities:** During the financial year ended 31st March 2018, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contacts.

(xv) **Plant Locations:**

(1) **JK Lakshmi Cement**
Jaykaypuram,
District Sirohi - 307019 (Rajasthan)

(2) **JK Lakshmi Cement**
Malpuri Khurd, Ahiwara,
District Durg - 491001 (Chhattisgarh)

(3) **JK Lakshmi Cement**
Motibhoyan, Kalol,
District Gandhinagar - 382010 (Gujarat)

(4) **JK Lakshmi Cement**
Village Bajitpur, P.o. Jhamri,
District Jhajjar - 124507 (Haryana)

(5) **JK Lakshmi Cement**
Village Dastan, Taluka Palsana,
District Surat - 394310 (Gujarat)

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

1. **JK Lakshmi Cement Limited**
Secretarial Department,
3rd floor, Gulab Bhawan (Rear Wing),
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002
Ph:(011) 30179860
Contact Person: Mr. B. K. Daga,
(E-mail: bkdaga@jkmail.com).

2. **Registrar & Share Transfer Agent – MCS Share Transfer Agent Ltd. (RTA)**
F-65, First Floor, Okhla Indl. Area, Phase - I,
New Delhi - 110 020, Ph. (011) 41406149-50
Fax No. 91-11-41709881
(E-mail: admin@mcsregistrars.com).
Contact Person: Mr S.Biswas
(E-mail: s.biswas@mcsregistrars.com)

(xvii) **Debenture Trustee**

IDBI Trusteeship Services Limited

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

(xviii) This Corporate Governance Report of the Company for the financial year ended 31st March 2018 is in compliance with the requirements of Corporate Governance under the Listing Regulations as applicable.

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

(xx) (a) Transfer of shares to IEPF Authority:

In accordance with Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPFA Rules), the Company has transferred 8,25,098 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF Authority) during the year. The details of such shareholders are available on the Website of the Company at www.jklakshmicement.com. The said shares can be claimed back by the shareholders from the IEPF Authority as per the procedure laid down in the IEPFA Rules.

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

As on 1st April 2017, the Company had 5,83,794 Equity Shares, which were unclaimed by 14,103 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company had transferred 5,18,774 Equity shares which remained unclaimed by 13,110 Equity Shareholders to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 50 requests for 5,590 Equity Shares for crediting to the Demat Account of the Shareholders/ dispatch of physical Share Certificate on rematerialisation during the year. These have since been despatched. Accordingly, as on 31st March 2018, the Company has 59,430 Equity Shares which remain unclaimed by 943 Equity Shareholders in the suspense account. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owner of such shares claims the same.

15. DECLARATION

This is to confirm that for the financial year ended 31st March 2018, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Vinita Singhania
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

JK Lakshmi Cement Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with JK Lakshmi Cement Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm's Registration No. 000756N

SUNIL WAHAL

Partner

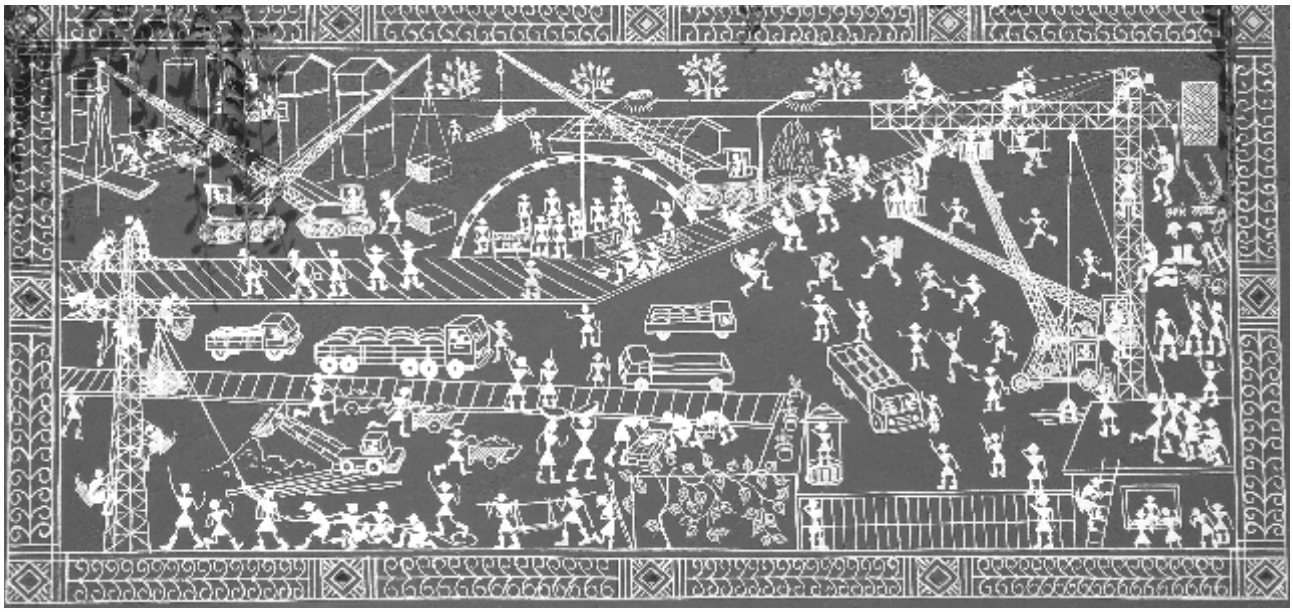
Membership No. 087294

Place: New Delhi

Date: 16th May, 2018

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORTING

INTRODUCTION



"अयं बन्धुरयं नेति गणना लघुचेतसां ।
उदारचरितानां तु वसुदैव कुटुम्बकं ॥"
- महा उपनिषद्

"Only small men discriminate saying: One is a relative; the other is a stranger.

For those who live magnanimously the entire world constitutes but a family"

-Maha Upanishad

Sustainability for JK Lakshmi Cement Ltd is not just finite state to achieve or maintain, but rather a value that harnesses the continuity to life, business, and all the environment around us in most respectful manner aligned to ethics.



Sustainability for JK Lakshmi Cement Ltd, is not just finite state to achieve or maintain, but rather a value that harnesses the continuity to life, business, and all the environment around us in the most respectful manner and ethical way.

Today the world is undergoing a transformation in every hour of time, experiencing changes in society, living pattern, climatic conditions, markets, and much more, and yet both life and businesses adapt to new ways and dimensions, quickly and rapidly.

The Company keeping its true and transparent working spirit, voluntarily endorses to various international initiatives such as Sustainable Development Goals (SDGs) that act as an umbrella to cover all the dimensions of responsible growth for a better tomorrow.

As a responsible corporate citizen the Company understand that its activities and processes are directly or indirectly impacting the community, environment, and economy both favorably and unfavorably at times.

Being into a resource-intensive business, JK Lakshmi Cement Ltd, since its inception has carefully approached towards consumption of natural resources through sustainable extraction, judicious use of resources and sound management strategy that fosters its green growth footprint.

The Company has registered total 6 nos. of Green House Gas (GHG) Reduction Projects with United Nation Framework Convention on Climate Change (UNFCCC), following sustainable approach to cleaner production, including higher consumption of green power through escalating the **Solar power generation capacity from 6 MW to around 10 MW, which mitigates about 20533000 Kgs of CO2eq annually. Further, the existing 15MW and 7.50 MW Capacity Waste Heat Recovery System (WHRs) at Sirohi and Durg respectively also help in mitigating around 136235000 Kgs of CO2eq per year.** Besides, part use of alternative fuel biomass in place of coal also significantly reduces the carbon emissions, thereby promoting cleaner environment.



Other working areas and projects such as Reverse Air Bag Houses for emission control (RABH), Innovative Windmill, Installation of Automatic Bag Placer and Truck Loading Systems, Online Continuous Emissions Monitoring Systems (OCEMS), etc. have significantly contributed towards propelling dimension of technological sustainability for the Company.

It has been our continuous drive and commitment to device and implement in-house low-cost innovative projects. This has led to low Capex Investment compared to the industry norms and made us one of the least cost producers of cement in the Indian Cement Industry.


International Safety Award
Merit
– 2017 –

JK Lakshmi Cement Limited –
Sirohi (Rajasthan)

Community development is one of the key component of our business profile. Our operational sites are mostly located in remote areas where the need for socio-economic development is relatively higher.



Our interventions like नया सवेरा (Naya Savera) in our Plant at Sirohi and Jhajjar, **मोर संगवारी (Mor Sangwari)** in Durg, **अन्न लक्ष्मी (Ann Lakshmi)** in Kalol and **वामा लक्ष्मी (Vama Lakshmi)** in Surat, etc. are some of the CSR initiatives taken in the field of Education, Healthcare, Sanitation, Skill development, Livestock, etc. that engages the Company with the community and strengthens our bond and harmonize relationship with them.

Company's efforts towards social sustainability have also been recognised by various govt and non-govt agencies.

Following the triple bottom approach to business and manufacturing, the Company maintains due balance with strong governance framework in a transparent and fair manner that is being disclosed to relevant stakeholders, periodically. The Company is a member of various reputed Associations like Cement Manufacturers' Association (CMA), National Council for Cement and Building Materials (NCBM), PHD Chamber of Commerce and Industry, etc., which enables the Company to advocate, participate and contribute in policymaking fronts on sectors like energy efficiency, emissions, environmental standards, renewable energy, waste heat recovery and many more.


Gujarat State CSR Awards
2018
Certificate of Appreciation
JK Lakshmi Cement Limited

Health and Safety of our workforce and associated stakeholders remain on our priority Agenda. Our Health and Safety strategy, paves way for an environment of preventions from accidents and incidents. Fusion of Internet of Things (IoT) with aspects of safety of the workforce, machines and equipment, enhances our aim of Zero Harm and Zero Accidents.

Our Plants have maintained world-class safety levels and received awards and accolades like **International Safety Award, Safety Innovation Award,** etc. for practicing and maintaining best safety environment in the manufacturing units.

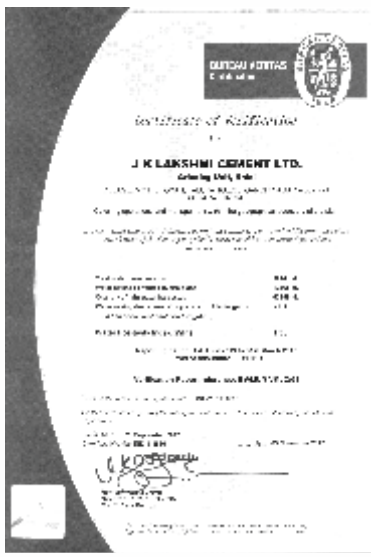
Practicing an impeccable approach to deliver responsibility, the Company has extended its association through National and International collaborations, bringing together **"Industry & Academia"** at one platform to exchange and share culture, ideas, technology etc. towards building relationships and developing sustainable path ahead.

In the reporting year, the Company has engaged with 16nos. of industrial interns from Indian engineering colleges from different streams: Electronics, Communication, Mechanical, etc., and one from Malaysian non-governmental organization, providing an opportunity to the young youths to be a part of a valued organization and to gain experience, work and learn in an atmosphere through practical workshops with latest tools and technology present at the plant sites. This practice of JK Lakshmi Cement Ltd. not only helps in developing a better relationship between industry and academic institutions but also delivers responsibility that we as an organization morally hold towards the society at large.



Mr. Satish Venkitasamy (Industrial –Intern, Malaysia) receiving a certificate of completion on executing industrial training at JK Lakshmi Cement Ltd., on "Indian Cement Industry and Sustainability"

Company's Plant at Kalol Unit was certified with ISO 14046:2014 Water Footprinting Assessment with water positivity index of 1.35 times.


JK LAKSHMI CEMENT LTD.

The Company's 2nd Corporate Sustainability Report for FY 2016-17 is being published with the theme **"Colours of Togetherness" titled as "Responsibility to Happiness" as per latest GRI-Standards Reporting framework.**



SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74999RJ1938PLC019511
2.	Name of the Company	JK Lakshmi Cement Ltd.
3.	Registered address	Jaykaypuram, Distt. : Sirohi- 307 019, Rajasthan Ph. No. : 02971-244409/244410 | Fax No. : 02971-244417
4.	Website	www.jklakshmicement.com
5.	E-mail id	lakshmi_cement@lc.jkmail.com
6.	Financial Year reported	1st April 2017 to 31st March 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and Value added Product Manufacturing

Group	Class	Sub Class	Description
239	2394	23941 23942	Manufacture of Clinker and Cement

8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. PPC, OPC, Slag Cement and Composite Cement ii. Ready-Mix-Concrete iii. Autoclaved Aerated Concrete(AAC) Blocks
9.	Total number of locations where business activity is undertaken by the Company	No. of International Location: Nil No. of National Location: The Company has two Integrated Cement Plants, Three Grinding Units, Fourteen RMC Plants & one AAC Block Unit
10.	Markets served by the Company	India (North, East, West and Central)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (INR)	₹ 58.85 Crore
2.	Total Turnover (INR)	₹ 3582.29 Crore
3.	Total Profits after Taxes (INR)	₹ 82.15 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after Tax (%)	During the Financial Year 2017-18, the Company spent ₹ 130.78 lakhs on CSR activities. This represents 2.94% of the Average Net Profit after Tax for three Financial Years immediately preceding the FY 2017-18.
5.	List of activities in which expenditure in 4 above has been incurred	• Eradicating Hunger & Poverty • Promoting Education • Promoting Gender Equality & Women Empowerment • Ensuring Environmental Sustainability • Protection of National Heritage Art & Culture • Training to promote Rural Sports & Rural Development

SECTION C: OTHER DETAILS

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

   Yes, the Company has 2 (two) subsidiary companies namely, Hansdeep Industries & Trading Company Limited & Udaipur Cement Works Limited and one step down subsidiary Ram Kanta Properties Private Limited.

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

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

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

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

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

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

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

(b) Details of the BR Head

1.	DIN Number (if applicable)	NA
2.	Name	Mr. Naveen Kumar Sharma
3.	Designation	Sr. Vice President (Works)
4.	Telephone Number	0294 - 2655077
5.	e-mail id	naveensharma@lc.jkmail.com

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

The 9 Principles are:



P1. Businesses should conduct and govern themselves with Ethics, Transparency and Accountability



P2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle



P3. Businesses should promote the well-being of all employees



P4. Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized



P5. Businesses should respect and promote human rights



P6. Businesses should respect, protect and make efforts to restore the environment



P7. Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner



P8. Businesses should support inclusive growth and equitable development



P9. Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Most of the policies are aligned to various standards like: 1) ISO 9001 for Quality Management System 2) ISO 14001 for Environment Management System 3) ISO 50001 for Energy Management System 4) OHSAS 18001 for Occupational Health & Safety Management System, etc.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	View restricted to internal stakeholders								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy has been circulated to key internal stakeholders. To cover all stakeholders, communication is an on-going process.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Conforming to the ISO Standards, the Company undergoes periodic audit to validate above systems. The Company also published its first Corporate Sustainability Report covering FYs 2014-15 and 2015 16, as per GRI-G4 guidelines, which was assured by an independent external agency. Second such Report is also being published.								

(b) If answer to the question at S.No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)–Not Applicable.

3. Governance related to BR

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

The Management assess the Business responsibility performance periodically.

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

Yes, the Company published its first BR Report as a part of the Annual Report FY 2016-17. The Company has also published its first Corporate Sustainability Report for FYs 2014-15 and 2015-16. Above reports are available on the Website of the Company.

Business Responsibility Report FY 2016-17: http://www.jklakshmicement.com/wp-content/uploads/2017/08/JK-Annual-Report_2016-17.pdf

Corporate Sustainability Report FY 2014-16: http://www.jklakshmicement.com/wp-content/uploads/2017/08/JKLCL-Web-Upload-Sustainability-Report-2014-16.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The Company has in place a "Code of Corporate Ethics and Conduct" from February 2002, which reiterates its commitment to maintain the highest standards in its interface with stakeholders, clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. All the employees sign this Code at the time of joining the Company.

The Company also has in place a "Code of Conduct for Board Members and Senior Management". Every year, the Board Members and Senior Management affirm Compliance with this Code of Conduct.

The Company also has in place a Policy on Vigil Mechanism (Whistle Blower Policy) for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behavior, and violation of the Company's Code of Conduct or Ethics Policy and any other event which would adversely affect the interests of the business of the company.

The said Codes/Policy cover all dealings with the suppliers /customers/business associates/others.

The Company also encourages its suppliers/ contractors/NGO's/others to practice the same in a fair manner.

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

The Company has not received any complaint under the said Codes/Policies during the Financial Year 2017-18 ended 31st March 2018. However, thirteen complaints were received from the shareholders which were promptly resolved to their utmost satisfaction. No complaint was pending as on 31st March, 2018.



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

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



The Company has been a responsible corporate that promotes manufacturing of products with best sustainable design and technology and has played a significant role over the years in contributing to economic growth of the country. The Company is engaged in manufacturing of cement and a wide range of cement products including Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement. PPC, PSC and Composite Cement utilize waste derived raw materials such as Flyash and Slag, thereby reducing virgin resource consumption. The Company is progressively trying to increase use of alternate fuels instead of fossil fuels in our fuel mix to produce clinker.

The Company manufactures a CII-GREEN PRO Certified, green value-added product with trade name of **JK SMARTBLOX**- a waste-derived Autoclave Aerated Concrete Blocks (AAC Blocks), which is produced by highly automated manufacturing process and incorporates the technological innovations such as "Green Separation" and "Horizontal Autoclaving". It is capable of delivering unmatched consistency in product quality and it also has following advantages:

- **Gaining Energy Efficiency in buildings-** Product provides a very high degree of thermal insulation as compared to any other wall construction material including conventional clay bricks, thus resulting in less energy consumption, required for cooling /heating of buildings.
- **Long Resistance to Fire-** Product offer 3 times or more fire resistance (2 to 6 hours) than conventional clay bricks, thereby reducing fire hazards.
- **Pest & Termite Resistant:** The inorganic nature of the blocks does not allow the spread of termites and growth of pests and hence provides longer life to expensive wooden interiors.
- **Resource Efficient:** The Product uses flyash (waste generated in abundance by thermal power plants) and thus providing a solution to waste management and conserving of top fertile soil, essential for the food security of the nation, which is otherwise consumed in manufacturing red mud bricks.
- **Light Weight:** Product not only consumes fewer fossil fuels during manufacturing but also consume less energy in transportation due to its lighter weight. Also due to shape uniformity, it is easier to transport.

JK Lakshmi Smart Serve: Smart packaging for bulk usage, saves tons of packaging material- Polypropylene and also meets quality product responsibility to consumers all the time. It's a unique service that fulfills new age construction needs at no extra cost and equipped with latest technology-enabled features like GPS tracker, Quantity Check Sensor, Anti-theft Lock and many more benefits.

Another product **JK GYPGOLD** is a water saving, light weight gypsum-based plaster. It is suitable for hand or machine application to internal surfaces. After drying, it gives brilliant white, smooth & matt finish. It has good impact strength and has other advantages including direct application, light weight, excellent strength after drying, great bonding, no water curing and economical.



The Company has installed state of art technology equipment and has progressively implemented various innovations, process modifications, optimizations etc. to gain best resource and environment efficiency.

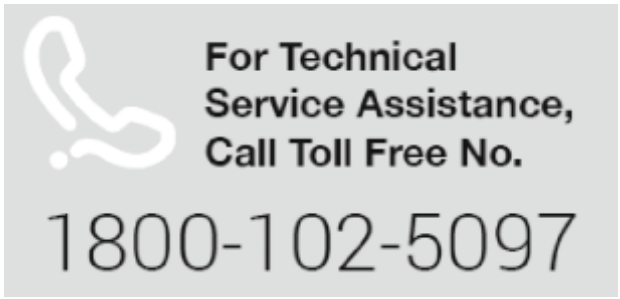
15 MW and 7.50 MW Waste heat recovery systems installed at Sirohi and Durg Manufacturing unit mitigates GHG Emission to the tune of 136235000 Kgs CO2eq per year.

Further, the company has installed solar power generation plants at various locations, having potential to mitigate about total 20533000 kgs of carbon emissions annually to support the Governments initiative of increasing Renewable Energy Generation Installation of 175 GW by 2022 and meet the Paris Agreement Target at COP 21, on climate change.

Location	Solar Power Plant capacity	GHG Emission mitigation potential (Kg. Co2eq per year)
Phalodi, Rajasthan	6000 KW	11270000
Surat, Gujarat	2360 KW	9263000
Kalol, Gujarat	500KW	
Jhajjar, Haryana	500 KW	
*Durg Chhattisgarh	2000KW	

*Under Project stage

The Company is committed to bring awareness among its stakeholders on various aspects related to working with cement and its value-added products, through on-site demonstrations, helpline nos. and social media platforms like Youtube, Facebook, Twitter, etc. Extending product responsibility, the Company has also made available Material Safety Data Sheet (MSDS) for its consumers.



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

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

Consumption per unit of Product	FY 2016-17	FY 2017-18
Electrical Energy (Kwh/Ton of Cement)	73	71
Thermal Energy (Kcal/Kg of Clinker)	701	700

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

Cement manufactured by the Company is used by a diverse range of consumers, and therefore it is not possible to measure the usage (energy, water) by them. Our green value-added product AAC Blocks has led to a reduction in the use of cementing materials and consumption of energy required for heating and cooling of the building during its lifetime, thereby promoting the green building concept. However, exact saving figures are not ascertainable.

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

The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

The Company has systems in place to identify the most significant environmental and social challenges within its value chain. Suppliers are encouraged to participate in the assessment of their state of Environment & Social Aspects through responding to "Environment Health & Safety Questionnaire" shared with them during vendor registration as per the Green Procurement Guidelines.



Also, the supplier selection criteria are based upon transparency disclosures of suppliers about their sustainability programmes covering production of goods in an environmentally friendly way, societal interest and cost-effective procurement.

The Company's commitment on environment-friendly-paper saving agenda through E-procurement has enabled structured supplier relationships, effective communication, reduced external spending, eliminated paperwork as well as travel hours, thereby promoting green supply chain.

To boost the sustainability practices to the ambit of inbound and outbound logistics, the Company ensures that the transporters rely on less polluting and low fuel consuming transport options. To reduce the transportation fuel and carbon footprint, the logistics department practices the sustainable route optimization strategy for both upstream and downstream logistics. It has also ensured logistic integration, both inbound and outbound to curtail the unproductive movement of vehicles and has also ensured least freight per km.

Further, systems are established to procure the waste-derived materials of other industries and use it as alternative raw materials in our processes or as fuel in our kilns in place of conventional process fuel i.e. coal.

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

The Company whole heartedly supports the governments' initiative of **"Make in India Campaign"** through giving preference to favoring procurement of goods and services from local suppliers/vendors, giving a boost to local manufacturing and economy. The Company conducts periodic vendor discussion forums and training to discuss possible avenues to mutually come together and strengthen the long lasting and sustainable procurement and supply chain relationship.

The Company maintains frequent and open lines of communication especially with its small vendors to improve and develop their capability. The performance monitoring process is also a part of the regular business practices adopted by the Company and it helps the vendors to improve their performance by taking timely and need-based corrective actions. The Company also promotes the development of import substitutes through local vendors. Further, the Company has established grinding units close to areas where maximum suppliers and vendors are located. The Company also encourages the Vendors to adopt quality, environmental and safety management practices.

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



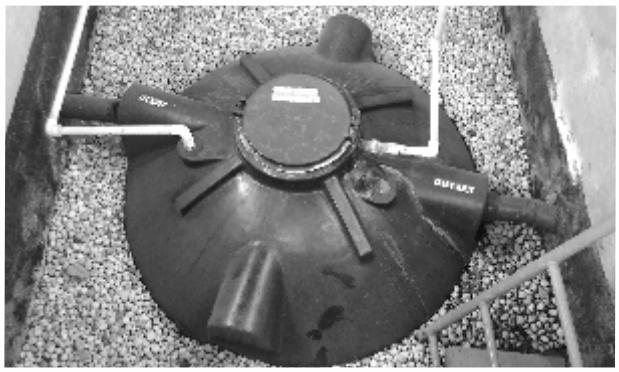
Adhering to its agenda of resource conservation and management of natural resources, the Company discharges its responsibility by following "4 R" concept of Reduce, Reuse, Recycle & Reform. Adopting the latest advanced dry cement manufacturing technology, there is no major solid or liquid waste generated out of the process. Used oil, is sold back to the Central/State Pollution Control Board authorized re-cyclers.

The Company uses waste in multiple ways as a source of raw material and energy. The Company recycles its organic solid waste as well as domestic wastewater through innovative measures. Solid organic waste is converted into nutrient-rich compost and vermicompost, through the process of composting. The Company's operational sites are "ZERO WASTEWATER DISCHARGING UNITS"

Domestic wastewater generated from the canteen and toilet facilities are treated in a most scientific manner through package type sewage treatment plants (STP), conventional STP's, Root Zone STP, etc. Treated Water from the STPs and the Compost is used for development of greenbelt and plantation. Further, waste management system has been established for door-to-door waste collection from the nearby village areas.

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

Dust collected from the pollution control equipment is recycled back into the process.



Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees** :1704 permanent employees
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 2486
3. **Please indicate the Number of permanent women employees:** 19
4. **Please indicate the Number of permanent employees with disabilities:** 0
5. **Do you have an employee association that is recognized by management?**

   There are worker Unions affiliated with INTUC and BMS.
6. **What percentages of your permanent employees are members of this recognized employee association?**

   Around 14 % of our permanent workmen are part of the above mentioned trade unions.



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

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

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

Category	Safety	Skill Up-gradation*
Permanent employees	100%	99%
Permanent Women employees	85%	89%
Casual/ Temporary/ Contractual employees	95%	81%
Employees with disabilities	0%	0%

*During the year under report, no major capacity expansion took place and no new technology was introduced at our manufacturing sites, therefore emphasis was given upon refresher/fine tuning of the existing skill sets.



"Working with process parameters, makes me happy, gives a sense of satisfaction, allows me to put my professional engineering background to work in an industry"

Sneha Kant
Engineer- Process



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

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

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

   Details are available in Corporate Sustainability Report for the FYs 2014-16 at the Company website:

   http://www.jklakshmicement.com/wp-content/uploads/2017/08/JKLCL-Web-Upload-Sustainability-Report2014-16.pdf

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

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders in and around its manufacturing plants including the contractual workers. The company engages with these stakeholders through various programmes, projects and activities.

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

   The Company has taken up extensive Corporate Social Responsibility (CSR) activities in and around its plant sites laying emphasis on HealthCare, Education, Skill Development, Water and Sanitation, Plantation and Green Cover, Rehabilitation and Rural Development. As a part of these initiatives, the Company frequently engages with the local communities and socio-economically disadvantaged sectors of the society to understand their needs. The key CSR Programmes undertaken by the Company are as follows:

   Health: Under the health CSR projects, the Company continued with its one of the flagships CSR projects- Naya Savera a family integrated welfare programme which focus on reducing maternal and infant's mortality in the Sirohi district of Rajasthan which benefitted more than 80,000 people. Due to this project the Company has been able to improve maternal and infants health in the area. Apart from this, total of 652 health camps including eye camps were organized during the reporting period at various plants, which benefitted more than 20,000 populations. HIV/AIDS awareness camps were also organized. The Company also supported WHO recommended staple food to 30 MDR TB patients in Gujarat. This project for the Multi-Drug Resistant- TB was initiated in 2012 with Civil Hospital, Gandhinagar, Gujarat. This has benefitted 118 MDR-TB patients from BPL and vulnerable groups.

   Education: Under the education projects, the Company organized adult literacy centers, E-learning classes in Govt. Schools and mainstreamed drop outs to various government schools. Some of the key activities

undertaken during the reporting period are given below-

- 24 Adult Literacy centers during 2017-18 covering 527 women.
- E-learning classes in Govt. Schools and computer classes benefitting 106 students.
- Project Arambh 45 dropouts mainstreamed to various Govt. Schools. Till March 2017, a total of 694 girls have been back to school.
- Facilitated hostel accommodation to 16 tribal girls for higher studies (Jaykaypuram).

Livelihood: Last year, the Company initiated various activities in the areas of vocational skills and livelihood for the purpose of creating employability for unemployed youth through courses on Mobile Repairing, Beautician Training, Embroidery Training, Two Wheeler Repairing, etc. income generation projects like stitching & embroidery, broom, paper, plate/dona, phenyl making, pickle/papad making, cotton bags, sanitary napkin making were implemented for women for generating additional income. Integrated livestock development projects by the Company are successfully running for cattle breed improvement in collaboration with JK Trust near Jaykaypuram & Jhajjar plants covering 35 villages. Some of the key achievements of the livelihood projects have been highlighted below:

586 women/ girls attended sewing training programme. 30 Youths completed mobile repairing trainings, 50 girls/women completed beautician training and 3 youths attended two-wheeler training. Due to these interventions more than 200 youths/women/girls were able to increase their income from 1500- 4500 INR per month.

Provided high quality seeds /plants of vegetables & fruits to 60 farmers.

Successfully running 4 Integrated Livestock Development (ILD) centers. During the year, 1253 Artificial Insemination were done and 527 hybrid calves were born.

Community Development: Under the Community development thrust areas, various activities like drinking water, de-silting of ponds, rainwater harvesting through check- dams and mini percolation tanks, installation of hand pumps, plantation in the government schools, garbage collection and disposal and setting up of solar lights, were undertaken across the plant locations.

Environment: The Company initiated various water conservation initiatives to make local communities water sufficient through mass awareness and implementation of sustainable water harvesting interventions. Various activities like constructing bunds, check dams, farm pond, bore well recharge, etc. were implemented to conserve and efficiently utilize water. These initiatives have benefitted large no. of people. Saplings have also been planted in nearby areas of Company's manufacturing facilities.

The Company received following awards in recognition of its CSR Initiatives:

- "CSR excellence award 2017-18" under Health Care category from Govt. of Rajasthan.
- "Certification of Appreciation "for Sustainable & Impactful CSR Projects- Gujarat State CSR Award 2018.
- ET now CSR Leadership Award 2017 for best CSR Practices.
- "Appreciation Plaque" from FICCI for commendable CSR works – FICCI CSR Awards 2017.

Principle 5: Businesses should respect and promote human rights

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

   The Company respects Human Rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalized groups. All the practices and policies of the company including engagement with suppliers, contractors, etc. ensures that human rights are honored and protected, For instance:

1) All employees are treated equally regardless of nationality, caste, religion, colour or sex.
2) The Company is committed to creating and providing a healthier environment for all the employees with high standards of safety measures.
3) Not employing child labour.
4) The Company has been specifically looking after welfare of underprivileged women by undertaking various projects including adult education, prevention of AIDS, medical camps, etc.
5) The Company is committed to set out basic standards and procedure regarding "Health and safety", Freedom of Association and Right to collective bargaining, Disciplinary Practices, Working hours and Remuneration.

   Further, the Company encourages its suppliers and contractors to meet with the human rights obligations as applicable to them.

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

   The Company did not receive any stakeholders complaint in the Financial Year 2017-18 for violation of human rights.

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

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

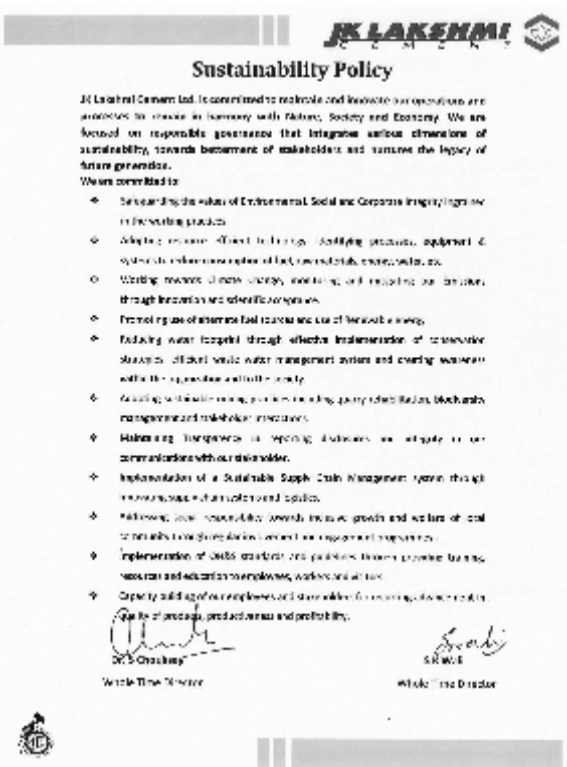
   The Company is committed to protection of the environment, and has a well-defined Corporate Environment Policy. The Company encourages its subsidiaries, vendors, and dealers to take health, safety and environment-friendly measures on sustainable basis for a better future.

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

Yes, the Company has strategies and has taken initiatives to address Climate Change, Global Warming, Water Conservation and Resource Management. The Company is calculating and reporting its carbon and energy footprints in the Corporate Sustainability Report, which is available on Company's website. The Company has registered various Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) with UNFCCC, working enthusiastically towards climate change and global warming. These projects also align Company strategy with the Nation's ratification to the Paris agreement, focused on keeping global temperature rise below 2 degrees, through working collaboratively and aggressively towards reducing developmental impact on climate.

To drive the low carbon business portfolio, Company has implemented Corporate level "**Sustainability Policy**" along with specific "**Corporate Environment Policy**". The Company has adopted a holistic approach to manage carbon footprint and develop a proactive top level drive for tackling sustainability issues like climate change, water management, etc. within the organization.

For more details please refer www.jklakshmicement.com/ www.jklakshmisustainability.com

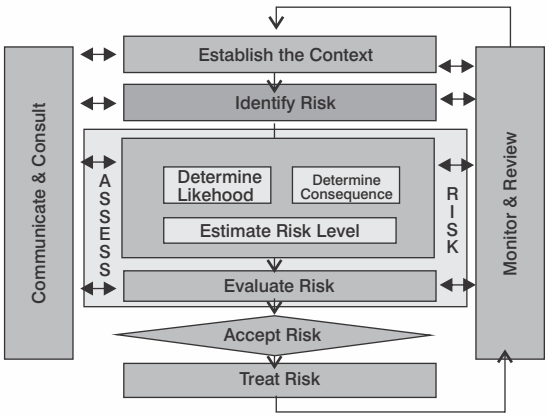


JK LAKSHMI

Sustainability Policy

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

Yes, the Company has an elaborate risk management system to analyze and assess various risks associated with business and manufacturing and to inform the Management about risk minimization and mitigating procedures.



Further, all the operations follow International Environment Management System (ISO 14001) guidelines through which Environment risk, impact and assessment is done and reviewed periodically.

Certifi-cations	Integrated Unit Sirohi	Integrated Unit Durg	Grinding Unit Kalol*	Grinding Unit Jhajjar	Grinding Unit Surat
ISO9001	✓	✓	✓	✓	✓
ISO 14001	✓	✓	✓	✓	✓
ISO 50001	✓	✓	✓	✓	✓
OHSAS 18001	✓	✓	✓	✓	✓

*Company's Kalol grinding unit also has ISO14064 and 14046 certifications.

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

Yes, the Company has registered total 6 nos. of projects related to Clean Development Mechanism (CDM) and Voluntary Carbon Standard (VCS) with UNFCCC:

- **Replacement of fossil fuel by biomass in Pyro-Processing** JK Lakshmi Cement Ltd, Rajasthan. : Reference Number-0852
  https://cdm.unfccc.int/Projects/DB/SGS-UKL1168427579.65/view
- **15 MW Waste Heat Recovery based power generation at** JK Lakshmi Cement Ltd, Rajasthan. : Reference Number-10115
  https://cdm.unfccc.int/Projects/DB/ESPL1422698423.24/view
- **6 MW Solar PV based power generation** at Phalodi, Rajasthan. : CPA 9502-0007, Reference Number – 9502
  https://cdm.unfccc.int/ProgrammeOfActivities/cpa_db/S1DR3OABCTJPYVG6HNME2L8IXKQ495/view

- **Bundled Rooftop Solar PV based power generation** at our manufacturing units at, Surat, Kalol and Jhajjar.

  http://www.vcsprojectdatabase.org/#/pipeline_details/PL1730

  The Company's project **of 7.50 MW Waste Heat Recovery based power generation** at JK Lakshmi Cement Ltd, Durg is under registration at UNFCCC.

  There is no requirement of filing any compliance Report.



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

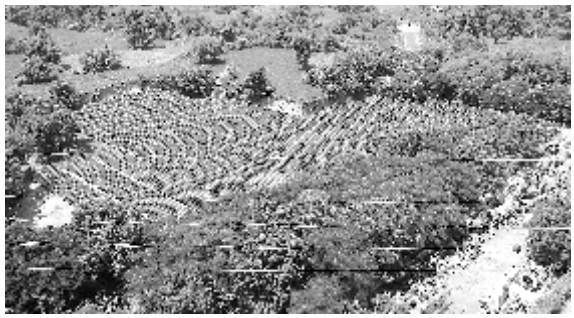
   Yes, following a proactive approach to harness green energy and to reduce the consumption of polluting fuel Coal, the Company had installed 6 MW Solar Power Plant at Phalodi, Rajasthan in the year 2012.

   Further, the Company has installed Solar Power Plant of the capacity of about 2360 KW at Surat and 500 KW each at Kalol and Jhajjar to increase the share of renewable energy consumption.

   Clean Technology like **Waste Heat Recovery Systems, 15 MW at Sirohi and 7.50 MW at Durg** has been installed to utilize the waste heat as an alternative source to generate power. The Company has also set up biomass handling unit for substituting coal with alternative fuel in Pyro-Process with renewable fuels like Biomass.

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

   For further details on these initiatives, please refer to our Corporate Sustainability Report FYs 2014-16 at www.jklakshmicement.com / www.jklakshmisustainability.com



500 KW Solar Power generation plant at Kalol Unit

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

   Yes, the Company since its inception thrives on following an approach of going beyond compliance, through keeping cautious and stringent system towards containing emissions/waste generation well within the permissible limits. All our emission sources are equipped with the latest art of technology air pollution control equipment like, Bag houses, Electrostatic Precipitator, Bag-filters etc. to ensure compliance with the applicable emission/waste standards/norms.

   Emission stacks at all our units are equipped with Online Continuous Emission Monitoring systems (OCEMS) that provide real-time emission data directly to Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

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

   This is to confirm that no show cause/ legal notices received from CPCB/SPCB which are pending as on end of Financial Year 2017-18.



2.4 MW Solar Power Plant at Grinding unit Surat, Gujarat, India

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

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

   The Company is a Member of the following:

a. Cement Manufacturers' Association (CMA)

b. PHD Chamber of Commerce and Industry

c. Rajasthan Chamber of Commerce

d. Udaipur Chamber of Commerce

e. Federation of Indian Mineral Industries

f. Federation of Mining Association of Rajasthan

g. National Council for Cement and Building Materials (NCBM)

Apart from above, some of the senior executives of the Company are active members (Office Bearers) of Industry Associations of repute and work towards promoting common interests of trade and industries and address issues faced by businesses and encourage formulation of industry friendly environment through policy makers.

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

The company has been extensively using platforms of the above Trade Association /Chambers of Commerce and industry and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles etc. Further, In line with United Nations Sustainable Development Goals (SDGs) no. 17 regarding "Partnership For the Goals", Company continuously advocates the use of eco-friendly manufacturing processes and use of alternative fuels, Energy Conservation, Water Conservation and Waste Management, Energy Efficiency Practices, etc. across its values chain through regular presentations, exhibitions, etc. on multiple national and international platforms and conferences organized by various associations.

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

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

The Company has always been committed to inclusive growth and equitable development. We believe our stakeholders are our partners in our sustainable journey of development and growth, details thereof are given in Principal No. 4 hereinabove. The Company follows a corporate level CSR Policy, contents whereof are disclosed on the Website of the company at ww.jklakshmicement.com.

Our Social intervention programmes and initiatives towards inclusive growth and equitable development are aligned to United Nations Sustainable Development Goals (SDGs) Nos. 1, 2, 3, 4, 5, 6, 8 &10.





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

The Company generally pursue CSR programmes and activities directly.



Every operational site has an in-house team deployed for implementation of our CSR initiatives. On a need basis, NGO/Implementing Agencies are identified for specific expertise and implementation support. We have worked on a partnership with academic bodies, government hospitals and other government bodies for successful implementation of initiatives and for wider awareness creation on critical societal issues, in pursuance of United Nations SDG No. 17.

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

   We undertake impact assessment of our CSR initiatives to gauge the benefits derived by the identified beneficiaries. The impact assessment also helps us improve the implementation of the initiative or expand its scope as per the requirement of the communities.

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

   Details of the Company's CSR Projects/ Programmes and activities have been given in Principal 4. During the Financial Year 2017-18 the Company has spent ₹ 130.78 Lakhs on CSR initiatives.

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

Company's engagement with the community comes with people's full participation and involvement. Before initiating any community engagement and welfare programme, the Company consults and organizes group discussions with the village sarpanch and gram panchayats, detailing on the purpose and expected long-term benefits of the Projects. Root level work is being done by the Company's CSR teams along with the community, to ensure that the underlying objectives are achieved on a sustainable basis and led to greater sense of ownership among the beneficiaries.

The Company believes that consistency and involvement are factors for success of any Project designed to instill life oriented skills to whole communities to help them overcome environmental and social barriers of underprivileged community.



Creating Value of Water in Society



Company strives to work for the betterment of society and the environment in and around the vicinity of its operational sites. Project to understand and analyze the water consumption of govt. schools in the nearby villages was undertaken. Water audit based on developed methodology was conducted for two govt. primary schools i.e.

1. Govt. Primary School, Village Khatraj Kalol, Gandhinagar, Gujarat.
2. Govt. Primary School, Village Dastan, Palsana, Surat, Gujarat.

Based on the analyses of the data collected and observations made at both the schools during the visit, it was seen that they were cautious of the scarcity and need of conservation of water resource.

The Company has also installed roof –top rainwater harvesting system in the Khatraj Primary School outside the fence. The harvested rainwater recharges the school water tank equipped with filter and the nearby well to augment the ground water resource.

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

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

   The Company is customer focussed and is committed to understand the present and changing needs of the customers and fulfilling the same for achieving total customer satisfaction. The Company has a well laid out redressal procedures for complaints and the complaints are immediately attended to their utmost satisfaction. The customers may approach the Company through various mediums such as emails, toll free nos., website, channel partners and Company's nationwide offices, etc.

   No customer complaints/consumer cases were pending as on end of the financial year 2017-18.

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

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

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

   State of Haryana has filed a complaint against cement companies including JK Lakshmi Cement Ltd. Against above complaint CCI vide order dated 19th January 2017 imposed a penalty to the tune of 0.3% of the average turnover of last three financial years (₹ 6.55 crores). The Company has filed an appeal against CCI's order before the Competition Appellate Tribunal and a stay has been granted.

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

   Yes, Customers are the key stakeholders, those are responsible for our existence today as one of the reputed and leading cement brands of India. The Company performs ahead of the curve, not just by producing and selling best quality products but by gauging feedback and listening to its customers and thereafter taking corrective actions towards product development, services and etc. The Company puts lots of efforts to understand the need of customers, their pain areas, and their complaints/feedbacks through Focus Group Discussion or online survey or by making individual calls to our customers or dealers through the call center. The Company ensures that none of the calls or miss calls at the call center goes unattended.

FY 2017-18	No.of People	Duration (Months)	Rating/Feed-back if any
Customer Feedback (Dealers related)	6982	Ongoing	3.8
End Consumer Feedback	160	1	4.5
PMAY Customer Feedback	853	0.3	
Complaints feedback	169	Ongoing	3.68

Further, digital surveys were conducted on Facebook to understand the preference of customers and our Brand Positioning etc. Larger likes on our facebook page from relevant Target groups and high engagement rate is a testimony of the love and connection that JK Lakshmi Cement carry with its customer.

All social media platform	FY 2017	FY 2018	FY 2019 (so far)
No. of likes on our page	3.7 Lakhs	3.8 Lakhs	3.8 Lakhs
Engagement Rate	3%	8%	3.70%

Through expanding reach to customers with digital media like twitter, youtube, facebook, linkedin, etc. Company's key focus is to connect with the far end customer and delivering on his expectations.

INDEPENDENT AUDITORS' REPORT

To the Members of JK LAKSHMI CEMENT LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of JK LAKSHMI CEMENT LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss, including the statement of other comprehensive income, the statement of cash flow and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, 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.

Other matter

The Comparative financial information of the Company for the year ended March 31, 2017 have been audited by predecessor auditor (Lodha & Co. Chartered Accountants having firm registration number 301051E). The report of the predecessor auditor dated May 17, 2017 on the

comparative financial information expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" 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 statement of other comprehensive income, the statement of cash flow 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 the 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 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements- Refer note 54, 55, 56, 57 and 59;

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

      iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: 16th May, 2018

Annexure A to the Independent Auditor's Report to the Members of JK LAKSHMI CEMENT LIMITED on its standalone Ind AS financial statements dated May 16, 2018

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed asset have been verified by the management according to the program of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except as stated in Note No. 2 of the standalone financial statements.

ii. The inventories of the Company (except stock lying with the third parties and in transit for which confirmations have been received / materials received) have been physically verified by the management at reasonable intervals. In our opinion and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loan to one subsidiary party covered in the register maintained under section 189 of the Act. Read with Note No. 67(a) of the standalone Ind AS financial statements.

a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the Company has complied with the provisions of the Section 185 and 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 73 to76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposits accepted from public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

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 Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is

generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax,service tax, duty of customs, duty of excise, value added tax, Goods and Service tax, cess and other material statutory dues, as applicable, with the appropriate authorities and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the records and information & explanations given to us, certain dues in respect of Income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

Name of The Statute	Nature of the Dues	Period (Financial Year)	Amount (₹ In Crore)	Forum where dispute is pending
Sale Tax Act	Sale Tax	2006-2014	3.71	High Court
		1997-2001	2.39	
		1995-1998	0.63	
		1992-1998	0.46	
		2005-2006	4.74	
		1995-2006	0.42	
		1997-1998	0.05	Joint Commissioner (Appeals)
		2007-2008	1.92	
		2003-2009	2.71	Rajasthan Tax Board
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2002-2016	73.52	Supreme Court
		2012-2015	0.79	High Court
		2007-2008	2.72	Dy. Comm. (Appeal)
		2013-2014	0.39	CTO (AE)
		2012-2013	0.39	
		2015-2017	0.87	
The Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax	2007-2010	2.68	Supreme Court
West Bengal Entry Tax		2015-2016	0.38	High Court
Gujarat Entry Tax		2007-2008	0.01	Joint Com.(Appeals)
Central Excise Act	Excise Duty	2007-2008	0.02	CESTAT
		2005-2010	0.01	
		1996-1998	1.87	
		2012-2015	0.10	Com.(Appeal)
Custom Act	Custom Duty	2011-2012	1.11	CESTAT
Finance Act, 1994	Service Tax	2007-2009	1.18	Excise Commissioner
		2012-2014	0.25	CESTAT
		2012-2013	0.07	Commissioner (Appeal)
Income Tax Act, 1961	Income Tax and Interest	2012-2013	3.67	Commissioner (A), Kolkata
		2013-2014	1.46	

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks, government and dues to debenture holders.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer and term loans hence, reporting under clause (ix) is not applicable to the Company.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its

officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. According to the information and explanations given to us, the company paid/accrued remuneration amounting of ₹ 10.56 crore to its Managing Directors. As the Company did not have adequate profits in the financial year ended March 31, 2018, an amount of ₹ 4.10 crore is in excess of the limits specified in section 197 of Act read with Schedule V thereto. The Company is in the process of complying with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders/Central Government, as necessary. Read with note no 52(ii) and (iii) of the standalone Ind As financial statements.

xii. As the Company is not a Nidhi Company, the provision of clause 3(xii) of the Order are not applicable to the Company.

xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records/ details, the related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xv. In our opinion and on the basis of information and explanations given to us, the company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.

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. S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: 16th May, 2018

Annexure B to the Independent Auditor's Report to the members of JK LAKSHMI CEMENT LIMITED dated May 16, 2018 on its Ind AS standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

We have audited the internal financial controls over financial reporting of JK LAKSHMI CEMENT LIMITED("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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. S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: 16th May, 2018

JK Lakshmi Cement Limited
Balance Sheet as at 31st March 2018

₹ In Crore (10 Million)

		Note No.	As at 31st March 2018	As at 31st March 2017
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	2,791.20	2,824.00
	(b) Capital work-in-progress		226.14	205.08
	(c) Investment Property	3	0.61	0.66
	(d) Intangible Assets	4	1.71	1.68
	(e) Intangible Assets Under Development		1.94	-
	(f) Financial Assets			
	(i) Investments	5	353.89	309.49
	(ii) Loans	6	61.94	54.26
	(iii) Others	7	0.11	0.10
	(g) Deferred Tax Assets (Net)	20	19.98	8.65
	(h) Other Non-Current Assets	8	26.18	50.62
			3,483.70	3,454.54
(2)	**Current Assets**			
	(a) Inventories	9	317.03	277.64
	(b) Financial Assets			
	(i) Investments	10	440.24	499.70
	(ii) Trade Receivables	11	96.94	89.50
	(iii) Cash and Cash Equivalents	12	3.55	2.06
	(iv) Bank Balance other than (iii)	13	8.04	6.92
	(v) Others	14	9.45	10.46
	(c) Other Current Assets	15	129.84	182.88
			1,005.09	1,069.16
	TOTAL ASSETS		4,488.79	4,523.70
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	16	58.85	58.85
	(b) Other Equity		1,394.36	1,322.84
			1,453.21	1,381.69
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,398.42	1,590.06
	(ii) Other Financial Liabilities	18	140.08	140.27
	(b) Provisions	19	10.80	10.77
	(c) Deferred Tax Liabilities (Net)	20	-	-
	(d) Other Non-Current Liabilities	21	160.57	156.83
			1,709.87	1,897.93
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22	412.96	376.25
	(ii) Trade Payables	23	318.62	264.78
	(iii) Other Financial Liabilities	24	372.50	371.93
	(b) Other Current Liabilities	25	208.72	211.52
	(c) Provisions	26	10.23	7.46
	(d) Current Tax Liabilities (Net)	27	2.68	12.14
			1,325.71	1,244.08
	TOTAL EQUITY AND LIABILITIES		4,488.79	4,523.70

Significant Accounting Policies 1
Notes on financial statements 2-69

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

JK Lakshmi Cement Limited
Statement of Profit and Loss for the year ended 31st March 2018

₹ In Crore (10 Million)

	Note No.	2017-18	2016-17
I. Revenue from Operations	28	3,514.19	3,260.12
II. Other Income	29	68.10	69.81
III. Total Income (I+II)		3,582.29	3,329.93
IV. Expenses :-			
Cost of Materials Consumed	30	584.15	524.94
Purchases of Stock-in-Trade	31	242.20	224.26
Change in inventories of finished goods, work-in-progress and traded goods	32	(47.97)	12.76
Employee Benefits Expense	33	234.95	208.39
Finance Costs	34	197.48	188.65
Depreciation and Amortization Expense	35	179.27	172.37
Excise Duty		102.04	349.71
Other Expenses	36	1,987.46	1,574.65
Total Expenses (IV)		3,479.58	3,255.73
V. Profit before Exceptional Items and Tax (III-IV)		102.71	74.20
VI. Exceptional Items		-	-
VII. Profit before tax (V-VI)		102.71	74.20
VIII. Tax Expense			
(1) Current Tax		25.93	16.67
(2) Deferred Tax		(10.36)	(24.37)
(3) Tax Adjustments for Earlier Years		3.18	(0.10)
Total Tax Expense (VIII)		18.75	(7.80)
IX. Profit for the Year		83.96	82.00
X Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss in Subsequent Periods			
(1) Re-measurement losses on defined benefit plans		(2.78)	(1.31)
(2) Income tax effect		0.97	0.45
Total Other Comprehensive Income (X)		(1.81)	(0.86)
XI Total Comprehensive Income For The Year (IX + X)		82.15	81.14
XII Earnings per equity share (Face Value of ₹ 5 each)	37		
Basic Earnings per equity share (₹):		7.14	6.97
Diluted Earnings per equity share (₹):		7.14	6.97

Significant Accounting Policies 1
Notes on financial statements 2-69

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

JK Lakshmi Cement Limited
Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2016	Change during the year	As at 31st March 2017	Change during the year	As at 31st March 2018
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	-	58.84	-	58.84
Add: Forfeited Shares	0.01	-	0.01	-	0.01
Total	58.85	-	58.85	-	58.85

B. Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income, that will not be reclassified to Statement of Profit and Loss	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Re-measurement of Net Defined Benefit	
Balance as at 1st April'2016	25.64	88.65	25.10	950.74	156.17	(1.06)	1,245.24
Profit for the Year	-	-	-	-	82.00	-	82.00
Dividend payment including Dividend Distribution Tax (2015-16)	-	-	-	-	(3.54)	-	(3.54)
Transfer from Debenture Redemption Reserve	-	-	40.00	-	(40.00)	-	-
Transfer to Debenture Redemption Reserve	-	-	(5.00)	-	5.00	-	-
Other Comprehensive Income	-	-	-	-	-	(0.86)	(0.86)
Balance as at 31st March'2017	**25.64**	**88.65**	**60.10**	**950.74**	**199.63**	**(1.92)**	**1,322.84**
Profit for the Year	-	-	-	-	83.96		83.96
Dividend payment including Dividend Distribution Tax (2016-17)	-	-	-	-	(10.63)	-	(10.63)
Transfer from Debenture Redemption Reserve	-	-	5.00	-	(5.00)	-	-
Transfer to Debenture Redemption Reserve	-	-	(5.00)	-	5.00	-	-
Other Comprehensive Income	-	-	-	-	-	(1.81)	(1.81)
Balance as at 31st March'2018	**25.64**	**88.65**	**60.10**	**950.74**	**272.96**	**(3.73)**	**1,394.36**

Significant Accounting Policies 1
Notes on financial statements 2-69

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

Company Overview, Basis of Preparation & Significant Accounting Policies

Note-1

I. Corporate & General Information

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

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

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on 16th May, 2018.

II. Basis of Preparation of Financial Statements.

(i) Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

(ii) Basis of Preparation

The significant accounting policies used in preparing the Financial Statements are set out in Note no. III of the Notes to the Financial Statements. Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency.

(iii) Basis of Measurement

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

(iv) Fair Value Measurement

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

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

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

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

(v) Current & Non-Current Classifications

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product &

activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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

III. **Significant Accounting Policies**

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

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value.

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains / (losses).

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

(2) **Investment Property**

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

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

The residual life, useful lives and depreciation method of investment properties are reviewed, and adjusted on

prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

(3) **Intangible Assets**

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

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed atleast at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

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

Intangible Assets are amortized as follows:

• Computer Software : Over a period of five years

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

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

(4) **Research and Development Cost**

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

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

(5) **Inventories.**

Inventories are carried in the balance sheet as follows :

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

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

(6) Cash and Cash Equivalents

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

(7) Impairment of Assets

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, and appropriate valuation model is used.

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

(8) Foreign Currency Translations & Transitions

(i) Functional and Presentation Currency

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

(ii) Transaction and Balance

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

(9) Financial Instrument.

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

1. Financial Assets

1.1 Definition

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

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

(i) Financial Assets at Amortised Cost

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

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

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in

Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

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

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

1.2 **Trade Receivables.**

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

1.3 **Investment in Equity Shares.**

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

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

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

1.5 **Derecognition of Financial Assets**

A Financial Asset is primarily derecognized when:

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

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

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

2. **Financial Liabilities.**

2.1 **Definition :**

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

(a) **Initial Recognition and Measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings

and payables, net of directly attributable transaction costs.

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

(b) Subsequent Measurement

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

i) Financial Liabilities at Fair Value through Statement of Profit and Loss

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

ii) Financial Liabilities measured at Amortized Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (''EIR'') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

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

2.2 Loans and Borrowings.

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

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

2.3 Financial Guarantee Contracts

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

2.4 Trade and Other Payables

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

2.5 De-recognition of Financial Liability

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

3. Offsetting of Financial Instruments

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

4. Derivative Financial Instruments

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

(10) Grants

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be compiled with. Revenue grants are recognized in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognized in the Balance Sheet as deferred income and credited in the statement of Profit and Loss on a systematic basis over the useful life of the related Assets.

(11) Equity Share Capital

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

(12) Provisions, Contingent liabilities, Contingent Assets and Commitments

i) General

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

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

Contingent liability is disclosed in the case of:

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

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

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

ii) Other Litigation Claims

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

iii) Onerous Contracts

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

(13) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually

defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) **Sale of Goods**

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

ii) **Power Distribution**

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

iii) **Dividend Income**

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

iv) **Lease Incentives**

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Leases rentals are recognized on straight –line basis as per the terms of the agreements in the statement of profit and loss.

v) **Interest Income**

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

vi) **Renewable Energy Certificate**

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

vii) **Export Benefit**

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

(14) **Employees Benefits**

i) **Defined Contribution Plans**

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

ii) **Defined Benefit Plans**

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

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

iii) **Short-term Employee Benefits**

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

iv) **Long-term Employee Benefit**

Compensated absenceswhich are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or enchased subject to restriction on the maximum accumulation of leaves.

v) Termination Benefits

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

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

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(15) Borrowing Costs

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

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

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

(3) All other borrowing costs are recognized as expense in the period in which they are incurred.

(16) Leases

1. As a Lessee

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

1.1. Finance Lease

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

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

1.2. Operating Lease

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

Leasehold lands are amortized over the period of lease.

2. As a Lessor

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

(17) Taxes on Income

a) Current Tax

i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

ii) Current income tax relating to items recognized directly in equity is recognizedin equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

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

(18) Exceptional Items

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

(19) Earnings Per Share (EPS)

i) Basic earnings per share

Basic earnings per share is calculated by dividing

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

ii) Diluted earnings per share

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

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

(20) Segment Accounting

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

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

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

(21) Recent Accounting Pronouncements

a) Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the effect of this on the financial statements will be given in the due course

b) Appendix B to Ind AS 115 - Revenue from Contract with Customers

The Company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further it requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- **Retrospective approach** - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- **Retrospectively with cumulative effect** of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018 and the Company will adopt the standard on April 1, 2018 by applying Cumulative catch-up transaction method and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
Gross Block									
As at 1st April'2016	228.16	49.40	179.52	2,389.56	3.59	4.37	24.52	10.43	2,889.55
Additions/Adjustments	1.67	3.46	24.95	232.32	0.41	0.64	6.07	-	269.52
Disposals/Adjustments	-	-	-	0.48	-	-	1.50	-	1.98
As at 31st March'2017	229.83	52.86	204.47	2,621.40	4.00	5.01	29.09	10.43	3,157.09
Additions/Adjustments	7.11	2.41	2.80	126.84	0.16	0.87	6.63	-	146.82
Disposals/Adjustments	-	-	-	0.05	-	-	1.52	-	1.57
As at 31st March'2018	236.94	55.27	207.27	2,748.19	4.16	5.88	34.20	10.43	3,302.34
Accumulated Depreciation									
As at 1st April'2016	-	0.44	10.60	139.84	1.00	1.13	8.03	0.63	161.67
Charged For the Year	-	0.44	11.80	148.61	0.75	1.13	8.67	0.68	172.08
On Disposal	-	-	-	0.05	-	-	0.61	-	0.66
As at 31st March'2017	-	0.88	22.40	288.40	1.75	2.26	16.09	1.31	333.09
Charged For the Year	-	0.48	13.43	158.42	0.58	0.87	4.41	0.68	178.87
On Disposal	-	-	-	0.01	-	-	0.81	-	0.82
As at 31st March'2018	-	1.36	35.83	446.81	2.33	3.13	19.69	1.99	511.14
Net Carrying Amount									
As at 31st March'2017	229.83	51.98	182.07	2,333.00	2.25	2.75	13.00	9.12	2,824.00
As at 31st March'2018	236.94	53.91	171.44	2,301.38	1.83	2.75	14.51	8.44	2,791.20

1) Freehold Land Includes ₹ 1.43 crore (previous year nil) for which mutation is pending.

2) Leasehold Land Includes ₹ 1.82 crore (previous year ₹ 1.82 crore) pending transfer of title in the name of the Company.

3) Factory & Service Buildings and Plant & Machinery at Jaykaypuram (Rajasthan) plant were revalued as at 1st April 1990. Certain fixed assets of aforesaid Plant were revalued and updated as at 1st April, 1997 and certain Buildings, Plant & Machinery and other assets of aforesaid Plant were revalued and / or updated as at 31st March, 2000. Based on report of the valuers on business valuation of Cement business, fixed assets value was re-determined at net replacement cost basis on 1st April 2005. Certain Plant and Machinery and Railway siding of aforesaid plant were revalued and up dated as at 1st April 2008 and 1st April 2011. The Gross Block as at 31st March 2018 includes aggregate revaluation / business valuation of ₹ 396.71 crore (Previous year ₹ 396.71 crore).

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2016	₹ 34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2017	₹ 34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2018	₹ 34,812	0.04	0.71	0.76

Note-3 Investment Property (Continued)

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Accumulated Depreciation				
As at 1st April'2016	-	₹ 6,484	0.05	0.05
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal				
As at 31st March'2017	-	₹ 12,968	0.10	0.10
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2018	-	₹ 19,452	0.15	0.15
Net Carrying Amount				
As at 31st March'2017	₹ 34,812	0.04	0.61	0.66
As at 31st March'2018	₹ 34,812	0.04	0.56	0.61
Fair Value*				
As at 31st March'2017				4.58
As at 31st March'2018				4.76
Rental Income				
For the FY 2016-17				0.45
For the FY 2017-18				0.61

* Based upon realisation value as calculated by independent valuer.

Note-4 Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April'2016	1.93
Additions/Adjustments	0.99
Disposals/Adjustments	-
As at 31st March'2017	2.92
Additions/Adjustments	0.38
Disposals/Adjustments	-
As at 31st March'2018	3.30
Accumulated Amortisation	
As at 1st April'2016	1.00
Charged For the Year	0.24
On Disposal	-
As at 31st March'2017	1.24
Charged For the Year	0.35
On Disposal	-
As at 31st March'2018	1.59
Net Carrying Amount	
As at 31st March'2017	1.68
As at 31st March'2018	1.71

Note-5 Non Current Investment

₹ In Crore (10 Million)

	As at 31st March 2018		As at 1st April 2017	
	Numbers	Amount	Numbers	Amount
Investment in Equity Shares				
Subsidiaries- At Cost				
Udaipur Cement Works Limited (₹ 4 each)	20,96,88,244	83.88	20,96,88,244	83.88
Udaipur Cement Works Limited -Equity Component*		34.90		34.90
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	11,60,50,007	116.05	11,60,50,007	116.05
Associate- At Cost				
Dwarkesh Energy Ltd (₹ 10 each)	3,50,000	0.35	3,50,000	0.35
Others- Fair Value through Profit and Loss				
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	43,96,136	-	43,96,136	-
Investment in Preference Shares - Fair Value Through Profit and Loss				
Subsidiary				
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	40.40	6,600	37.10
Udaipur Cement Works Limited (6% optionally convertible cumulative redeemable preference shares) (₹ 100 each)@	50,00,000	50.00	-	-
Associate				
Dwarkesh Energy Ltd. (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	11,00,000	9.53	11,00,000	8.53
Others				
V. S. Lignite Power Pvt. Ltd. (0.01%) (₹ 10 each) #	38,99,777	-	38,99,777	-
Other Investments in Subsidiary				
Capital Contribution on account of Financial Guarantee		18.78		28.68
		353.89		309.49
Aggregate carrying amount of quoted investment		83.88		83.88
Aggregate market value of quoted investment		479.14		611.24
Aggregate amount of unquoted investment		270.01		225.61

Under lien with Issuer
* Equity component of 5% Cumulative Redeemable Preference Shares
@ Refer Note 66
Note :- All Investments other than Investment in Equity Shares of Udaipur Cement Works Ltd are unquoted.

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-6 Loans		
Unsecured, Considered Good:		
Security Deposits	39.94	40.89
Loan to Related Parties	22.00	13.37
	61.94	54.26
Note-7 Other Non Current Financial Assets		
Unsecured, Considered Good:		
Bank Deposits with original maturity for more than 12 months*	0.11	0.10
	0.11	0.10
* Under lien		
Note-8 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances	23.16	46.86
Deferred Expenditure	3.02	3.76
	26.18	50.62
Note-9 Inventories		
Raw Materials (Including in transit ₹ 1.53 crore previous year ₹ 5.30 crore)	16.82	18.40
Work -in -progress	113.80	71.11
Finished Goods	28.37	28.00
Stock-in -Trade	0.55	0.88
Stores and Spares (Including in transit ₹ 28.52 crore previous year ₹ 61.58 crore)	157.49	159.25
	317.03	**277.64**

Note-10 Current Investment

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
	Numbers	Amount	Numbers	Amount
Investment in Bonds at Amortised Cost				
Indian Railways Finance Corporation Ltd (8.10%,Tax free)	-	-	10,875.00	1.09
Power Finance Corporation Limited (8.30%,Tax free)	-	-	14,239.00	1.42
Investment in Non Convertible Debentures at Fair Value through Profit & Loss				
IIFL - PPS RNC MLD -1-045	-	-	250.00	27.65
ECLF - Market Linked Non Convertible Debentures C8D601	-	-	250.07	27.26
IIFL - PPS RNC MLD -I-046	-	-	250.00	27.14
IIFL - SR - EWFEC1602BR	-	-	250.00	26.84
EFIL - Market Linked Non Convertible Debentures - I7I605	-	-	2,500.00	26.10
Reliance Capital Ltd - Market Linked Non Convertible Debentures	2,500.00	28.11	2,500.00	26.04
IIFL -DWFEC850-300719	3,000.00	32.34	-	-
IIFL -EWFEC850 - 120819	5 ,000.00	53.72	-	-
Investment in Mutual Funds at Fair Value through Profit & Loss				
HDFC FMP- 1161 D Feb 2016 (1) - Growth -Series-35 - Regular Plan	2,50,00,000.00	30.12	2,50,00,000.00	27.68
HDFC FMP - 1190 D Mar 2016 (1) - Growth - Series -36 - Regular Plan	1,50,00,000.00	17.96	1,50,00,000.00	16.50
HDFC FMP -1167 D Jan 2016 (1) - Growth - Series -35 - Direct Plan	1,00,00,000.00	11.75	1,00,00,000.00	10.91
Edelweiss Government Securities Fund - Growth - Regular Plan.	44,33,803.32	6.34	44,33,803.32	6.07
Reliance Fixed Horizon Fund - XXXI - Growth - Series 2 - Regular Plan	2,50,00,000.00	28.89	2,50,00,000.00	26.72
DSP BlackRock FMP - Series 196 - 37M - Growth - Regular Plan	1,00,00,000.00	11.60	1,00,00,000.00	10.69
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	2,50,00,000.00	28.21	2,50,00,000.00	26.11
HDFC FMP - 1302 D Sept 2016 (1) - Growth - Regular Plan	2,50,00,000.00	28.17	2,50,00,000.00	26.07
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	2,50,00,000.00	28.22	2,50,00,000.00	26.11
Reliance Fixed Horizon FD XXXII Series 4FMP - 19 Oct 2016 - Growth - Regular Plan	2,50,00,000.00	27.60	2,50,00,000.00	25.52
L&T FMP - Series XIV - Scheme A - Growth - Regular Plan	2,50,00,000.00	27.45	2,50,00,000.00	25.39
UTI Dynamic Bond Fund - Growth - Direct Plan	-	-	29,02,757.62	5.71
Aditya BSL Medium Term Plan - Growth - Direct Plan	52,24,087.22	11.87	52,24,087.22	10.94

Note-10 Current Investment (Continued)

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
	Numbers	Amount	Numbers	Amount
Kotak Medium Term Fund - Growth - Direct Plan	79,39,847.71	11.90	79,39,847.71	11.07
HDFC Corporate Debt Opportunities Fund - Growth - Direct Plan	39,74,373.24	5.93	39,74,373.24	5.53
Reliance Gilt Security Fund - Growth - Direct Plan	-	-	24,93,516.86	5.70
Sundaram Money India - Growth - Direct Plan	-	-	14,58,291.41	5.00
DSP BlackRock Liquidity Fund -Growth - Direct Plan	-	-	21,503.75	5.00
Franklin India Ultra Short Bond Fund - Growth - Regular Plan	-	-	2,26,20,135.54	50.38
Mahindra Alp Samay Bacchat Yojna - Growth - Direct Plan	-	-	10,000.00	1.01
DSP BR Ultra Short Term Fund - Growth - Direct Plan	-	-	67,57,327.00	8.05
HSBC Cash Fund - Growth - Direct Plan	86,842.02	15.02	-	-
Invesco Liquid Fund - Growth - Direct Plan	20,936.31	5.01	-	-
Franklin India Treasury Management Account SI - Growth - Direct Plan	19,269.53	5.01	-	-
DHFL Pramerica Insta Cash Plus - Growth - Direct Plan	5,54,263.75	12.51	-	-
L&T Liquid Fund - Growth - Direct Plan	52,518.92	12.51	-	-
		440.24		499.70
Aggregate book value of quoted investments		440.24		499.70
Aggregate market value of quoted investments		440.24		499.70
Aggregate book value of unquoted investments		-		-

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

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-11 Trade Receivables		
Unsecured		
Considered good	96.94	89.50
Considered doubtful	2.05	2.05
Less :- Provision/Allowances for doubtful debts	(2.05)	(2.05)
	96.94	89.50
Note-12 Cash and Cash Equivalents		
On Current Account	1.87	1.75
Cheques , Draft on hand/transit	1.42	0.05
Cash on hand	0.26	0.26
	3.55	2.06
Note-13 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	6.19	5.40
On Unpaid Dividend Accounts	1.85	1.52
	8.04	6.92
* Includes ₹ 1.94 crore (previous year ₹ 1.89 crore) under lien		
Note-14 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good	7.49	8.75
Considered doubtful	4.22	4.22
Less: Provision for doubtful claims	(4.22)	(4.22)
	7.49	8.75
Interest Receivable from Banks and others	1.61	1.33
Advances to Employees (Loans)	0.35	0.38
	9.45	10.46
Note-15 Other Current Assets		
Prepaid expenses	11.16	11.23
Balance with Govt. Authorities	56.00	76.29
Other Advances*	61.94	94.62
Deferred Expenditure	0.74	0.74
	129.84	182.88
*Includes advances to related party amounting of ₹ 20.40 crore (previous year ₹ 61.10 crore). Read with note no. 52 and 67(a)		

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-16 Equity Share Capital		
SHARE CAPITAL		
Authorised :		
Equity Shares - 250,000,000 (Previous year 250,000,000) of ₹ 5 each	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00
Issued, Subscribed and Paid up :		
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	58.85	58.85

a. Reconciliation of number of Share Outstanding :	31st March 2018	31st March 2017
Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Outstanding at the end of the year	117,670,066	117,670,066

b. List of shareholders holding more than 5% of the equity share capital of the Company:	Number	Number
Shareholder name		
Bengal & Assam Company Ltd.	2,80,56,895	2,80,56,895
Florence Investech Ltd.	1,36,45,040	1,36,45,040
BMF Investment Ltd	1,10,11,386	1,10,11,386
Franklin Templeton Mutual Fund	78,46,006	-

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

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

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

e Nature of Reserves :-

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

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

Debenture Redemption Reserve : Represents the Statutory Reserve for Non Convertibles Debentures issued by the Company.

Note-17 Non Current Borrowings

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non-Convertible Debentures	350.64	36.60	386.47	20.00
Term Loans				
From Banks	1,022.75	164.89	1,187.23	170.38
	1,373.39	201.49	1,573.70	190.38
UNSECURED LOANS				
From Bank	-	5.00	5.00	10.00
Fixed Deposits	25.03	2.56	11.36	3.87
	25.03	7.56	16.36	13.87
Less:- Shown under Note No- 24	-	209.05	-	204.25
	1,398.42	-	1,590.06	-

*** Due & payable within one year**

1 Secured Redeemable Non-Convertible Debentures (NCDs) are privately placed and consists of :
   i) 10.35% NCDs Series B-2 of ₹ 40 crore are redeemable in two equal annual installments at the end of 9th and 10th year from the date of allotment i.e. 4th Feb, 2010.
   ii) 9% NCDs of ₹ 49.79 crore are redeemable in three equal annual installments at the end of 6th, 7th and 8th year from the date of allotment, i.e. 20th July 2012.
   iii) 8.70% NCDs Series A of ₹ 75 crore are redeemable at the end of 3rd year from the date of allotment i.e. 6th January 2017.
   iv) 8.80% NCDs Series B of ₹ 75 crore are redeemable at the end of 4th year from the date of allotment i.e. 6th January 2017.
   v) 8.90% NCDs Series C of ₹ 150 crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017.

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

3 NCDs specified in 1 (i) & 1 (ii) are also additonally secured by way of mortgage on Company's Immovable Property located in the State of Gujarat in addition to Security specified at Sl.No. 2 above.

4 Term Loans from Banks aggregating to ₹ 123.13 crore are secured by way of a first charge on all the immovable and movable properties pertaining to the Company's Cement Unit situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for working capital on specified movables assets. These Term Loans are repayable as under:
   a) Term Loan of ₹ 13.13 crore is repayable in 12 equal quarterly installments.
   b) Term Loan of ₹ 35.00 crore is repayable in 16 equal quarterly installments.
   c) Term Loan of ₹ 75.00 crore is repayable in 24 equal quarterly installments.

5 Term Loans from a Bank of ₹ 18.75 crore are secured by way of an exclusive charge on certain specified assets of the Company situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan. This Term Loan is repayable in 12 equal quarterly installments.

6 Term Loan from a Bank of ₹ 35.00 crore & ₹ 50.31 crore are secured by way of an exclusive first charge on immovable & movable fixed assets of the Company's specific Split Grinding Units situated at Jhajjar, in the State of Haryana, except charge on the Current Assets. These Term Loans are repayable in 16 & 23 equal quarterly installments respectively.

7 Term Loan from a Bank of ₹ 25.00 crore is secured by way of an exclusive first charge on movable assets of the Company's AAC Block Unit situated at Jhajjar, in the State of Haryana,except charge on current assets. This Term Loan is repayable in 20 equal quarterly installments.

8 Term Loan from a Bank of ₹30.00 Crore is secured by way of an exclusive first charge on immovable & movable assets of the Company's 6 MW Solar Power Plant in the State of Rajasthan, except charge on the Current Assets. This Term Loan is repayable in 24 equal quarterly installments.

9 Term Loan from a Bank of ₹ 158.00 crore is secured by way of an exclusive first charge on all the immovable and movable fixed assets of the Company's Split Grinding Unit at Surat in the State of Gujarat. This Term Loan is repayable in 31 unequal quarterly installments.

10 Term Loans from Banks aggregating to ₹ 750.00 crore are secured by way of first pari passu charge on all the immovable and movable fixed assets of the Company's Greenfield Cement Plant at Durg in the State of Chattisgarh. These Term Loans from Banks are repayable in 30 equal quarterly installments.

11 Unsecured Loan from a Bank of ₹ 5.00 crore is repayable on 30th June, 2018.

12 Fixed Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 2 & 3 years from the date of deposits.

13 The above outstanding NCDs/Term Loans are net of the Processing charges as per IND AS.

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-18 Other Non Current Financial Liabilities		
Trade and other deposits	96.79	87.89
Other Liabilities	24.51	23.70
Financial Obligation of Guarantee	18.78	28.68
	140.08	140.27
Note-19 Non Current Provisions		
Provision for Employees' Benefits	10.80	10.77
	10.80	10.77
Note-20 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	388.35	375.53
Others	1.53	1.91
Less: Deferred Tax Assets		
Expenses / Provisions allowable	69.33	76.32
Unabsorbed Depreciation & Brought Forward Business Losses	180.37	180.20
Others	6.49	5.01
MAT Credit Entitlement	153.67	124.56
Deferred Tax Assets (Net)	(19.98)	(8.65)
Note-21 Other Non-Current Liabilities		
Deferred Revenue	2.66	-
Liability for Employees Subsidised Car Scheme	4.46	3.63
Govt. and other dues	153.45	153.20
	160.57	156.83
Note-22 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	50.67	35.99
Buyer's Credit from Banks	102.92	92.61
Commercial Papers	50.00	44.97
Unsecured Loans		
Fixed Deposits	9.37	2.68
Commercial Papers	200.00	200.00
	412.96	376.25

Working capital borrowings from Banks are secured by hypothecation of Stores, Raw Materials, Finished Goods, Stock-in-Process and Book Debts etc. and are further secured / to be secured by way of a second charge on the movable and immovable assets pertaining to the Cement Units of the Company situated at Jaykaypuram, Basantgarh, Distt. Sirohi in the State of Rajasthan and Malpuri Khurd, Ahiwara, Distt. Durg, Chattisgarh (except those assets which are exclusively charged to other lenders).

Buyer's Credit is secured by a charge on the underlying assets and by a second and subservient charge on the moveable assets of the Company situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan.

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-23 Trade Payables		
Micro Enterprises and Small Enterprises	3.77	0.52
Others	314.85	264.26
	318.62	264.78
Note-24 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-17)	209.05	204.25
Interest Accrued but not due on borrowings	11.53	10.03
Unclaimed dividends #	1.85	1.52
Unclaimed matured Public Deposits and interest #	0.37	0.33
Capital Creditors	20.12	20.16
Other liabilities	129.58	135.64
	372.50	371.93
# Investor Education and Protection Fund will be credited as and when due.		
Note-25 Other Current Liabilities		
Advance from Customers	89.98	81.48
Govt. and other dues	118.28	129.69
Deferred Revenue	0.46	0.35
	208.72	211.52
Note-26 Current Provisions		
Provision for Employees' Benefit	10.23	7.46
	10.23	7.46
Note-27 Current Tax Liabilities (Net)		
Provision for Taxation (Net of Taxes paid)	2.68	12.14
	2.68	12.14

₹ In Crore (10 Million)

	2017-18	2016-17
Note-28 Revenue From Operations		
Sale of products		
Cement	2,993.20	2,791.11
Others	516.54	465.04
Other Operating Revenues	4.45	3.97
	3,514.19	3,260.12
Note-29 Other Income		
Interest Income	2.02	2.18
Profit on sale* of		
Long Term Investments	-	8.16
Current Investments	41.25	46.64
Profit/(loss) on Sale of Property Plant & Equipments (Net)	0.33	0.59
Other Non - Operating Income	24.50	12.24
	68.10	69.81
* Inclusive of fair value gain of ₹ 17.08 crore (Previous year gain of ₹ 7.20 crore)		
Note-30 Cost of Material Consumed		
Raw Material Consumed	584.15	524.94
	584.15	524.94
Note-31 Purchse of Stock - in - Trade		
Purchase of Traded goods	242.20	224.26
	242.20	224.26
Note-32 Change In Inventories Of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening Stocks		
Stock-in-progress	71.11	72.21
Finished Goods	28.00	36.94
Stock-in-Trade	0.88	0.30
	99.99	109.45
Closing Stocks		
Stock-in-progress	113.80	71.11
Finished Goods	28.37	28.00
Stock-in-Trade	0.55	0.88
	142.72	99.99
Add/(Less) : Excise Duty Variance on Stocks	(5.24)	(1.30)
Less : Preoperative period Stocks	-	(4.60)
	(47.97)	12.76

₹ In Crore (10 Million)

	2017-18	2016-17
Note-33 Employee Benefit Expense		
Salaries and Wages	192.10	170.71
Contribution to Provident and Other Funds	15.59	13.50
Staff Welfare Expenses	27.26	24.18
	234.95	208.39
Note-34 Finance Cost		
Interest expenses	195.42	186.85
Other borrowing cost	2.06	1.80
	197.48	188.65
Note-35 Depreciation and Amortization Expense		
Depreciation on Tangible Assets	178.92	172.13
Amortisation on Intangible Assets	0.35	0.24
	179.27	172.37
Note-36 Other Expenses		
Consumption of Stores and Spares	95.64	87.47
Power & Fuel	795.87	566.95
Rent (Net of realisation ₹ 0.81 crore, previous year ₹ 0.55 crore)	16.27	16.63
Repairs to Buildings	11.67	8.17
Repairs to Machinery	51.52	50.28
Insurance	3.11	2.86
Rates and Taxes	6.85	1.78
Transport, Clearing and Forwarding Charges	872.59	720.07
Commission on Sales	40.49	34.01
Directors' Fee & Commission	0.66	0.64
Provision for Doubtful Debts	-	0.54
Advertisement, Travelling, Consultancy & Misc. expenses etc.	92.79	85.25
	1,987.46	1,574.65
Note-37 Earning Per Equity Share		
Profit after tax	83.96	82.00
Weighted average number of equity shares outstanding	11,76,70,066	11,76,70,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	7.14	6.97
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	7.14	6.97

JK Lakshmi Cement Limited
Notes Accompanying the Financial Statement

Note-38 Financial Risk Management Objectives and Policies

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

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

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

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

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

Foreign Currency Sensitivity

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Change in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on profit / (loss) before tax (₹ in Crore)	(0.40)	(0.36)
Change in USD	- ₹ 0.25	- ₹ 0.25
Effect on profit / (loss) before tax (₹ in Crore)	0.40	0.36

b) **Interest Rate Risk :-**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings as also a mix of Rupee & Foreign Currency Borrowings. The following Table shows the blend of Company's Fixed & Floating Rate Borrowings in Indian Rupee & in Foreign Currency :

₹ in Crore (10 Million)

S.No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	**Loans in Rupees**		
	- Fixed Rate	674.20	669.35
	- Floating Rate	1243.31	1408.60
	Total	1917.51	2077.95
2	**Loans in US $**		
	- Fixed Rate	102.92	92.61
	- Floating Rate	-	-
	Total	102.92	92.61
3	**Grand Total (1+2)**	2020.43	2170.56

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

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at 31st March 2018	As at 31st March 2017
Change in Basis Points	+ 25	+ 25
Effect on profit / (loss) before tax (₹ in Crore)	(3.11)	(3.52)
Change in Basis Points	- 25	- 25
Effect on profit / (loss) before tax (₹ in Crore)	3.11	3.52

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) **Commodity Price Risk and Sensitivity:**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

38.2 **Credit Risk:**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables:- Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques.The Outstanding's of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

The Aging of Trade Receivables are as below:-

₹ in Crore (10 Million)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
As at 31st March'2018					
Secured	-	-	-	-	-
Unsecured	68.42	24.26	1.52	4.79	98.99
Gross Total	**68.42**	**24.26**	**1.52**	**4.79**	**98.99**
Provision for Doubtful	-	-	-	(2.05)	(2.05)
Net Total	**68.42**	**24.26**	**1.52**	**2.74**	**96.94**
As at 31st March'2017					
Secured	-	-	-	-	-
Unsecured	61.91	21.45	5.10	3.09	91.55
Total	**61.91**	**21.45**	**5.10**	**3.09**	**91.55**
Provision for Doubtful	-	-	-	(2.05)	(2.05)
Net Total	**61.91**	**21.45**	**5.10**	**1.04**	**89.50**

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

38.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities* into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

₹ in Crore (10 Million)

S.No	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	As on 31st March, 2018					
	- Borrowings	2020.43	622.02	1064.10	334.31	2020.43
	- Trade Payables	318.62	318.62	-	-	318.62
	- Other Liabilities*	556.48	284.65	165.13	106.70	556.48
	Total	**2895.53**	**1225.29**	**1229.23**	**441.01**	**2895.53**
2	As on 31st March, 2017					
	- Borrowings	2170.56	580.49	1105.36	484.71	2170.56
	- Trade Payables	264.78	264.78	-	-	264.78
	- Other Liabilities*	562.19	300.73	166.52	94.94	562.19
	Total	**2997.53**	**1146.00**	**1271.88**	**579.65**	**2997.53**

*Including Government dues

Note-39 Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits

₹ in Crore (10 Million)

Particulars	As at 31st March 2018	As at 31st March 2017
Borrowings	**2020.43**	2,170.56
Less: Cash and Cash equivalents (Including Current Investments & other bank balances)	**451.83**	508.68
Net debt	**1568.60**	**1,661.88**
Equity Share Capital	**58.85**	58.85
Other Equity	**1394.36**	1,322.84
Total Capital	**1453.21**	**1,381.69**
Capital and net debt	**3021.81**	**3,043.57**
Gearing ratio	**51.91%**	54.60%

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

Note-40 Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

₹ in Crore (10 Million)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss :-				
Investments				
- Mutual Funds.	326.07	326.07	336.16	336.16
- NCD's & others	114.17	114.17	161.03	161.03
- Preference Shares*	134.83	134.83	80.53	80.53
(ii) At Amortized Cost :-				
a) Bank FDs.	6.31	6.31	5.50	5.50
b) Cash &Bank Balances	5.40	5.40	3.58	3.58
c) Investments	-	-	2.51	2.51
d) Trade Receivables	96.94	96.94	89.50	89.50
e) Loans	61.94	61.94	54.26	54.26
f) Others	9.45	9.45	10.46	10.46
Total	755.11	755.11	743.53	743.53
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	2020.43	2020.43	2170.56	2170.56
- Trade Payables	318.62	318.62	264.78	264.78
- Other Financial Liabilities	284.75	284.75	279.27	279.27
Total	2623.80	2623.80	2714.61	2714.61

* Including Equity Component

Fair Valuation Techniques:

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following Table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. Level 1: Quoted prices in active markets.

ii. Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. Level 3: Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2018			
Financial Assets			
- Unquoted Preference Shares		134.83	
- Mutual Funds	326.07		
- NCDs & others		114.17	
As at 31st March, 2017			
Financial Assets			
- Unquoted Preference Shares		80.53	
- Mutual Funds	336.16		
- NCDs & others		161.03	

Note-41 Segment Information:

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementitious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Vice Chairman & Managing Director of the Company (Chief Operating Decision Maker).

Note-42 Derivative Financial Instruments:

The Company uses foreign currency forward contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

₹ in Crore (10 Million)

Particulars	As at 31st March 18	As at 31st March 17
Assets:		
Forward Contracts	-	-
Liabilities:		
Forward Contracts	74.68	97.57

Forward Contract:

The Company has foreign currency purchase forward contract to offset the risk of Currency fluctuations. These contracts are for settlement of operational payables:

Note-43 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 18	As at 31st March 17
Opening	0.35	0.81
Deferred during the year	3.23	-
Released to profit and loss	0.46	0.46
Closing	3.12	0.35
Current	0.46	0.35
Non-Current	2.66	-

Note-44 Income Tax Expense:

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

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Current Tax	25.93	16.67
Adjustments in respect of current income tax of previous year	3.18	(0.10)
Deferred Tax		
Relating to origination and reversal of temporary difference	(18.75)	7.70
MAT Credit Entitlement	29.11	16.67
Total Deferred tax Assets (net)	10.36	24.37

ii. Income Tax recognized in Other Comprehensive Income (OCI):

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Deferred Tax (Gain)/Loss on defined benefit	(0.97)	(0.45)

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Accounting Profit/(Loss) before income tax	102.72	74.20
At applicable Statutory Income tax rate	34.608%	34.608%
Computed Income Tax Expense/(Income)	35.55	25.68
Increase/(Reduction) in taxes on account of		
Income not taxable	(8.07)	(15.66)
Investment allowance u/s-32AC of Income Tax	-	(10.90)
R & D u/s- 35(2AB) of Income Tax	(1.22)	(1.73)
Deferred Tax related to Property, Plant & Equipment& Others	(22.28)	(7.91)
Previous year tax adjustments	12.44	(0.10)
Tax on which deduction is not admissible	1.22	2.82
Tax Rate Change	1.11	-
Income Tax Expense/(Income) Reported to Profit & Loss	18.75	(7.80)

iv. Reconciliation of deferred tax liabilities/Assets (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening Balance	8.65	(16.17)
Deferred Tax recognised in Statement of Profit and Loss	10.36	24.37
Other Comprehensive Income	0.97	0.45
Closing Balance	19.98	8.65

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Deferred Tax Assets Related to		
Brought Forward Losses Setoff	0.17	42.93
Disallowances/Allowances Under Income Tax	(6.99)	8.08
Others	1.48	0.31
MAT Credit Entitlement	29.11	16.67
Total Deferred Tax Assets	23.77	67.99
Deferred Tax Liabilities Related to		
Property, Plant and Equipment	(12.82)	(42.22)
Others	0.38	(0.95)
Total Deferred Tax Liabilities	(12.44)	(43.17)

v. Deferred Tax: (Continue)

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Net Total Movement in Statement of Profit & Loss	11.33	24.82
Movement in Profit & Loss	10.36	24.37
Movement in OCI	0.97	0.45

Note-45 Dividends

The following dividends were declared and paid by the company during the year

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
For the year ended 31st March'2017 – 15% i.e. ₹ 0.75 per equity share, (31st March'2016 – 5% i.e. ₹ 0.25 per equity share)	8.83	2.94
Dividend distribution tax thereon	1.80	0.60
Total	10.63	3.54

The following dividends were proposed by the board of directors in their meeting held on 16th May '2018, subject to approval of shareholders at the Annual General Meeting and are not recognized as liability. Dividend would attract dividend distribution tax when declared or paid.

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
For the year ended 31st March'2018 – 15% i.e. ₹ 0.75 per equity share, (31st March'2017 – 15% i.e. ₹ 0.75 per equity share)	8.83	8.83
Total	8.83	8.83

Note-46 Detail of Expenditure on Research and Development (R & D) activities during the year

₹ in Crore (10 Million)

S.No.	Particulars	2017-18	2016-17
A	Revenue Expenditures		
	Employee Cost	4.55	4.36
	Cost of Material and Testing Charges	1.06	1.62
	Other R & D Expenses	1.32	1.51
	R & D Cess	-	0.15
B	Total Revenue Expenditure	6.93	7.64
C	Capital Expenditures	-	-
D	Total Expenditures (B+C)	6.93	7.64

Note-47 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2017-18	2016-17
A	Statutory Auditor		
	Audit Fee	0.16	0.14
	For Taxation Matters	0.03	0.02
	For other Services	0.08	0.04
	Reimbursement of Expenses	₹ 56,838	₹ 50,561
B	Total (A)	0.27	0.20
C	Cost Auditors		
	Audit Fee	0.01	0.01

Note-48 Retirement benefit obligations

A Expenses Recognised for Defined Contribution Plan

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Company's Contribution to Provident Fund	10.85	10.01
Company's Contribution to ESI	0.28	0.17
Company's Contribution to Superannuation Fund	1.45	1.55
Total	12.58	11.73

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone Balance Sheet as at March 31, 2018 and March 31, 2017, being the respective measurement dates:

1 Change in Present Value of Defined Benefit Obligation during the year

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of obligation as on 1st April'16	47.69	9.25
Current Service Cost	2.68	1.30
Interest Cost	3.34	0.65
Benefits Paid	(2.83)	(1.99)
Remeasurement - actuarial loss / (gain)	3.25	1.33
Present Value of obligation as on 31st March'17	54.13	10.54
Present Value of obligation as on 1st April'17	54.13	10.54
Current Service Cost	3.00	1.42
Interest Cost	3.79	0.74
Benefits Paid	(3.54)	(2.67)
Remeasurement - actuarial loss / (gain)	2.09	2.17
Present Value of obligation as on 31st March'18	59.47	12.20

2 Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Fair Value of plan assets at beginning of year	52.30	45.18
Acquisitions / Transfer in /Transfer Out	-	-
Expected Return on plan assets	3.66	3.16
Employer contributions	3.54	4.86
Benefit paid	(3.54)	(2.83)
Actuarial gain / (loss)	(0.69)	1.93
Fair Value of plan assets at end of year	55.27	52.30
Present Value of Obligation	59.47	54.13
Net funded status of plan	(4.20)	(1.83)
Actual Return on plan assets	2.97	5.10

3 Expenses recognised in Statement of profit and loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	2.68	1.30
Interest cost	3.34	0.65
Expected return plan assets	(3.16)	-
Remeasurement - actuarial loss / (gain)	-	1.33
For the year ended 31st March'17	**2.86**	**3.28**
Actual return on plan assets	**5.10**	**-**
Current Service Cost	3.00	1.42
Interest cost	3.79	0.74
Expected return plan assets	(3.66)	-
Remeasurement - actuarial loss / (gain)	-	2.17
For the year ended 31st March'18	**3.13**	**4.33**
Actual return on plan assets	2.97	-

4 Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain) for the year ended 31st March'17	1.31
Remeasurement - Actuarial loss/(gain) for the year ended 31st March'18	**2.78**

5 The Principal actuarial assumptions used for estimating the Company's defined obligations are set out below :-

Weighted average actuarial assumptions	As at 31st March 18	As at 31st March 17
Attrition Rate	-	-
Discount Rate	**7%**	7%
Expected Rate of increase in salary	**5%**	5%
Expected Rate of Return on Plan Assets	**7%**	7%
Mortality Rate	**100% of IALM (2006-08)**	
Expected Average remaining working lives of employees (years)	**15.06**	14.80

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2016-17 as considered in previous GAAP on transition to IND AS.

6 Sensitivity analysis

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Gratuity :-		
For the year ended 31st March'17		
Discount Rate	0.50%	(0.98)
	-0.50%	1.05
Salary Growth Rate	0.50%	1.06
	-0.50%	(1.00)
For the year ended 31st March'18		
Discount Rate	0.50%	(1.09)
	-0.50%	1.17
Salary Growth Rate	0.50%	1.18
	-0.50%	(1.11)
Leave Encashment :-		
For the year ended 31st March'17		
Discount Rate	0.50%	(0.33)
	-0.50%	0.36
Salary Growth Rate	0.50%	0.33
	-0.50%	(0.36)
For the year ended 31st March'18		
Discount Rate	0.50%	(0.42)
	-0.50%	0.45
Salary Growth Rate	0.50%	0.45
	-0.50%	(0.42)

Sensitivities due to mortality & withdrawals are not material & hence imapct of change not calculated.

7 History of experience adjustments is as follows

₹ in Crore (10 Million)

Particulars	Gratuity
For the year ended 31st March'2017	
Plan Liabilities - Loss/(Gain)	3.25
Plan Assets - Gain/(Loss)	1.93
For the year ended 31st March'2018	
Plan Liabilities - Loss/(Gain)	2.09
Plan Assets - Gain/(Loss)	(0.69)

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity
April'2018 - March'2019	28.68
April'2019 - March'2020	2.37
April'2020 - March'2021	0.74
April'2021 - March'2022	0.66
April'2022 - March'2023	0.74
April'2023 - March'2024	0.62
April'2024 onwards	25.66

8 Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Gratuity	5.91	4.17
Leave Encashment	4.33	3.28
Superannuation	1.45	1.55

9 Current and non-current provision for Gratuity and Leave Encashment

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
For the year ended 31st March'2017		
Current	1.83	4.11
Non Current	-	6.43
For the year ended 31st March'2018		
Current	4.20	4.47
Non Current	-	7.73

10 Employee benefit expense.

₹ in Crore (10 Million)

Particulars	2017-18	2016-17
Salary and Wages	192.10	170.71
Costs-defined benefit plan	11.69	9.00
Costs-defined contribution plan	3.89	4.50
Welfare expense	27.26	24.18
Total	234.94	208.39

OCI presentation of defined benefit plan

Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss. IND AS 19 does not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on Government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

Note-49 Capital work in progress includes Machinery in stock, construction / erection materials and also include the following pre -operation expenses pending allocation.

₹ in Crore (10 Million)

	2017-18	2016-17
Raw Material Consumed	-	33.06
Stores and Spares	-	1.60
Power & Fuel	0.90	4.77
Salaries and Wages	1.24	1.61
Contribution to Provident and Other Funds	0.07	0.09
Staff Welfare expenses	0.21	0.31
Insurance	0.02	0.36
Rates and Taxes	0.10	1.06
Transport ,Clearing and Forwarding Charges	-	5.94
Rent	-	0.06
Travelling, Consultancy & Miscellaneous Expenses	0.42	5.13
Finance costs	8.59	19.35
	11.55	73.34
Less: Sales	-	43.77
Stock of Finished Goods transferred to Statement of Profit and Loss	-	2.26
Stock of Work -in -Process transferred to statement of Profit and Loss	-	2.34
	11.55	24.97
Add : Expenditure upto previous year	49.94	50.97
Less : Transferred to Property, Plant & Equipment (Includes interest ₹ 3.38 crore, previous year ₹ 17.90 crore).	4.53	26.00
	56.96	49.94

Note-50 Detail of Expenditure and Earning in Foreign Currency

₹ in Crore (10 Million)

		2017-18	2016-17
a)	**Expenditure in Foreign Currency on account of**		
i)	Consultancy and know-how fee	0.98	0.18
ii)	Interest	1.86	1.51
iii)	Others	0.34	1.15
		3.18	2.84
b)	**Earning in Foreign Currency on account of FOB value of Exports**	-	-
c)	**C.I.F. Value of Imports :**		
i)	Raw Materials	6.16	7.57
ii)	Power & Fuel	137.58	114.86
iii)	Stores and Spares	12.15	9.07
iv)	Capital Goods	0.43	25.82
		156.32	157.32

Note-51 Expenses charged to Raw Material (Limestone) account includes :

₹ in Crore (10 Million)

	2017-18	2016-17
Salaries & Wages	6.29	6.37
Contribution to Provident and Other Funds	0.49	0.49
Employees' Welfare Expenses	1.27	1.21
Consumption of Stores and Spares	32.95	34.25
Power & Fuel	7.86	6.20
Repairs to Machinery	4.15	4.15
Material Handing	70.52	54.89
Insurance	0.18	0.20
Rates and Taxes	25.84	28.83
Royalty	76.92	76.26
Miscellaneous Expenses	0.47	0.59
Total	**226.94**	**213.44**

Note-52 Related Party Disclosure

List of Related Parties :

a) Direct and Indirect Subsidiary

Hansdeep Industries & Trading Co. Ltd. (HITCL)
Udaipur Cement Works Ltd.(UCWL)
Ram Kanta Properties Private Ltd.(RKPPL)

b) Associates

Dwarkesh Energy Ltd.(DEL)

c) Key Management Personnels (KMPs)

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director
Shri B.V. Bhargava	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Shri K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Pradeep Dinodia	Independent & Non Executive Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	VP & Company Secretary

d) Enterprise which holds more than 20% of Equity share

Bengal & Assam Company Ltd. (BACL)

e) Trusts under common control

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund(EPF)
JK Lakshmi Cement Ltd. Officers Superannuation Fund(SF)
JK Lakshmi Cement Ltd. Employees Gratuity Fund(GF)

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

i) ₹ in Crore (10 Million)

Nature of Transactions	Refer name from above									
	UCWL	HITCL	DEL	BACL	Trusts	UCWL	HITCL	DEL	BACL	Trusts
	2017-18					2016-17				
- Sharing of Expenses received	6.37	0.001	-	0.06	-	0.41	0.02	0.07	0.05	-
- Sharing of Expenses/ Expenses paid	0.29	-	-	-	-	0.04	0.11	-	-	-
- Payment of Expenses#	-	-	-	1.16	-	-	-	-	1.47	-
- Sale of Clinker/Cement/Others	38.48	58.95	-	0.03	-	2.51	82.78	-	-	-
- Purchase of Cement/Others	6.13	31.37	-	-	-	16.39	25.53	-	-	-
- Other Income	0.86	-	-	-	-	0.81	-	-	-	-
- Investments	50.00	-	-	-	-	6.00	115.00	-	-	-
- Loan/Advances given	10.00	-	-	-	-	52.24	-	-	0.09	-
- Advances Received back	41.16	-	-	3.33	-	-	-	-	3.33	-
- Contribution	-	-	-	-	7.58	-	-	-	-	8.64
- Corporate guarantee given on behalf of	50.00	-					50.00			
Outstanding as at year end:										
- Receivable/(Payable) :	23.99	3.08	-	23.86		55.14	2.63	-	27.19	
EPF	-	-	-		(0.75)	-	-	-		(0.60)
SF					(1.46)					(1.43)
GF					(4.21)					(1.83)
- Corporate guarantee outstanding	50.00	525.00					525.00			

ii) **Remuneration Paid to KMPs**

Particulars	2017-18	2016-17
Short Term Employee benefits	20.61	19.05
Post Employment benefits*	-	-
Other Payments	0.66	0.64

* As the liability for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to KMPs are not included above.

iii) The Company has during the current Financial Year 2017-18 ended 31st March 2018, paid Managerial Remuneration in accordance with the provisions of Section 197 of the Companies Act 2013(Act) read with Schedule V thereto except the minimum remuneration paid to the Managing Directors, as approved by the Members at the AGM of the Company held on 7th September 2016, which exceeded the prescribed limit under the said Schedule by ₹ 4.09 Crore. The Company shall seek necessary approval of the Central Government and/ or the Members, as applicable, under the aforesaid provisions of the Act including any amendment(s) thereto, for waiver of recovery thereof. In terms of the Central Government approval received for payment of the Managerial Remuneration for the previous Financial Year 2016-17, Shri Bharat Hari Singhania, Chairman & Managing Director has refunded ₹ 1.50 Lakh to the Company. Company's Application to the Central Govt. for waiver of excess remuneration of ₹ 2.12 Crore of Smt. Vinita Singhania, Vice Chairman & Managing Director is pending its review / approval.

Note-53 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 108.97 crore (previous year ₹ 58.79 crore).

Note-54 Contingent liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows :

₹ in Crore (10 Million)

Particulars	31st March, 2018	31st March, 2017
a) Service Tax	0.25	17.17
b) Sales Tax and Interest	16.35	135.84
c) Income Tax	6.13	4.65
d) Renewable Energy Obligation	20.21	20.21
e) Excise Duty @	-	0.93
f) Other matters	8.60	5.86
Total	51.54	184.66

@ excluding Show Cause Notices of ₹ 148.65 crore (previous year ₹ 115.00 crore).

Note-55 In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

Note-56 Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

Note-57 Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a Penalty of ₹ 6.55 crore on the Company pursuant to a reference filed by the Government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order, though based on legal opinion, the Company believes that it has a good case but out of abundant caution ₹ 2.00 crore has been provided.

Note-58 Maximum balance due for Commercial Paper issued during the year was ₹ 320.00 crore and the year end balance is ₹ 250.00 crore (previous year Maximum balance ₹ 320.00 crore and at the year end ₹ 245.00 crore).

Note-59 Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated 28.4.2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. During the FY 2014-15 the Company had received Demand Notices consisting of Sales Tax Exemption, Sales Tax Deferment and Interest thereon. The Sales Tax Exemption and Sales Tax Deferment has since been paid in earlier years. The Rajasthan Tax Board Ajmer in its recent Order dated 14th March, 2018 has set aside the entire demand of interest upto the period of Demand Notice.

Note-60

a) Sales include own consumption at cost ₹ 1.65 crore (previous years ₹ 2.04 crore).

b) Consumption of Stores and Spares is net of scrap sale ₹ 6.72 crore (previous year ₹ 6.69 crore.)

c) Interest expenses include ₹ 7.25 crore (previous year ₹ 5.22 crore) being interest on entry tax and sales tax deferment.

Note-61

a) Other-Non-Operating Income includes receipts from aircraft flying ₹ 2.98 crore, (previous year ₹ 2.30 crore) net of expenses of ₹ 3.94 crore (previous year ₹ 4.96 crore) and write back of District Mineral Fund amounting to ₹ 10.82 crore (previous year -Nil) pursuant to Hon'ble Supreme Court decision.

b) Miscellaneous expenses include, CSR expenses amounting to ₹ 1.30 crore (previous year ₹ 1.45 crore) and Foreign exchange fluctuation of loss (net) ₹ 2.58 crore (previous year loss (net) ₹ 3.69 crore).

Note-62

a) Forward contracts of ₹ 48.51 crore – USD 7.47 Mn (previous year ₹ 97.57 crore – USD 14.37 Mn.) taken for the purpose of hedging of Buyers Credit and 26.17 crore- USD 4.00 Mn (previous year ₹ Nil crore -USD Nil) against letter of credit. .

b) Un-hedged ₹ 55.30crore- USD 8.5 Mn (previous year ₹ Nil – Euro Nil) against Buyers Credit and ₹ 2.66 crore EUR 0.33 Mn against letter of credit outstanding as at 31st March, 2018.

Note-63 Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

i) Principal and Interest amount due and remaining unpaid as at 31st March 2018
₹ 3.77 crore (previous year ₹ 0.52 crore).

ii) Interest paid in terms of section 16 of the MSME Act during the year Nil (previous year - Nil).

iii) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (previous year - Nil).

iv) Payment made beyond the appointed day during the year Nil (previous year - Nil).

v) Interest Accrued and unpaid as at 31st March 2018 Nil (previous year - Nil).

Note-64 The Company has successfully completed the Revival & Rehabilitation Scheme of UCWL with the commissioning of its Integrated Cement Plant in March, 2017. UCWL has since commenced dispatches of Clinker & Cement.

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 525.00 Crore issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of these NCDs issued have been utilized by HITCL for part financing UCWL's Revival & Rehabilitation Project. The Company has received a Counter Indemnity from UCWL in consideration of the Company having given Corporate Guarantee for the NCDs raised by HITCL for onward lending to UCWL.

In addition, the Company has given Corporate Guarantee to a Bank for collaterally securing the Working Capital Facility of ₹ 50 crore granted by it to UCWL.

Note-65 During the year the Company has received subsidy of ₹ 0.05 crore (previous year ₹ 0.21 crore) in terms of State Investment Promotion Scheme, the same is netted from interest.

Note-66 During the year, the Company has invested in 50 lakh, 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Face Value of ₹ 100/- per shares of Udaipur Cement Works Limited (UCWL) on preferential basis. As per the Terms of Issue, the Company is entitled to exercise conversion option on OCCRPS at any time after nine months but not later than eighteen months from the date of allotment i.e. on or after 10th May, 2018 and up to 9th February 2019 at a price determined in accordance with Regulation 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Company has since exercised the said Conversion Option and has given Notice to UCWL for conversion of entire OCCRPS of ₹ 50 crore to Equity Shares to be executed on or after 10th May 2018 and up to 9th February 2019 in one or more Tranches.

Note-67

a) Loans and Advances pursuant to Regulation 23(3) read with schedule of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 :

An amount of ₹ 23.34 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 26.67 crore) (Maximum balance due ₹ 26.67 crore, previous year ₹ 30.00 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Company's policy are not considered.)

b) Loans given as per regulation 34 (3) and 53(f) read with Schedule V of SEBI (LODR) regulation of listing with Stock Exchanges.

Loan given to Udaipur Cement Works Limited is ₹ 10 crore (previous year nil). Maximum balance outstanding during the year is ₹ 10 crore.

Note-68

a) Some of the Balances of receivables and payables are in process of confirmation.

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

Note-69 With introduction of Goods and Service Tax Act 2017 w.e.f. 1st July 2017 Revenue from operations for current year are not comparable with previous year, since sales in current year from 1st July 2017 are net of GST whereas Excise duty was included in Revenue and formed part of expenses till 30th June 2017.

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

JK Lakshmi Cement Limited
Cash Flow Statement
For the year ended 31st March, 2018

₹ In Crore (10 Million)

		2017 - 18		2016- 17	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax and Exceptional Items	102.71		74.20	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	179.27		172.37	
	Interest & Dividend Income	(2.02)		(2.18)	
	Profit on sale of Assets (Net)	(0.33)		(0.59)	
	Profit on sale of Current Investments (net)	(24.17)		(47.60)	
	Gain / (Loss) on Fair Valuation of Current Investment	(17.08)		(7.20)	
	Finance Costs	197.48		188.65	
	Provision for Doubtful Debts	-		0.54	
	Foreign Exchange Difference (net)	0.05		0.08	
	Operating Profit before Working Capital changes	435.91		378.27	
	Adjustments for:				
	Trade and Other Receivables	49.94		38.34	
	Inventories	(39.39)		(37.09)	
	Trade and Other Payables	48.59		(13.99)	
	Cash generated from Operations	495.05		365.53	
	Income Tax Payments (Net)	(38.58)		(2.60)	
	Net Cash from Operating Activities		456.47		362.93
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, Plant and Equipment and Intangible Assets	(137.95)		(126.99)	
	Sale of Property, Plant and Equipment and Intangible Assets	1.08		1.91	
	(Purchase) / Sale of Investments (net)	56.31		(292.86)	
	Loan Given	(10.00)			-
	Interest Received	1.74		2.33	
	Net Cash from / (used in) Investing Activities		(88.82)		(415.61)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long-term Borrowings	-		473.33	
	Repayment of Long-term Borrowings	(186.83)		(295.91)	
	Short-term borrowings (net)	36.66		78.41	
	Interest paid	(204.57)		(201.58)	
	Dividend paid (including Dividend Distribution Tax)	(10.30)		(4.35)	
	Net Cash from / (used in) Financing Activities		(365.04)		49.90
D.	Increase / (Decrease) in Cash and Cash Equivalents		2.61		(2.78)
E.	Cash and Cash Equivalents as at the beginning of the year		8.98		11.76
F.	Cash and Cash Equivalents as at the close of the year (Note 12 & 13)		11.59		8.98
1.	Cash and Cash Equivalents include:				
	- Cash, Cheques in hand and remittances in transit		1.68		0.31
	- Balances with Scheduled Banks		9.91		8.67
			11.59		8.98

2. Previous year's figures have been re-arranged and re-cast wherever necessary.
3. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.
4. The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact upon on the financial statements of the Company.

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

INDEPENDENT AUDITOR'S REPORT

To The Members of JK Lakshmi Cement Limited

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of J K Lakshmi Cement Limited (hereinafter referred to as "the Holding Company") and its subsidiaries including step down subsidiary (the Holding Company and its subsidiaries including step down subsidiary together referred to as "the Group") and associate company, 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 ''consolidated Ind AS financial statements'').

Management's Responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group including its subsidiaries/ step down subsidiary and associate company 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 Standards) Amendment Rules, 2015 as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and associate company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing 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 consolidated Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and associate company as at March 31,2018, its consolidated profit including other comprehensive income, its consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries and one step down subsidiary whose financial statements includes total assets of ₹ 1,590.84 crores as at March 31, 2018, total revenue of ₹ 526.62 crores and net cash outflows amounting to ₹ 0.84 crores for the year ended on that date and financial statements and other financial information of one associate which reflect Group's share of net loss of ₹ 0.04 crores for the year ended March 31, 2018. These financial statements and other information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

(b) The Comparative financial statements and other financial information of the Company for the year ended March 31, 2017have been audited by predecessor auditor (Lodha & Co. Chartered Accountants having firm registration number 301051E). The report of the predecessor auditor dated May 17, 2017 on the comparative financial information expressed an unmodified opinion.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to the our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a) 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, the 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 Standards) Amendment 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 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary/step down subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 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 Group and associate company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the reports of the others reports on separate financial statements as also the other information of the subsidiaries/stepdown subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated Ind AS financial statement disclose the impact of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associate company - Refer Note 46, 47, 48, 49, 50 and 52(b)to the consolidated Ind AS financial statements;

ii. The Group and its associate company did not have any material foreseeable losses on long-term contracts including derivative contracts; and

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/step down subsidiary and its associate company.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Date: 16th May, 2018
Place: New Delhi

Annexure A to the Independent Auditor's Report to the members of JK Lakshmi Cement Limited dated May 16, 2018 on its Consolidated Ind AS Financial Statement.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

In conjunction with our audit of the consolidated Ind AS financial statement of J K Lakshmi Cement Limited as of and for the year ended March 31, 2018. We have audited the Internal Financial Controls over Financial Reporting of **JK Lakshmi Cement Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries/stepdown subsidiary(the Holding Company and its subsidiaries together referred to as "the Group") and associate company all incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries/step down subsidiary and associate 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 and its subsidiaries/step down subsidiary and associate 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 (the Act).

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and associate company internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group and associate company incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the holding company including its subsidiary/step down subsidiary companies and associate company incorporated in India 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.

Other Matters

Our aforesaid reports under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Holding Company, insofar as it relates to separate financial statements of one associate company, two subsidiaries companies and one step down subsidiary which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our audit report is not qualified in respect of above matters.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No. 000756N

SUNIL WAHAL
Partner
Membership No:- 087294

Date: 16th May, 2018
Place: New Delhi

JK Lakshmi Cement Limited
Consolidated Balance Sheet as at 31st March 2018

₹ In Crore (10 Million)

		Note No.	As at 31st March 2018	As at 31st March 2017
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	3,554.24	3,482.68
	(b) Capital work-in-progress		226.32	307.10
	(c) Investment Property	3	0.70	0.75
	(d) Goodwill	4	70.51	70.51
	(e) Other Intangible Assets	4 A	1.84	1.91
	(f) Intangible Assets Under Development		1.94	-
	(g) Investment in an Associate	5	9.72	8.76
	(h) Financial Assets			
	(i) Loans	6	57.24	57.32
	(ii) Others	7	0.88	0.11
	(i) Deferred Tax Assets (Net)	8	73.97	32.67
	(j) Other Non-Current Assets	9	26.45	51.19
			4,023.81	4,013.00
(2)	**Current Assets**			
	(a) Inventories	10	355.61	321.20
	(b) Financial Assets			
	(i) Investments	11	463.07	522.42
	(ii) Trade Receivables	12	101.51	90.41
	(iii) Cash and Cash Equivalents	13	4.40	2.57
	(iv) Bank Balance other than (iii) above	14	8.05	7.63
	(v) Others	15	9.70	10.63
	(c) Current Tax Assets (Net)	16	1.03	0.44
	(d) Other Current Assets	17	133.90	163.45
			1,077.27	1,118.75
	TOTAL ASSETS		5,101.08	5,131.75
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	18	58.85	58.85
	(b) Other Equity		1,384.67	1,342.12
	(c) Non Controlling Interest		1.26	13.24
			1,444.78	1,414.21
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	1,847.15	2,106.25
	(ii) Other Financial Liabilities	20	139.16	112.35
	(b) Provisions	21	11.55	11.19
	(c) Deferred Tax Liabilities (Net)	8	-	-
	(d) Other Non-Current Liabilities	22	160.65	158.03
			2,158.51	2,387.82
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	23	420.29	376.25
	(ii) Trade Payables	24	328.79	277.55
	(iii) Other Financial Liabilities	25	502.60	429.95
	(b) Other Current Liabilities	26	231.69	225.30
	(c) Provisions	27	11.74	8.53
	(d) Current Tax Liabilities (Net)	28	2.68	12.14
			1,497.79	1,329.72
	TOTAL EQUITY AND LIABILITIES		5,101.08	5,131.75

Significant Accounting Policies 1
Notes on financial statements 2-60

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

JK Lakshmi Cement Limited
Consolidated Statement of Profit And Loss
For The Year Ended 31st March 2018

₹ In Crore (10 Million)

		Note No.	2017-18	2016-17
I.	Revenue from Operations	29	3,859.74	3,288.60
II.	Other Income	30	69.01	125.09
III.	**Total Income (I+II)**		3,928.75	3,413.69
IV.	**Expenses :**			
	Cost of Materials Consumed	31	662.55	585.30
	Purchases of Stock-in-Trade	32	203.31	147.82
	Change in inventories of finished goods, work-in-progress and traded goods	33	(41.89)	13.76
	Employee Benefits Expense	34	262.51	212.07
	Finance Costs	35	263.70	244.35
	Depreciation and Amortization Expense (Net)	36	207.29	175.00
	Excise Duty		111.38	367.04
	Other Expenses	37	2,230.11	1,592.88
	Total Expenses (IV)		3,898.96	3,338.22
V.	**Profit before Exceptional Items and Tax (III-IV)**		29.79	75.47
VI.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.04)	(0.04)
VII.	Exceptional Items - Gain		2.74	4.04
VIII.	**Profit before Tax (V+VI-VII)**		32.49	79.47
IX.	Tax Expense			
	(1) Current Tax		26.12	16.71
	(2) Deferred Tax		(40.17)	(24.41)
	(3) Tax Adjustments for Earlier Years		3.18	(0.09)
	Total Tax Expense (IX)		(10.87)	(7.79)
X.	**Profit for the Year**		43.36	87.26
XI.	**Profit for the Year attributable to**			
	Owners of the Parent		55.24	85.76
	Non Controlling Interest		(11.88)	1.50
			43.36	87.26
XII.	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss in subsequent periods			
	(1) Re-measurement losses on defined benefit plans		(3.33)	(1.42)
	(2) Income tax effect on above		1.16	0.45
	Total **Other Comprehensive Income (XII)**		(2.17)	(0.97)
XIII	**Total Comprehensive Income For The Year (X + XII)**		41.19	86.29
XIII	**Total Comprehensive Income For The Year attributable to**			
	Owners of the Parent		53.17	84.83
	Non Controlling Interest		(11.98)	1.46
			41.19	86.29
XIV	Earnings per share:			
	Basic Earnings per equity share (₹):		4.69	7.29
	Diluted Earnings per equity share (₹):		4.69	7.29

Significant Accounting Policies 1
Notes on financial statements 2-60

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

Consolidated Statement of Changes in Equity

For the Year Ended 31st March 2018

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2016	Change during the year	As at 31st March 2017	Change during the year	As at 31st March 2018
Equity Shares	58.84	-	58.84	-	58.84
Add: Forfeited Shares	0.01	-	0.01	-	0.01
Total	58.85	-	58.85	-	58.85

B. Other Equity

₹ In Crore (10 Million)

Particulars	Reserves and Surplus					Items of other Comprehensive Income, that will not be reclassified to Statement of Profit and Loss	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Re-measurement of Net Defined Benefit Plans	
Balance as at 1st April'2016	25.64	88.65	25.10	950.74	172.09	(1.08)	1,261.14
Profit / (Loss) for the year	-	-	-	-	85.76		85.76
Adjustment of Profit in Subsidiary/Associates					(0.30)		(0.30)
Dividend payment including dividend distribution tax (2015-16)					(3.54)		(3.54)
Transfer from Debenture Redemption Reserve			(5.00)		5.00		-
Transfer to Debenture Redemption Reserve			40.00		(40.00)		-
Other comprehensive Income						(0.94)	(0.94)
Balance as at 31st March'2017	25.64	88.65	60.10	950.74	219.01	(2.02)	1,342.12
Profit / (Loss) for the year	-	-	-	-	55.23		55.23
Adjustment of Profit in Subsidiary/Associates					-		-
Dividend payment including Dividend Distribution Tax 2016-17					(10.62)		(10.62)
Transfer from Debenture Redemption Reserve			5.00		-		5.00
Transfer to Debenture Redemption Reserve			(5.00)		-		(5.00)
Other comprehensive Income					-	(2.06)	(2.06)
Balance as at 31st March'2018	25.64	88.65	60.10	950.74	263.62	(4.08)	1,384.67

Significant Accounting Policies 1
Notes on financial statements 2-60

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

Note-1

Group Overview, Basis of Preparation and Significant Accounting Policies

1.1. (a) **The Group Overview:**

The Group, JK Lakshmi Cement Limited (JKLCL) and its subsidiaries, fellow subsidiaries and associates majorly manufactures and markets Cement, Clinker, RMC and AAC Blocks. The manufacturing facilities of the Group are situated in India.

These consolidated financial statements were approved and adopted by Board of Directors of the Company in their meeting held on May 16, 2018.

(b) **Statement of Compliance:**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The financial statements comply with IND AS notified by Ministry of Company Affairs("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

(c) **Basis of preparation of Consolidated financial statements:**

The consolidated financial statements comprise of the financial statements of JK Lakshmi Cement Limited (JKLCL), its subsidiaries, fellow subsidiaries and associate. Subsidiaries are those entities in which JK Lakshmi Cement Limited (JKLCL), directly or indirectly has interest more than 50% of the voting power. The Company's financial statements are presented in Indian rupees (₹), which is also its functional currency.

1.2. a) The Consolidated Financial Statements comprises of audited Financial statements of JK Lakshmi Cement Limited (Parent Company) and the followings as on 31.03.2018.

Name	Proportion of ownership interest	Financial statements as on	For the period
Subsidiaries and Indirect Subsidiary			
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	31/03/2018	12 months
Udaipur Cement Works Ltd. (UCWL)	71.03%	31/03/2018	12 months
Ram Kanta Properties Pvt. Ltd. (RKPPL)	100%	31/03/2018	12 months
Associates:			
Dwarkesh Energy Ltd. (DEL)	35.00%	31/03/2018	12 months

b) The consolidated financial statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions are eliminated in consolidation in accordance with IND AS 110 - 'Consolidated Financial Statement' notified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015 as amended time to time.

c) Non-controlling interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated balance sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest. Impact of any significant and immaterial Non-controlling interest is not considered.

d) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with IND AS 28 – Investment in Associates and Joint Ventures.

e) Post-acquisition, the Company accounts for its share in the change in net assets of the associate (after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share) through its Statement of Profit and Loss in respect of the change attributable to the associates' Statement of Profit and Loss and through its reserves for the balance.

f) The difference between the cost of investment and share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

g) The accounting policies of the parent Company, its subsidiary and associate are largely similar.

h) Significant Accounting policies and notes accompanying to financial statements of the Company, its subsidiaries, fellow subsidiaries and associate are set out in their respective financial statements.

(i) **Business Combination:-** Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquire. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquire is initially measured at the non-controlling shareholder's proportionate share of the acquiree's identifiable net assets.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
Gross Block									
As at 1st April'2016	233.44	49.78	188.67	2,431.14	4.02	4.67	24.64	10.43	2,946.79
Additions/Adjustments	105.00*	3.46	30.47	729.98	0.42	0.68	6.19	-	876.20
Disposals/Adjustments	-	-	-	0.48	-	-	1.50	-	1.98
As at 31st March'2017	338.44	53.24	219.14	3,160.64	4.44	5.35	29.33	10.43	3,821.01
Additions/Adjustments	7.36	2.41	2.91	253.53	0.19	1.08	7.35	4.27	279.10
Disposals/Adjustments	-	-	-	0.05	-	-	1.52	-	1.57
As at 31st March'2018	345.80	55.65	222.05	3,414.12	4.63	6.43	35.16	14.70	4,098.54
Accumulated Depreciation									
As at 1st April'2016	-	0.44	11.22	141.60	1.11	1.24	8.07	0.63	164.31
Charged For the Year	-	0.44	12.43	150.39	0.83	1.21	8.69	0.68	174.67
On Disposal	-	-	-	0.05	-	-	0.61	-	0.66
As at 31st March'2017	-	0.88	23.65	291.94	1.94	2.45	16.15	1.31	338.32
Charged For the Year	-	0.48	14.68	184.80	0.64	0.96	4.56	0.68	206.80
On Disposal	-	-	-	0.01	-	-	0.81	-	0.82
As at 31st March'2018	-	1.36	38.33	476.73	2.58	3.41	19.90	1.99	544.30
Net Carrying Amount									
As at 31st March'2017	338.44	52.36	195.49	2,868.70	2.50	2.90	13.18	9.12	3,482.68
As at 31st March'2018	345.80	54.29	183.72	2,937.39	2.05	3.02	15.26	12.71	3,554.24

1) Freehold Land includes ₹ 1.43 crore (previous year nil) for which mutation is pending.

2) Leasehold Land includes ₹ 1.82 crore (previous year ₹ 1.82 crore) pending transfer of title in the name of the Company.

3) Factory & Service Buildings and Plant & Machinery at Jaykaypuram (Rajasthan) plant were revalued as at 1st April 1990. Certain fixed assets of aforesaid Plant were revalued and updated as at 1st April, 1997 and certain Buildings, Plant & Machinery and other assets of aforesaid Plant were revalued and / or updated as at 31st March, 2000. Based on report of the valuers on business valuation of Cement business, fixed assets value was re-determined at net replacement cost basis on 1st April 2005. Certain Plant and Machinery and Railway siding of aforesaid Plant were revalued and up dated as at 1st April 2008 and 1st April 2011. The Gross Block as at 31st March 2018 includes aggregate revaluation / business valuation of ₹ 396.71 crore (Previous year ₹ 396.71 crore).

* Refer Note 54

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2016	0.10	0.04	0.71	0.85
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2017	0.10	0.04	0.71	0.85
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2018	0.10	0.04	0.71	0.85

Note-3 Investment Property (continued)

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Accumulated Depreciation				
As at 1st April'2016	-	₹ 6,484	0.05	0.05
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2017	-	₹ 12,968	0.10	0.10
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2018	-	₹ 19,452	0.15	0.15
Net Carrying Amount				
As at 31st March'2017	0.10	0.04	0.61	0.75
As at 31st March'2018	0.10	0.04	0.56	0.70
Fair Value *				
As at 31st March'2017				4.58
As at 31st March'2018				4.76
Rental Income				
For the FY 2016-17				0.45
For the FY 2017-18				0.61

* as calculated by independent valuer on the basis of market rate / realisation.

Note-4 Goodwill

Goodwill on Consolidations

Goodwill acquired in business combinaton is allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows :

₹ In Crore (10 Million)

Goodwill on Consolidation	As at 31st March 2018	As at 31st March 2017
Udaipur Cement Works Limited (UCWL)	70.44	70.44
Ram Kanta Properties Private Limited (RKPPL)	0.07	0.07
Total	70.51	70.51

There is no impairment of the goodwill.

Note-4A Other Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April 2016	2.10
Additions/Adjustments	1.17
Disposals/Adjustments	-
As at 31st March 2017	3.27
Additions/Adjustments	0.37
Disposals/Adjustments	-
As at 31st March 2018	3.64

Note-4A Other Intangible Assets (continued)

₹ In Crore (10 Million)

Particulars	Software
Accumulated Amortisation	
As at 1st April'2016	1.05
Charged For the Year	0.31
Disposal	-
As at 31st March'2017	1.36
Charged For the Year	0.44
Disposal	-
As at 31st March'2018	1.80
Net Carrying Amount	
As at 31st March'2017	1.91
As at 31st March'2018	1.84

Note-5 Investment in an Associate

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
Investment in an Associate*	Number	Amount	Number	Amount
Dwarkesh Energy Ltd.				
Equity Shares of face value Rs.10 unquoted	3,50,000	0.19	3,50,000	0.23
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value Rs. 100/- unquoted	11,00,000	9.53	11,00,000	8.53
		9.72		8.76
Aggregate carrying amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		9.72		8.76

* Share of Post acquisition loss / gain has been adjusted in carrying amount.

Note-6 Loans

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered Good:		
Security Deposits	45.24	43.95
Loan to Related Party	12.00	13.37
	57.24	57.32

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-7 Other Non-Current Financial Assets		
Unsecured, considered good:		
Bank Deposits with original maturity for more than 12 months*	0.88	0.11
*Under lien	0.88	0.11
Note-8 Deferred tax (Asset)/Liabilities (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	475.87	408.61
Others	3.11	2.00
Less: Deferred Tax Assets		
Expenses / Provisions allowable	69.33	76.32
Unabsorbed Depreciation & Brought Forward Business Losses	323.46	237.35
Others	6.49	5.01
MAT Credit Entitlement	153.67	124.60
Deferred Tax (Asset)/Liabilities (Net)	(73.97)	(32.67)
Note-9 Other Non-Current Assets		
Unsecured, considered good:		
Capital Advances	23.43	47.43
Deferred Expenditure	3.02	3.76
	26.45	51.19
Note-10 Inventories		
Raw Materials (Including in transit ₹ 2.37 crore previous year ₹ 5.31 crore)	19.55	19.76
Work -in -progress	134.67	98.64
Finished Goods	30.20	29.46
Stock-in -Trade	0.55	0.88
Stores and Spares (Including in transit ₹ 29.92 crore previous year ₹ 63.61 crore)	170.64	172.46
	355.61	321.20

Consolidated Notes to Financial Statements

Note-11 Current Investment

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
	Number	Amount	Number	Amount
Investment in Bonds at Amortised Cost				
Indian Railways Finance Corporation Ltd (8.10%,Tax free)	-	-	10,875.00	1.09
Power Finance Corporation Limited (8.30%,Tax free)	-	-	14,239.00	1.42
Investment in Non Convertible Debentures at Fair Value through Profit & Loss				
IIFL - PPS RNC MLD -1-045	-	-	250.00	27.65
ECLF - Market Linked Non Convertible Debentures C8D601	-	-	250.07	27.26
IIFL - PPS RNC MLD -I-046	-	-	250.00	27.14
IIFL - SR - EWFEC1602BR	-	-	250.00	26.84
EFIL - Market Linked Non Convertible Debentures - I7I605	-	-	2,500.00	26.10
Reliance Capital Ltd - Market Linked Non Convertible Debentures	2,500.00	28.11	2,500.00	26.04
IIFL -DWFEC850-300719	3,000.00	32.34	-	-
IIFL -EWFEC850 - 120819	5,000.00	53.72	-	-
Investment in Mutual Funds at Fair Value through Profit & Loss				
HDFC FMP- 1161 D Feb 2016 (1) - Growth -Series-35 - Regular Plan	2,50,00,000.00	30.12	2,50,00,000.00	27.68
HDFC FMP - 1190 D Mar 2016 (1) - Growth - Series -36 - Regular Plan	1,50,00,000.00	17.96	1,50,00,000.00	16.50
HDFC FMP -1167 D Jan 2016 (1) - Growth - Series -35 - Direct Plan	1,00,00,000.00	11.75	1,00,00,000.00	10.91
Edelweiss Government Securities Fund - Growth - Regular Plan.	44,33,803.32	6.34	44,33,803.32	6.07
Reliance Fixed Horizon Fund - XXXI - Growth - Series 2 - Regular Plan	2,50,00,000.00	28.89	2,50,00,000.00	26.72
DSP BlackRock FMP - Series 196 - 37M - Growth - Regular Plan	1,00,00,000.00	11.60	1,00,00,000.00	10.69
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	2,50,00,000.00	28.21	2,50,00,000.00	26.11
HDFC FMP - 1302 D Sept 2016 (1) - Growth - Regular Plan	2,50,00,000.00	28.17	2,50,00,000.00	26.07
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	2,50,00,000.00	28.22	2,50,00,000.00	26.11
Reliance Fixed Horizon FD XXXII Series 4FMP - 19 Oct 2016 - Growth - Regular Plan	2,50,00,000.00	27.61	2,50,00,000.00	25.52
L&T FMP - Series XIV - Scheme A - Growth - Regular Plan	2,50,00,000.00	27.45	2,50,00,000.00	25.39
UTI Dynamic Bond Fund - Growth - Direct Plan	-	-	29,02,757.62	5.71
Aditya BSL Medium Term Plan - Growth - Direct Plan	52,24,087.22	11.87	52,24,087.22	10.94
Kotak Medium Term Fund - Growth - Direct Plan	79,39,847.71	11.90	79,39,847.71	11.07
HDFC Corporate Debt Opportunities Fund - Growth - Direct Plan	39,74,373.24	5.94	39,74,373.24	5.53
Reliance Gilt Security Fund - Growth - Direct Plan	-	-	24,93,516.86	5.70
Sundaram Money India - Growth - Direct Plan	-	-	14,58,291.41	5.00
DSP BlackRock Liquidity Fund -Growth - Direct Plan	-	-	21,503.75	5.00
Franklin India Ultra Short Bond Fund - Growth - Regular Plan	-	-	2,26,20,135.54	50.36
Mahindra Alp Samay Bacchat Yojna - Growth - Direct Plan	-	-	10,000.00	1.01
DSP BR Ultra Short Term Fund - Growth - Direct Plan	-	-	67,57,327.00	8.05
HSBC Cash Fund - Growth - Direct Plan	86,842.02	15.02	-	-

Note-11 Current Investment (continued)

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
	Number	Amount	Number	Amount
Invesco Liquid Fund - Growth - Direct Plan	20,936.31	5.01	-	-
Franklin India Treasury Management Account SI - Growth - Direct Plan	19,269.53	5.01	-	-
DHFL Pramerica Insta Cash Plus - Growth - Direct Plan	5,54,263.75	12.51	-	-
L&T Liquid Fund - Growth - Direct Plan	52,518.92	12.51	-	-
Baroda Pioneer Treasury Advantage Fund - Growth - Direct Plan	1,576.58	0.33	1,576.58	0.30
Baroda Pioneer Liquid Fund - Plan B Growth - Direct Plan	-	-	5,557.89	1.04
Aditya Birla SL Floating Rate Fund LTP - Growth - Direct Plan	6,606.61	0.14	-	-
Franklin India Ultra Short Bond Fund - Growth - Regular Plan	29,50,419.89	7.12	63,59,927.82	14.16
Reliance Medium Term Fund - Growth - Direct Plan	65,131.95	0.24	3,779.26	0.01
Reliance Fixed Horizon Fund -XXVI - Series 2 - Growth - Direct Plan	-	-	20,425.06	0.03
Reliance Liquid Fund - Cash Plan - Growth - Regular Plan	426.10	0.11	426.10	0.11
Reliance Liquid Fund - Cash Plan - Growth - Direct Plan	52,546.41	14.75	-	-
Reliance Money Manager Fund - Growth - Regular Plan	-	-	25.42	0.01
Taurus Liquid Fund Sup Insti - Growth - Direct Plan	-	-	2,127.17	0.35
Taurus Short Term Income Fund - Growth - Direct Plan	-	-	25,925.98	6.61
UTI Dynamic Bond Fund - Growth - Direct Plan	62,634.66	0.12	62,634.66	0.12
		463.07		522.42
Aggregate book value of quoted investments		463.07		522.42
Aggregate market value of quoted investments		463.07		522.42
Aggregate book value of unquoted investments				-

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

Note-12 Trade Receivables

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Unsecured		
Considered good	101.51	90.41
Considered doubtful	2.05	2.05
Less :- Provision for doubtful debts	(2.05)	(2.05)
	101.51	90.41

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-13 Cash and Cash Equivalents		
On Current Account	2.70	1.99
Fixed Deposits with maturity of less than three months	-	0.23
Cheques, DD on hand/transit	1.42	0.05
Cash on hand	0.28	0.30
	4.40	2.57
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	6.20	6.11
On Unpaid Dividend / Interest Accounts	1.85	1.52
	8.05	7.63
* Includes ₹ 1.94 crore (previous year ₹ 1.89 crore) under lien		
Note-15 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims and other receivables)		
Considered good	7.73	8.92
Considered doubtful	4.22	4.22
Less: Provision for doubtful claims	(4.22)	(4.22)
	7.73	8.92
Interest Receivable from Banks and others	1.62	1.33
Advances to Employees (Loans)	0.35	0.38
	9.70	10.63
Note-16 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	1.03	0.44
	1.03	0.44
Note-17 Other Current Assets		
Prepaid expenses	12.02	12.07
Balance with Govt. Authorities	71.93	110.98
Other Advances*	49.21	39.66
Deferred Expenditure	0.74	0.74
	133.90	163.45

* includes advances to related party amounting of ₹ 3.33 crore (previous year ₹ 3.33 crore). Read with note no. 56 and 59.

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-18 Equity Share Capital		
SHARE CAPITAL		
Authorised :		
Equity Shares - 250,000,000 (Previous year 250,000,000) of ₹ 5 each	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00
Issued, Subscribed and Paid up :		
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	58.85	58.85

a. Reconciliation of number of Share Outstanding :	As at 31st March 2018	As at 31st March 2017
Opening Balance	117,670,066	117,670,066
Shares Issued During the year	-	-
Shares Outstanding at the end of the year	117,670,066	117,670,066

b. List of shareholders holding more than 5% of the equity share capital of the Company:	Number	Number
Shareholder Names:-		
Bengal & Assam Company Ltd.	28,056,895	28,056,895
Florence Investech Ltd.	13,645,040	13,645,040
BMF Investment Ltd	11,011,386	11,011,386
Franklin Templeton Mutual Fund	7,846,006	-

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

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

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

e. **Nature of Reserves :-**

Capital Redemption Reserve:- Represents the statutory reserve created when Preference Share Capital is redeemed.

Securities Premium Reserve:- Represents the amount received in excess of Par value of Securities.

Debenture Redemption Reserve :- Represents the Statutory Reserve for Non Convertibles Debentures issued by the Company.

Note-19 Non Current Borrowings

₹ In Crore (10 Million)

	As at 31st March 2018		As at 31st March 2017	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	799.37	106.60	902.65	20.00
Term Loans				
From Banks	1022.75	164.90	1187.23	170.38
	1,822.12	271.50	2,089.88	190.38
UNSECURED LOANS				
From Bank	-	5.00	5.00	10.00
Fixed Deposits	25.03	2.56	11.36	3.87
	25.03	7.56	16.36	13.87
	1847.15	279.06	2106.24	204.25
Amount disclosed under the head other Current Liabilities (note no. 25)	-	279.06	-	204.25
	1847.15	-	2106.24	-

* Due & payable within one year

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

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-20 Other Non Current Financial Liabilities		
Trade and other deposits	114.65	88.65
Other Liabilities	24.51	23.70
	139.16	112.35
Note-21 Non Current Provisions		
Provision for Employees' Benefits	11.55	11.19
	11.55	11.19
Note-22 Other Non-Current Liabilities		
Deferred Revenue	2.66	-
Liability for Employees Subsidised Car Scheme	4.55	3.63
Govt. and Other Dues	153.44	154.40
	160.65	158.03
Note-23 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	50.67	35.99
Buyer's Credit from Banks	110.25	92.61
Commercial Papers	50.00	44.97
Unsecured Loans		
Fixed Deposits	9.37	2.68
Commercial Papers	200.00	200.00
	420.29	376.25

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

₹ In Crore (10 Million)

	As at 31st March 2018	As at 31st March 2017
Note-24 Trade Payable		
Micro Enterprises and Small Enterprises	3.77	0.52
Others	325.02	277.03
	328.79	277.55
Note-25 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-19)	279.05	204.25
Interest Accrued but not due on borrowings	50.72	48.63
Unclaimed dividends #	1.85	1.52
Unclaimed matured Public Deposits and interest #	0.37	0.33
Capital Creditors	28.81	35.65
Other liabilities	141.80	139.57
	502.60	429.95
# Investor Education and Protection Fund will be credited as and when due.		
Note-26 Other Current Liabilities		
Advance from Customers	101.83	85.48
Govt. and other dues	129.40	139.47
Deferred Revenue	0.46	0.35
	231.69	225.30
Note-27 Current Provisions		
Provision for Employees' Benefit	11.74	8.53
	11.74	8.53
Note-28 Current Tax Liabilities (Net)		
Provision for Taxation(Net of Taxes paid)	2.68	12.14
	2.68	12.14

₹ In Crore (10 Million)

	2017-18	2016-17
Note-29 Revenue From Operation		
Sale of products		
Cement	3,277.25	2,739.60
Others	567.62	542.28
Other Operating Revenue	14.87	6.72
	3859.74	3,288.60
Note-30 Other Income		
Interest Income		
Profit on sale* of	2.45	56.48
Long Term Investments	-	8.16
Current Investments	43.14	48.21
Profit/(loss) on Sale of Assets (Net)	0.33	0.59
Other Non - Operating Income	23.09	11.65
	69.01	125.09
* Inclusive of fair value gain of ₹ 17.50 crore (Previous year gain of ₹ 7.20 crore)		
Note-31 Cost of Material Consumed		
Raw Material Consumed	662.55	585.30
	662.55	585.30
Note-32 Purchase of Stock - in -Trade		
Purchase of Traded goods	203.31	147.82
	203.31	147.82
Note-33 Change In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade		
Opening Stocks		
Stock-in-progress	98.64	72.21
Finished Goods	29.46	39.18
Stock-in-Trade	0.88	0.30
	128.98	111.69
Closing Stocks		
Stock-in-progress	134.67	98.64
Finished Goods	30.20	29.46
Stock-in-Trade	0.55	0.88
	165.42	128.98
Add/(Less) : Excise Duty Variance on Stocks	(5.45)	(1.42)
Less : Preoperative period Stocks	-	(32.47)
	(41.89)	13.76

₹ In Crore (10 Million)

	2017-18	2016-17
Note-34 Employee Benefits Expense		
Salaries and Wages	214.91	173.53
Contribution to Provident and Other Funds	17.11	13.72
Staff Welfare Expenses	30.49	24.82
	262.51	212.07
Note-35 Finance Costs		
Interest Expenses	261.38	242.55
Other borrowing cost	2.32	1.80
	263.70	244.35
Note-36 Depreciation and Amortization Expense (Net)		
Depreciation on Tangible Assets	206.84	174.72
Amortisation on Intangible Assets	0.45	0.31
Less: Charged to Capital work in progress	-	0.03
	207.29	175.00
Note-37 Other Expenses		
Consumption of Stores and Spares	106.49	89.60
Power & Fuel	917.34	573.64
Rent (Net of realisation ₹ 0.81 crore, Previous year ₹ 0.55 crore)	17.08	16.65
Repairs to Buildings	13.16	8.28
Repairs to Machinery	57.53	50.68
Insurance	3.39	2.88
Rates and Taxes	7.47	1.81
Transport, Clearing and Forwarding Charges	950.24	725.11
Commission on Sales	44.56	34.79
Directors' Fee & Commission	0.72	0.68
Provision for Doubtful Debts	-	0.54
Advertisement, Travelling, Consultancy & Misc. expenses etc.	112.13	88.22
	2230.11	1,592.88
Note-37a Earning Per Equity Share		
Profit for the year attributable to Equity Shareholders of Parent	55.24	85.76
Weighted average number of equity shares outstanding	11,76,70,066	11,76,70,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	4.69	7.29
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	4.69	7.29

Note-38 Financial Risk Management Objectives and Policies

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

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

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

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

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

Foreign Currency Sensitivity.

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

Particulars	As at 31st March 2018	As at 31st March 2017
Change in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on profit / (loss) before tax (₹ in Crore)	(0.43)	(0.36)
Change in USD	- ₹ 0.25	- ₹ 0.25
Effect on profit / (loss) before tax (₹ in Crore)	0.43	0.36

b) **Interest Rate Risk:-** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings as also a mix of Rupee & Foreign Currency Borrowings. The following Table shows the blend of Company's Fixed & Floating Rate Borrowings in Indian Rupee & in Foreign Currency :

₹ In Crore (10 Million)

Sr. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	**Loans in Rupees**		
	- Fixed Rate	1,192.93	1,185.53
	- Floating Rate	1,243.31	1,408.60
	Total	2,436.24	2,594.13
2	**Loans in US $**		
	- Fixed Rate	110.25	92.61
	- Floating Rate	-	-
	Total	110.25	92.61
3	**Grand Total (1+2)**	2,546.49	2,686.74

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

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at 31st March 2018	As at 31st March 2017
Change in Basis Points	+ 25	+ 25
Effect on profit / (loss) before tax (₹ in Crore)	(3.11)	(3.52)
Change in Basis Points	- 25	- 25
Effect on profit / (loss) before tax (₹ in Crore)	3.11	3.52

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) Commodity Price Risk and Sensitivity:

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

38.2 Credit Risk:

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques. The Outstanding's of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

The Aging of Trade Receivables are as below:-

₹ In Crore (10 Million)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
As at 31st March 2018					
Secured	-	-	-	-	-
Unsecured	72.59	24.65	1.53	4.79	103.56
Gross Total	72.59	24.65	1.53	4.79	103.56
Provision for Doubtful	-	-	-	(2.05)	(2.05)
Net Total	72.59	24.65	1.53	2.74	101.51
As at 31st March 2017					
Secured	-	-	-	-	-
Unsecured	62.81	21.46	5.10	3.09	92.46
Gross Total	62.81	21.46	5.10	3.09	92.46
Provision for Doubtful	-	-	-	(2.05)	(2.05)
Net Total	62.81	21.46	5.10	1.04	90.41

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

38.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities* into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

₹ In Crore (10 Million)

Sr. No.	Particulars	Carrying Amount	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
1	As on 31st March, 2018					
	- Borrowings	2,546.49	699.35	1,470.62	376.52	2,546.49
	- Trade Payables	328.79	328.79	-	-	328.79
	- Other Liabilities*	645.55	355.87	182.98	106.70	645.55
	Total	**3,520.83**	**1,384.01**	**1,653.60**	**483.22**	**3,520.83**
2	As on 31st March, 2017					
	- Borrowings	2,686.73	580.49	1,621.54	484.70	2,686.73
	- Trade Payables	277.55	277.55	-	-	277.55
	- Other Liabilities*	631.92	368.52	168.46	94.94	631.92
	Total	**3,596.20**	**1,226.56**	**1,790.00**	**579.64**	**3,596.20**

*Including govt. dues.

Note-39 Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

₹ In Crore (10 Million)

Particulars	As at 31st March 2018	As at 31st March 2017
Borrowings	2,546.49	2,686.74
Less: Cash and Cash equivalents (including current investment and other bank balances)	475.52	532.62
Net debt	**2,070.97**	**2,154.12**
Equity Share Capital	58.85	58.85
Other Equity	1,384.67	1,342.12
Total Capital	**1,443.52**	**1,400.97**
Capital and net debt	**3,514.49**	**3,555.09**
Gearing ratio	**58.93%**	**60.59%**

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

Note-40 Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies:

₹ In Crore (10 Million)

Particulars	As at 31st March 18		As at 31st March 17	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss				
Investments				
- Mutual Funds.	348.90	348.90	358.88	358.88
- NCD's & others	114.17	114.17	161.03	161.03
- Preference Shares	9.53	9.53	8.53	8.53
(ii) At Amortized Cost				
a) Bank FDs.	7.09	7.09	6.22	6.22
b) Cash & Bank Balances	6.25	6.25	4.09	4.09
c) Investments	-	-	2.51	2.51
d) Trade Receivables	101.51	101.51	90.41	90.41
e) Loans	57.24	57.24	57.32	57.32
f) Others	9.71	9.71	10.63	10.63
Total	**654.40**	**654.40**	**699.62**	**699.62**
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	2,546.49	2,546.49	2,686.74	2,686.74
- Trade Payables	328.79	328.79	277.55	277.55
- Other Financial Liabilities	362.71	362.71	338.06	338.06
Total	**3,237.99**	**3,237.99**	**3,302.35**	**3,302.35**

Fair Valuation Techniques:

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.

3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.

4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following Table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. **Level 1:** Quoted prices in active markets.

ii. **Level 2:** Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. **Level 3:** Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 2 as described below:

₹ In Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
31st March, 2018			
Financial Assets			
- Unquoted Preference Shares		9.53	
- Mutual Funds	348.90		
- NCDs & others		114.17	
31st March, 2017			
Financial Assets			
- Unquoted Preference Shares		8.53	
- Mutual Funds	358.88		
- NCDs & others		161.03	

Note-41 Segment Information:

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementitious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the VC&MD of the Company (Chief Operating Decision Maker).

Note-42 Deferred Revenue:

₹ In Crore (10 Million)

Particulars	As at 31st March 18	As at 31st March 17
Opening	0.35	0.81
Deferred during the year	3.23	-
Released to profit and loss	0.46	0.46
Closing	3.12	0.35
Current	0.46	0.35
Non-Current	2.66	-

Note-43 Income Tax Expense:

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

₹ In Crore (10 Million)

Particulars	2017-18	2016-17
Current Tax	26.12	16.71
Adjustments in respect of current income tax of previous year	3.18	(0.09)
Deferred Tax		
Relating to origination and reversal of temporary difference	11.10	7.70
MAT Credit Entitlements	29.07	16.71
Total Deferred tax Assets (Net)	**40.17**	**24.41**

ii. Income Tax recognized in Other Comprehensive Income (OCI) and Equity:

₹ In Crore (10 Million)

Particulars	2017-18	2016-17
Deferred Tax (Gain)/Loss on defined benefit	(1.16)	(0.45)

iii. Reconciliation of effective tax rate

₹ In Crore (10 Million)

Particulars	2017-18	2016-17
Accounting Profit/(Loss) before income tax	**32.49**	**79.47**
At applicable Statutory Income tax rate	**34.608%**	**34.61%**
Computed Income Tax Expense/(Income)	**11.24**	**27.50**
Increase/(Reduction) in taxes on account of :-		
Income not taxable	(8.07)	(16.69)
Investment allowance u/s-32AC of Income Tax	-	(10.90)
R & D u/s- 35(2AB) of Income Tax	(1.22)	(1.73)
Deferred Tax related to Property, Plant & Equipments	(27.59)	(8.69)
Previous year tax adjustments	12.44	(0.10)
Tax on which deduction is not admissible	1.22	2.82
Tax Rate Change	1.11	-
Income Tax Expense/(Income) Reported to Profit & Loss	**(10.87)**	**(7.79)**

iv. Reconciliation of deferred tax liabilities / assets (Net):

₹ In Crore (10 Million)

Particulars	2017-18	2016-17
Opening Balance	32.67	7.81
Deferred Tax recognized in Statement of Profit and Loss		
Other Comprehensive Income	40.17	24.41
Adjusted against Tax Provision	1.16	0.45
	(0.03)	-
Closing Balance	**73.97**	**32.67**

v. **Deferred Tax:**

Deferred Tax relates to the followings: ₹ In Crore (10 Million)

Particulars	2017-18	2016-17
Deferred Tax Assets Related to :-		
Brought Forward Losses Setoff	86.11	42.03
Disallowances/Allowances Under Income Tax	(6.99)	8.08
Others	1.51	0.31
MAT Credit Entitlement	29.07	16.71
Total Deferred Tax Assets	**109.70**	**68.03**
Deferred Tax Liabilities Related to :-		
Property, Plant and Equipment	(67.26)	(42.22)
Others	(1.11)	(0.95)
Total Deferred Tax Liabilities	**(68.37)**	**(43.17)**
Net Total Movement in Statement of Profit & Loss	41.33	24.86
Movement in Profit & Loss	40.17	24.41
Movement in OCI	1.16	0.45

Note-44 Dividends:-

The following dividends were declared and paid by the company during the year:- ₹ In Crore (10 Million)

Particulars	2017-18	2016-17
For the year ended 31st March'2017 – 15% i.e. ₹ 0.75 per equity share, (31st March'2016 - 5% i.e. ₹ 0.25 per equity share)	8.83	2.94
Dividend distribution tax thereon	1.81	0.60
Total	**10.64**	**3.54**

The following dividends were proposed by the board of directors in their meeting held on 16th May'2018, subject to approval of shareholders at the Annual General Meeting and are not recognized as liability. Dividend would attract dividend distribution tax when declared or paid.

₹ In Crore (10 Million)

Particulars	2017-18	2016-17
For the year ended 31st March'2018 – 15% i.e. ₹ 0.75 per equity share, (31st March'2017 -15% i.e. ₹ 0.75 per equity share)	8.83	8.83
Total	**8.83**	**8.83**

Note-45 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 117.10 crore (previous year ₹ 83.26 crore).

Note-46 Contingent liabilities in respect of claims not accepted by the Group (matters in appeals) and not provided for are as follows :

₹ In Crore (10 Million)

Particulars	As at 31st March 18	As at 31st March 17
a) Service Tax	**0.91**	17.83
b) Sales Tax	**16.77**	136.26
c) Income Tax	**6.13**	4.65
d) Renewal Energy Obligation	**20.21**	20.21
e) Excise Duty @	**1.28**	1.01
f) Other matters	**9.20**	6.60
Total	**54.50**	186.56

@excludes show cause notices of ₹ 148.65 crore (previous year ₹ 115 crore)

Note-47 In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

Note-48 Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

Note-49 Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a Penalty of ₹ 6.55 crore on the Company pursuant to a reference filed by the Government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. Though based on legal opinion, the Company believes that it has a good case but out of abundant caution ₹ 2.00 crore has been provided.

Note-50 Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated 28th April, 2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. During the FY 2014-15 the Company had received Demand Notices consisting of Sales Tax Exemption, Sales Tax Deferment and Interest thereon. The Sales Tax Exemption and Sales Tax Deferment has since been paid in earlier years. The Rajasthan Tax Board Ajmer in its recent Order dated 14th March, 2018 has set aside the entire demand of interest upto the period of Demand Notice.

Note-51

a) Forward contracts of ₹ 55.92 crore – USD 8.61 Mn (previous year ₹ 97.57 crore – USD 14.37 Mn) taken for the purpose of hedging of buyers credit and ₹ 26.17 crore – USD 4.00 Mn.(previous year Nil) against letter of credit.

b) Un-hedged ₹ 55.30 crore – USD 8.50 Mn (previous year Nil) against buyers credit and ₹ 2.66 crore Euro 0.33 Mn (previous year Nil) against letter of credit.

Note-52 With respect to subsidiary UCWL

a) The Company has created Deferred Tax Asset of ₹ 53.98 crore only (Previous period ₹ 23.98 crore) considering the extent of utilization of carried forward unabsorbed depreciation against tax on future taxable income on the principle of virtual certainty. The relief from Minimum Alternate Tax (MAT) is available to the Company as provided in explanation (vii) to Section 115 JB (2) of Income Tax Act, 1961.

b) The liabilities pertaining to the statutory levies and pending legal cases prior to 01st December, 1993 (date of take-over of the cement undertaking from Bajaj Hindustan Ltd) will be borne by Bajaj Hindustan Ltd.

c) Details of Materials Non-Controlling Interest.

Summarized financial information of UCWL, which has material non-controlling interest: ₹ In Crore (10 Million)

Particulars	As at 31st March 18	As at 31st March 17
Assets		
Non-Current Assets	715.18	680.24
Current Assets	64.64	84.09
Liabilities		
Non-current Liabilities	591.72	645.69
Current Liabilites	183.75	72.92
Equity	4.35	45.72
Percentage of Ownership held by Non-controlling Interest	28.97%	28.97%
Accumulated non controlling Interest	1.26	13.24
Revenue	386.08	97.71
Net Profit/(Loss) after tax	(41.01)	5.14
Other Comprehensive Income (net of tax)	(0.36)	(0.11)
Total Comprehensive Income	(41.37)	5.03
Total Comprehensive Income allocated to Non controlling interests	(11.98)	1.46
Net Cash Inflow/(Outflow) from Operating Activities	6.96	15.69
Net Cash Inflow/(Outflow) from Investing Activities	(8.71)	(72.48)
Net Cash Inflow/(Outflow) from Financing Activities	1.93	50.92
Net Cash Inflow / (Outflow)	0.18	(5.87)

d) UCWL has opted for the fair value of Property Plant and Equipment on the date of transition to IND AS. However, to be in line with the Accounting policy of parent Company, the Company has considered the financial statements of UCWL without considering the fair value adjustments in consolidated financial statements.

e) In UCWL, no provision for taxation including MAT is considered necessary since the loss is being carried over for taxation purpose.

Note-53 With respect to subsidiary HITCL, in view of inadequacy of profits no Debenture Redemption Reserve (DRR) has been created.

Note-54 With respect to RKPPL,

a) During the previous year the Parent Company has acquired 100% Equity Share holding of company Ram Kanta Properties Pvt. Ltd. (RKPPL) through its wholly owned subsidiary Hansdeep Industries & Trading company Ltd. (HITCL). Total investment made by HITCL for this purpose was ₹ 107.84 crore (net assets acquired ₹ 107.77 crore)

b) The Company is developing a building on land owned by it. After completion of construction it is to be used by the company hence freehold land has been reclassified as Property Plant & Equipment during the previous year from Investment Property. In the previous year freehold land has been considered at ₹107.50 crore.

Note-55 JK Lakshmi Cement Ltd., parent Company is listed on Stock Exchanges (BSE/NSE) in India. Parent Company has prepared standalone financial statement as required under Companies Act, 2013 and listing requirements. The standalone financial statement is available on Parent's website for public issue.

Note-56

a) Loans and Advances pursuant to Regulation 23(3) read with schedule of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015:

b) An amount of ₹ 23.34 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 26.67 crore) (Maximum balance due ₹ 26.67crore, previous year ₹ 30.00 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Company's policy are not considered.)

Note-57 The summarized aggregate financial information of associates as follows:

₹ In Crore (10 Million)

Particulars	As at 31st March 2018	As at 31st March 2017
Carrying Amount of Interest in Associates	9.72	8.76
- Share in Profit	(0.04)	(0.04)
- Share in Total Comprehensive Income	(0.04)	(0.04)
Dividend Received	-	-

Note-58 Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement

Name of Company	Net Assets (TA-TL)		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount ₹ In Crore	As % of Consolidated Total Comprehensive Income	Amount ₹ In Crore
Holding Company:-				
JK Lakshmi Cement Ltd.	100.67%	1453.20	154.50%	82.15
Subsidiary Company:-				
Udaipur Cement Works Ltd.	7.36%	106.22	(77.79%)	(41.36)
Hansdeep Industries & Trading Company Ltd.	9.40%	135.72	0.85%	0.45
Ram Kanta Properties Pvt. Ltd.	7.46%	107.69	-	(0.01)
Non Controlling Interest	**(0.09%)**	**(1.26)**	**22.53%**	**11.98**
Associates:-				
Dwarkesh Energy Ltd.	(0.01%)	(0.16)	(0.09%)	(0.04)
Total Elimination	(24.79%)	(357.90)		
Total	**100%**	**1443.51**	**100%**	**53.17**

Note-59 Related Party Disclosure

List of Related Parties

I Associates

Dwarkesh Energy Ltd.(DEL)

II Key Management Personnels (KMPs)

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	VP & Company Secretary
Shri RK Gupta	Whole-time Director,Chief Finace Officer & Company Secretary
Shri B. V. Bhargava	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Shri K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Pradeep Dinodia	Independent & Non Executive Director
Shri O.N. Rai	Chairman, Independent & Non Executive Director
Shri Ganpat Singh	Non Executive Director
Shri Vinit Marwah	Non Executive Director
Shri C.K. Bagga	Non Executive Director
Shri R.R. Gupta	Non Executive Director
Shri Ashok Gupta	Non Executive Director
Shri Sujit Kumar Mukherjee	Non Executive Director
Smt. Poonam Singh	Independent & Non Executive Director
Ms. Manshu Agnihotri	Executive Director & Company Secretary

III Enterprise which holds more than 20% of Equity share

Bengal & Assam Company Ltd. (BACL)

IV) Trusts under common control

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund
JK Lakshmi Cement Ltd. Officers Superannuation Fund
JK Lakshmi Cement Ltd. Employees Gratuity Fund
JK Udaipur Udyog Ltd. Employees Provident Fund Trust
JK Udaipur Udyog Ltd. Officers' Superannuation Fund Trust
JK Udaipur Udyog Ltd. Employees' Group Gratuity Fund Trust

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

Nature of Transactions	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control
	2017-18			2016-17		
- Sharing of Expenses received	-	0.06	-	0.07	0.05	-
- Payment of Expenses	-	1.16	-	-	1.47	-
- Sale of Cement	-	0.03	-	-	-	-
- Advances given	-	-	-	-	0.09	-
- Advances Received back	-	3.33	-	-	3.33	-
- Contribution	-	-	8.31	-	-	9.27
Outstanding as at year end:						
- Receivable / (Payable):	-	23.86	6.42	-	27.19	(3.86)

ii)	Remuneration Paid to KMPs	2017-18	2016-17
	Short Term Employee benefits	21.70	20.04
	Post Employment benefits*	-	-
	Other Payments	0.71	0.68

* As the liability for Gratuity and Leave Encashment are provided on acturial basis for the company as a whole, the amount pertaining to KMPs are not included above.

iii) JK Lakshmi Cement Ltd. (the company) has during the current Financial Year 2017-18 ended 31st March 2018, paid Managerial Remuneration in accordance with the provisions of Section 197 of the Companies Act 2013(Act) read with Schedule V thereto except the minimum remuneration paid to the Managing Directors, as approved by the Members at the AGM of the Company held on 7th September 2016, which exceeded the prescribed limit under the said Schedule by ₹ 4.09 Crore. The Company shall seek necessary approval of the Central Government and/ or the Members, as applicable, under the aforesaid provisions of the Act including any amendment(s) thereto, for waiver of recovery thereof. In terms of the Central Government approval received for payment of the Managerial Remuneration for the previous Financial Year 2016-17, Shri Bharat Hari Singhania, Chairman & Managing Director has refunded ₹ 1.50 Lakh to the Company. Company's Application to the Central Govt. for waiver of excess remuneration of ₹ 2.12 Crore of Smt. Vinita Singhania, Vice Chairman & Managing Director is pending its review / approval.

Note-60

a) Some of the Balances of receivables and payables are in process of confirmation.

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

c) With introduction of Goods and Service Tax Act 2017 w.e.f. 1st July 2017 Revenue from operations for current year are not comparable with previous year, since sales in current year from 1st July 2017 are net of GST whereas Excise duty was included in Revenue and formed part of expenses till 30th June 2017.

Significant Accounting Policies 1
Notes on financial statements 2-60

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

JK Lakshmi Cement Limited
Consolidated Cash Flow Statement
For The Year Ended 31st March, 2018

₹ In Crore (10 Million)

		2017 - 18		2016- 17	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit / (Loss) before Tax and				
	Exceptional Items	29.79		75.47	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	207.29		175.00	
	Interest & Dividend Income	(2.45)		(56.48)	
	Profit on sale of Assets (Net)	(0.33)		(0.59)	
	Profit on sale of Current Investments (net)	(25.64)		(49.14)	
	Gain / (Loss) on Fair Valuation of Current Investment	(17.50)		(7.23)	
	Finance Costs	263.70		244.35	
	Provision for Doubtful Debts	-		0.54	
	Foreign Exchange Difference (net)	0.05		0.08	
	Exceptional Items	2.74		4.04	
	Operating Profit before Working Capital changes	457.65		386.04	
	Adjustments for:				
	Trade and Other Receivables	19.72		85.24	
	Inventories	(34.41)		(74.25)	
	Trade and Other Payables	89.57		2.03	
	Cash generated from Operations	532.53		399.06	
	Income Tax Payments (Net)	(39.33)		(2.66)	
	Net Cash from Operating Activities		493.20		396.40
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, plant and Equipment and Intangible Assets	(174.88)		(480.06)	
	Sale of Property, Plant and Equipment and Intangible Assets	1.08		1.91	
	(Purchase) / Sale of Investments (net)	101.49		(178.55)	
	Interest Received	2.16		56.63	
	Net Cash from / (used in) Investing Activities		(70.15)		(600.07)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long-term Borrowings	-		648.33	
	Repayment of Long-term Borrowings	(184.28)		(298.45)	
	Short-term borrowings (net)	43.99		78.41	
	Interest paid	(270.21)		(242.87)	
	Dividend paid (including Dividend Distribution Tax)	(10.30)		(4.35)	
	Net Cash from / (used in) Financing Activities		(420.80)		181.07
D.	Increase / (Decrease) in				
	Cash and Cash Equivalents		2.25		(22.60)
E.	Cash and Cash Equivalents as at the beginning of the year		10.20		32.80
F.	Cash and Cash Equivalents as at the				
	close of the year (Note 13 & 14)		12.45		10.20
Notes:	1. Cash and Cash Equivalents include:				
	- Cash, Cheques in hand and remittances in transit		1.70		0.35
	- Balances with Scheduled Banks		10.75		9.85
			12.45		10.20

2. Previous year's figures have been re-arranged and re-cast wherever necessary.
3. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.
4. The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact upon on the financial statements of the Company.

As per our report of even date
For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 16th May, 2018

B.K. DAGA
Vice President &
Company Secretary

SUDHIR A. BIDKAR
Chief Financial Officer

For and on behalf of the Board
VINITA SINGHANIA
Vice Chairman & Managing Director

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI
} Directors

Financial Information of Direct & Indirect Subsidiaries and Associate Companies

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

Part "A": Subsidiaries

(₹ in lacs)

Sl.No.	Particulars			
	Name of Subsidiary	Hansdeep Industries & Trading Company Limited	Ram Kanta Properties Pvt. Ltd.	Udaipur Cement Works Limited
		Direct Subsidary	Indirect Subsidary	Direct Subsidary
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.
2	Reporting Currency	INR	INR	INR
3	Closing Exchange Rate	N.A.	N.A.	N.A.
4	Equity Share Capital	11,605.00	87.40	11,808.21
5	Instrument Entirely Equity is nature	-	-	5,000.00
6	Other Equity	1,967.03	10,681.40	4,878.23
7	Total Assets	70,327.39	10,774.56	89,045.57
8	Total Liabilities	56,755.36	5.75	67,359.13
9	Investments	2,282.91	-	-
10	Turnover	14,052.86	1.18	38,607.96
11	Profit / (Loss) before taxation	64.54	(1.17)	(7,370.85)
12	Provision for taxation	19.29	0.01	(3,000.00)
13	Profit / (Loss) after taxation	45.25	(1.18)	(4,370.85)
14	Proposed Dividend	-	-	-
15	% of Shareholding	100	100	71.03

Note:-

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

Part "B" : Associates

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

(₹ in lacs)

Sl. No.	Name of Associates	Dwarkesh Energy Limited (DEL)
1	Latest Audited Balance Sheet Date	31.03.2018
2	Share of Associates held by the Company at the year end :-	
	No. of Shares (Equity)	3,50,000
	Amount of Investment in Associates	35.00
	Extent of Holding (%)	35.00%
3	Description of how there is significant influence	Holding > 20%
4	Reason why the Associate is not consolidated	Consolidated
5	Net worth attributable to shareholding as per latest audited Balance Sheet	
6	Profit / (Loss) for the year to DEL	0.13
	Considered in Consolidation	0.04
	Not Considered in Consolidation	0.09

Note:-

1 Name of Associates which are yet to commence operations – DEL is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.

2 Name of Associates which have been liquidated or sold during the year – Nil

SUDHIR A. BIDKAR
Chief Financial Officer

VINITA SINGHANIA — Vice Chairman & Managing Director

KASHI NATH MEMANI
N.G.KHAITAN
PRADEEP DINODIA
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S. K. WALI
— Directors

B. K. DAGA
Vice President & Company Secretary

JK LAKSHMI CEMENT LIMITED
(CIN: L74999RJ1938PLC019511)
Regd. Office: Jaykaypuram - 307 019
District Sirohi, Rajasthan
Administrative Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi -110 002
Email: jklc.investors@jkmail.com
Website: www.jklakshmicement.com, Phone: 91-11-30179860-861

NOTICE

NOTICE is hereby given that the **78th Annual General Meeting** of the Members of **JK LAKSHMI CEMENT LIMITED** will be held at the Registered office of the Company at Jaykaypuram - 307 019, Dist. Sirohi, Rajasthan, on **Friday,** the **7th September 2018** at **12.00 Noon** to transact the following business:

1. To receive, consider and adopt the audited Financial Statements of the Company (including audited consolidated Financial Statements) for the Financial Year ended 31st March 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Dr. Shailendra Chouksey (DIN: 00040282), who retires by rotation and being eligible, has offered himself for re-appointment.

As Special Business

4. To consider and if thought fit to pass, the following as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. R.J. Goel & Co., the Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year 2018-19 commencing 1st April 2018, of ₹1.25 lakh (Rupees One lakh and twenty five thousand only), excluding GST as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, be and is hereby ratified and confirmed.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

5. To consider and if thought fit to pass, the following as a **Special Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 23, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder **(the "Companies Act")**, the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended **(the "SEBI ICDR Regulations")**, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended **(the "SEBI Debt Listing Regulations")**, the Securities and Exchange Board of India (Issue and Listing of Non-convertible Redeemable Preference Shares) Regulations, 2013, as amended **("SEBI Preference Shares Listing Regulations")**, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR Regulations")**, the listing agreements entered into with the respective stock exchanges where the equity shares of the Company are listed (the **"Stock Exchanges"**), the provisions of the Foreign Exchange Management Act, 1999, as amended **("FEMA")**, and other rules and regulations thereunder, including the Foreign

Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, the Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India (**"GoI"**), the Reserve Bank of India (**"RBI"**), the Securities and Exchange Board of India (**"SEBI"**), the relevant Registrar of Companies (**the "RoC"**), the Stock Exchanges, and/or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions from the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), SEBI, the RoC, the RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and / or sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the **"Board"** which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution) to create, issue, offer and allot, equity shares of the Company with a face value of ₹ 5/- each (Rupees Five only) (**the "Equity Shares"**), preference shares, whether or not convertible into Equity Shares (**"Preference Shares"**), and/or other financial instruments, fully or partly convertible, into or exchangeable for Equity Shares (including warrants, or otherwise, in registered or bearer form), fully or partly convertible debentures, non-convertible debentures with or without warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the **"Securities"**) or any combination of Securities, in one or more tranches through private offerings including without limitation through a qualified institutions placement (**"QIP"**) in accordance with Chapter VIII of the SEBI ICDR Regulations, or any combination thereof or by issue of prospectus and/or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers (as defined in the SEBI ICDR Regulations) (**"QIBs"**) in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign portfolio investors (including foreign institutional investors), Indian and/or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds and/or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the **"Investors"**), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding ₹ 500 Crore only (Rupees Five Hundred Crore only) or equivalent thereof in any foreign currency, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and / or underwriter(s) and / or other advisor(s) for such issue. The number and /or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER that if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as

"**Eligible Securities**" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination thereof as may be decided by the Board shall be completed within 12 (twelve) months from the date of approval of the shareholders of the Company by way of a special resolution for approving QIP or such other time as may be allowed under the SEBI ICDR Regulations at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations. The Eligible Securities shall be allotted as fully paid-up (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Eligible Securities shall not exceed 60 (sixty) months from the date of allotment), and the aggregate of all QIPs made by the Company in the same financial year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year.

RESOLVED FURTHER that in the event that the Equity Shares are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time.

RESOLVED FURTHER that the relevant date for the determination of the applicable price for the issue of any other Securities shall be as per the regulations/ guidelines prescribed by the SEBI, the Ministry of Finance, the RBI, the GOI through their various departments, or any other regulator, as the case may be, and the pricing of any Equity Shares issued upon the conversion of such Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER that in pursuance of the aforesaid resolutions:

(a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(b) any Equity Shares that may be created, offered, issued and allotted by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares in all respects.

RESOLVED FURTHER that in addition to all applicable Indian laws, the Securities issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be listed.

RESOLVED FURTHER that for the purpose of giving effect to the resolutions described above, the Board or any committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/ charge in accordance with the provisions of the Companies Act in respect of any Securities as may be

required either on pari passu basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the RoC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or any committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this Resolution may be exercised by the Board or any committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER that the Board or any committee thereof be and is hereby authorized to engage/appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER that subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any whole-time Director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

Regd. Office:
Jaykaypuram-307 019
Dist. Sirohi (Rajasthan)

Date: 11th July 2018

By Order of the Board

B.K. Daga
Sr. Vice President & Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item No. 5 of the Notice, is annexed hereto.

3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing such representatives to attend and vote at the AGM.

4. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection at the Registered Office of the Company and the copies thereof at the Administrative Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of the AGM and also at the venue of the Meeting.

5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 1st September, 2018 to 7th September 2018 (both days inclusive).

6. The Dividend of ₹ 0.75 per Equity Share of ₹ 5 each (15%) as recommended by the Board of Directors, if declared at the AGM, will be paid within three weeks of the date of the AGM to the Members whose names are borne on the Register of Members of the Company on 7th September 2018 or to their mandatees. In respect of shares held by the Members in dematerialized form, the Dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.

7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for the Financial Year 2017-18, the Notice of the 78th AGM of the Company along with Admission Slip and Proxy Form are being sent to all the Members whose email addresses are registered/ available with the Company/Depository Participants. These Documents will also be available on the Company's website www.jklakshmicement.com. Physical copies of the aforesaid documents will be sent on request by any such Member.

8. Physical copy of the Annual Report for the Financial Year 2017-18, the Notice of the 78th AGM of the Company along with Admission Slip and Proxy Form are being sent to those Members who have not registered their email addresses with the Company/Depository Participants. We request such Members to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

9. **Appointment of Director:**

   The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the Director seeking re-appointment under Item No. 3 of the Notice is given hereunder:

Name	Dr. Shailendra Chouksey
DIN	00040282
Age	67 Years
Qualification	M.Sc. (Physics), MBA, Ph.D. in Management
Experience (including expertise in specific functional area)	Vast Corporate experience in Cement Industry
Date of Appointment on the Board	20th July 2002
Directorships held in other public companies (as per Section 165 of the Companies Act 2013 and excluding private and other companies)	JKLC Employees Welfare Association Limited

Name	Dr. Shailendra Chouksey
Memberships/ Chairmanships of committees of other public companies [includes only Audit Committee and Stakeholders' Relationship Committee in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	Nil
Number of Equity Shares held in the Company	Nil
No. of Board Meetings attended during the Financial Year 2017-18	Four
Terms & conditions of re-appointment	The terms and conditions of re-appointment including remuneration of Dr. Shailendra Chouksey as Whole-time Director of the Company are as approved by the Members at the Annual General Meeting held on 7th September 2016
Details of remuneration	Please refer Corporate Governance Report
Remuneration proposed to be paid	As per the existing terms & conditions
Relationships with other Directors /KMP	Nil

10. **Remote e-voting procedure:**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members, facility to exercise their right to vote at the 78th AGM by electronic means and the business may be transacted through remote e-voting (e-voting) services provided by Central Depository Services (India) Limited (CDSL) e-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by e-voting shall be able to exercise their right to cast vote at the AGM.

The instructions for Members for remote e-voting are as under:

(i) The e-voting period begins on Tuesday, 4th September 2018 (10:00 A.M.) and ends on Thursday, 6th September 2018 (5:00 P.M.) During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on Friday, 31st August 2018 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the AGM date may attend the AGM but shall not be entitled to vote at the AGM.

(iii) Log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders/Members".

(v) Now Enter your User ID
   (a) For CDSL: 16 digits beneficiary ID,
   (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the character displayed on the image verification and click on Login.

(vii) Members holding shares in demat form and had logged on to www.evotingindia. com and voted earlier for any company, then your existing password is to be used.

(viii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in Capital letters followed by 8 digits of the sequence number in the PAN field. The sequence number is printed on the Address Slip on the envelope or email text as the case may be. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the sequence number and after the first two characters of the name in Capital letters. e.g. If your name is Ramesh Kumar and sequence number is 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN relevant for JK Lakshmi Cement Limited.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.; Phone No. 1800225533 or write an email to helpdesk.evoting@ cdslindia.com

(xxiii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.

(xxiv) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. -12094) of M/s. Ronak Jhuthawat & Co., (Company Secretary in practice), as Scrutinizer to scrutinize the voting (at AGM venue) and e-voting process in a fair and transparent manner.

(xxv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

11. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date and who has not cast vote by e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.

12. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.jklakshmicement.com and on the website of CDSL www.evotingindia.com and shall simultaneously be forwarded to the Stock Exchanges. The result of the voting will also be displayed at the Notice Board at the Registered and the Administrative Office.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013

Item No. 5

The Board at its meeting held on 16th May 2018, appointed M/s R.J. Goel & Co., Cost Accountants as the Cost Auditors, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year 2018-19 commencing 1st April 2018 at a remuneration as mentioned in the Resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. The resolution is accordingly recommended for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 6

At the Annual General Meeting of the Company held on 7th September 2017, the Members gave their consent by means of Special Resolution pursuant to Sections 23,42,62,71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), authorizing the Board of Directors to issue Convertible/ Non-Convertible Securities upto a maximum of ₹ 500 Crore, in one or more tranches and series, *inter alia* by way of public and/or private offerings and/or preferential allotment basis, including through a Qualified Institutions Placement in accordance with Chapter VIII of the SEBI ICDR Regulations, or any combination thereof. However, no Securities were issued by the Company pursuant to the above Resolution.

It is proposed to obtain a fresh omnibus approval of the Shareholders by way of renewal, with a view to provide greater flexibility to the Board to raise funds by issue of Securities both convertible into Equity Shares and / or Non-Convertible Securities as mentioned in the proposed Resolution, upto an amount not exceeding ₹ 500 Crore in the aggregate, in one or more tranches and series, at such times, at such prices and to such eligible person(s), as they may in their absolute discretion deem appropriate, from time to time. This is an enabling Resolution and the Company may issue new Securities, subject to applicable laws and necessary compliances as mentioned in the Resolution.

Pursuant to the relevant provisions of the Companies Act, including without limitation, Section 62 of the Companies Act 2013, any offer or issue of securities in the Company to persons other than Members of the Company requires prior approval of the Members by way of Special Resolution.

This Special Resolution, among other things, seeks to enable the Board of Directors (including any duly authorised Committee thereof) to undertake a Qualified Institutions Placement to Qualified Institutional Buyers in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations") for the purposes mentioned above, without the need for fresh approval from the Members.

Basis or Justification of Price: The pricing of the Securities to be issued to Qualified Institutional Buyers shall be determined by the Board in accordance with the regulations on pricing of securities under Chapter VIII of the SEBI ICDR Regulations. The "Relevant Date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, and in case of convertible securities, either the date of the meeting in which the Board decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares as provided under Chapter VIII of the SEBI ICDR Regulations. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% (five per cent) or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The detailed terms and conditions for the issue/offer will be determined by the Board in consultation with the lead manager(s) and other advisors appointed in relation to the proposed issue/offer and such other authorities as may be required, taking into consideration market conditions and in accordance with applicable laws. The Equity Shares allotted or arising out of conversion of any Securities will be listed and traded on stock exchanges where Equity Shares of the Company are currently listed ("Stock Exchanges"), subject to obtaining necessary approvals. The offer/issue/allotment/conversion/ redemption of Securities would be subject to obtaining regulatory approvals, if any by the Company.

The resolution is accordingly recommended for approval of the Members by way of a Special Resolution, in the best interest of the Company and shall remain valid for a period of 12 months from the date of its passing at the above AGM.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution.

Regd. Office:
Jaykaypuram - 307 019
Dist. Sirohi (Rajasthan)

Date: 11th July 2018

By Order of the Board

B.K. Daga
Sr. Vice President & Company Secretary

FOR ATTENTION OF THE MEMBERS

1. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip and advise correction, if any, therein. Also please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Requests for transfer of Equity Shares and related correspondence should be addressed to the **Company's Registrar and Share Transfer Agents: MCS Share Transfer Agent Limited**, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA). The Members holding shares in physical may approach Depository Participant for getting their shares dematerialised and in respect of shares already held in dematerialised mode for registration of change in their addresses, bank mandates, nominations, etc.
4. Any person seeking transfer of shares in physical form should furnish copy of the PAN card of the Transferor and Transferee to the Company / RTA for registration of transfer of shares.
5. Members having multiple folios are requested to write to the Company / RTA for consolidation of the Folios to save the administrative or servicing cost.
6. Dividend Warrants:

   As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory for the Company to print the Bank Account details of the investors on dividend payment instrument. Accordingly, the Members are requested to register/ update their correct bank account details with the Company/RTA/Depository Participant, as the case may be alongwith MICR/NECS details.
7. Investor Grievances can be lodged electronically with the RTA. Please log on to www.mcsregistrars.com and click on Investors Services to register your queries/ grievances which will be promptly responded by the RTA. Please write to the Company Secretary at Secretarial Department at Gulab Bhawan (Rear Wing), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: bkdaga@jkmail.com in case RTA's response is not received within a week's time.
8. **Unclaimed Dividends- Transfer to Investor Education and Protection Fund**

   (a) Pursuant to Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), amended from time to time, the unclaimed dividend shall be transferred to the Investor Education and Protection Fund (IE & PF) on expiry of 7 years from the date of transfer of such dividend to unpaid Dividend Account of the Company.

   (b) The unclaimed Dividend for the Financial Year 2010-11 ended 31st March 2011 will become due for transfer to IE & PF on 15th August 2018 and unclaimed Dividend for the Financial Year 2011-12 will become due for transfer to IE & PF on 10th September 2019.

   (c) Members who have not claimed their dividend for the Financial Years 2010-11 onwards may send their unclaimed dividend warrants to the Company Secretary for revalidation at the address given at Point No. 7 above.

   (d) Pursuant to Section 124(6) of the Act read with the IEPF Rules, as amended, the Company has, during FY 2017-18, transferred all the shares in respect of which dividend had remained unpaid/unclaimed for seven consecutive years or more to IEPF Authority within the prescribed timeline. The details of shares transferred to the IEPF Authority are available on the website of the Company.

   With respect to dividend and shares due for transfer in the FY 2018-19, the Company has sent notice to all the Members whose dividends are lying unclaimed for seven consecutive years or more to claim the same at the earliest.

   (e) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the web link: http://iepf.gov.in/IEPFA/refund.html or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.
9. **Nomination**: Pursuant to Section 72 of the Companies Act 2013, Members holding shares in the Company may nominate an individual to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Holders. Members

holding shares in physical form, may send their nomination in the prescribed Form SH-13 (available on the website of the Company), duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialized form are requested to contact their Depository Participant for recording their nomination.

10. **Dematerialisation of Shares and Liquidity:** Pursuant to SEBI Circular dated 8th June 2018, the securities of listed companies can be transferred only in dematerialised mode w.e.f. 5th December 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN is INE786A01032.

11. Members are requested to quote their Folio No./ DP ID -Client ID and details of shares held in physical/demat mode, e-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.

12. This Notice contains Route Map of the AGM Venue which is given on the reverse of this page.

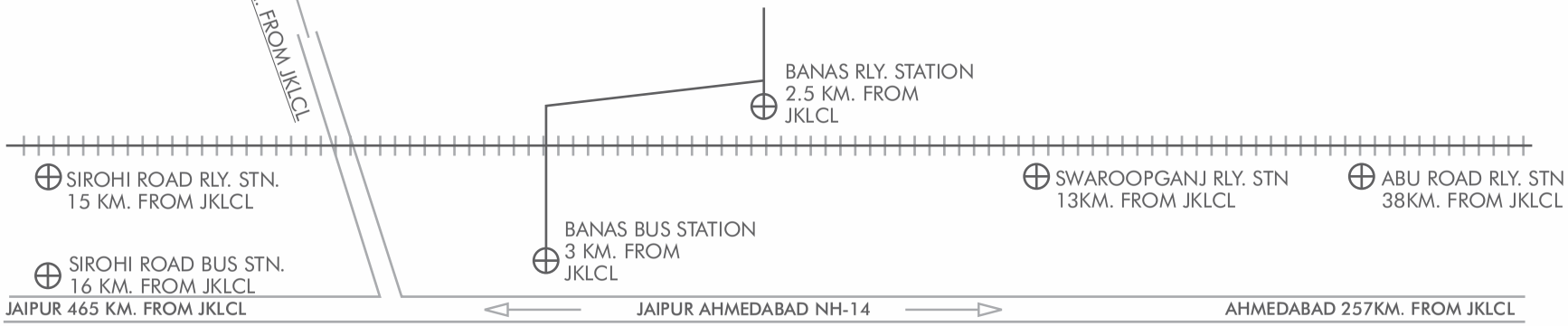
Green Initiative in Corporate Governance: Register E-mail Address

The Ministry of Corporate Affairs has permitted companies to send various notices/ documents under the Companies Act, 1956, to its Members, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with MCS Share Transfer Agent Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request: Folio No./ DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address and send the same under your signature(s).

Further, pursuant to Section 101 of the Companies Act, 2013 and the Rules made thereunder, the Company may follow above mode.

Route Map to AGM Venue





CIN: L74999RJ1938PLC019511
Regd. Office: Jaykaypuram-307 019, Dist. Sirohi, Rajasthan
Email: jklc.investors@jkmail.com | Website: www.jklakshmicement.com | Ph No.: 91-11-30179860-861

(Sequence Number)

ADMISSION SLIP

Folio No. / DP ID - Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 78th Annual General Meeting of the Company being held at Jaykaypuram-307 019, Dist. Sirohi, Rajasthan on **Friday,** the **7th September 2018** at **12.00 Noon.**

Name of the Members (in block letter)
Name of Proxy / Authorised Representative attending* (in block letter)

*Strike out whichever is not applicable

#Applicable for Members holding shares in dematerialised form.

Signature of the attending Member/Proxy/Authorised Representative*

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Members intending to appoint a proxy may use the Proxy Form given below.

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

JK LAKSHMI CEMENT Ltd.

CIN: L74999RJ1938PLC019511

Regd. Office: Jaykaypuram-307 019, Dist. Sirohi, Rajasthan

Email: jklc.investors@jkmail.com | Website: www.jklakshmicement.com | Ph No.: 91-11-30179860-861

Name of the Member(s) : _____

Registered address : _____

E-mail Id: _____

Folio No./ Client ID: _____ DP ID: _____

I/We, being the Member (s) of _____ shares of the above named Company, hereby appoint :

Name : _____

Email : _____

Address: _____ Signature _____

or failing him/her

Name : _____

Email : _____

Address: _____

_____ Signature _____

or failing him/her

Name : _____

Email : _____

Address: _____

_____ Signature _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 78th Annual General Meeting of the Company, to be held on Friday, the 7th September 2018 at 12.00 Noon at Jaykaypuram-307 019, Dist. Sirohi (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
1	Consideration and adoption of the financial statements of the Company (including consolidated financial statements) for the Financial Year ended 31st March 2018 and the Reports of the Board of Directors and Auditors thereon.
2	Declaration of Dividend.
3	Re-appointment of Dr. Shailendra Chouksey (DIN: 00040282), who retires by rotation.
4	Ratification of remuneration of Cost Auditors.
5	Issue of Securities of upto ₹ 500 Crore.

Signed this_____ day of _____ 2018.

Affix Revenue Stamp

Signature of Members

Signature of Proxy holder(s)

Notes: This form of proxy in order to be effective should be duly completed, signed and stamped and deposited at the Registered office of the Company at Jaykaypuram- 307019, Dist. Sirohi, Rajasthan, not less than 48 hours before the commencement of the Meeting.

A GLIMPSE OF OUR ASSOCIATION IN IPL 2018 WITH "RAJASTHAN ROYALS"



































JK LAKSHMI CEMENT Ltd.

Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi - 110 002
011 3300 1142-12 | Toll Free No. : 1800-102-5097
facebook.com/JKLakshmiCementLtd | twitter.com/JKLCofficial
www.jklakshmicement.com

Research, Concept, Content,
Design and Development by
marshmallow
A Creative Division of Metieta Advertising Pvt. Ltd.
ping@marshmallow.in