JK LAKSHMI CEMENT Ltd.

GEARING UP

FOR A POWER-PACKED FUTURE



ANNUAL REPORT **2018-19**

Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our various future-aligned initiatives, our performance or this Report.



Caution regarding forward-looking statements: This document contains statements about expected future events and financial and operating results of JK Lakshmi Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the JK Lakshmi Cement Limited Annual Report 2018 - 19.

Research, Concept, Content,
Design and Development by
marshmallow
A Creative Division of Metieta Advertising Pvt. Ltd.
ping@marshmallow.in

INDEX

CONCEPT	02
VISION	04
OUR JOURNEY	06
CMD MESSAGE	08
VCMD MESSAGE	10
BOARD OF DIRECTORS	12
FINANCIAL HIGHLIGHTS	13
CREATE	14
CONSOLIDATE	20
CHANGE	26
AWARDS	32
DIRECTORS' REPORT & MDA	33
CORPORATE GOVERNANCE REPORT	56
SUSTAINABILITY AND BUSINESS RESPONSIBILITY REPORT	70
STANDALONE FINANCIAL STATEMENT	84
CONSOLIDATED FINANCIAL STATEMENT	136
AGM NOTICE	178



The future belongs to those who prepare for it today. And every day!

Progress is all about keeping an eye on tomorrow and working for it in today. And most importantly, keep working on it every day. The future is always a `Work-in-Progress' plan, perfected with each new development and emerging scenario. At JK Lakshmi Cement, we understand that Rome wasn't built in a day!

Our blueprint for the future essentially incorporates meticulous planning, exemplary team-spirit and the will to win. Binding it all is our passion for quality and performance, with sharing of best-practices across teams, departments and locations. We do all that it takes for a better tomorrow. On the three pillars - `Create' new, `Consolidate' what's working, `Change' what is necessary. **Create | Consolidate | Change**



Create

The past must pave way for the future i.e. something new. What worked yesterday may not work tomorrow. At JK Lakshmi Cement, our approach to `Create' is to identify the gaps, find the missing links and build bridges. These then pave way for new opportunities.

Consolidate

Not everything from the past is a redundancy. There are initiatives of yester-years which have worked and hold promise for the future. Today's initiatives would be tomorrow's past. We `Consolidate' our positions with the help of building further on such programmes and ideas.

Change

Change is continuum. It is a sign of a thriving organisation. At JK Lakshmi Cement, the pillar of `Change' works at two levels. One that helps builds adaptability in our process of evolution. And the other that we as an organisation want to see changes taking place around us.

**Destiny is not a matter of chance;
it is a matter of choice.
It is not something to be waited to happen,
but rather something to be achieved by us.**



Integrated Cement Unit, Sirohi

Vision

To be a profitably growing, innovative & caring Company
To become a significantly relevant player in the mind of consumers

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



OUR JOURNEY

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



2001
Capacity Augmentation at Sirohi,
Capacity -
2.4 Mn MT



2009
Capacity Addition at Sirohi,
Capacity -
4.2 Mn MT



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



2015
Jharli GU Started & Capacity added- 1.3 Mn MT
Total Capacity -
6.0 Mn MT



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



2015
Capacity Addition at Sirohi - 0.5 Mn MT,
Total Capacity -
8.3 Mn MT



Mn MT = Million Metric Tonne

2016
Capacity Addition at Kalol - 0.3 Mn MT,
Total Capacity - 8.6 Mn MT

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

2019
0.8 Mn MT GU Under Progress in Odisha and expected to be Commissioned in the Second Quarter FY 19-20, Adding to the
Total Capacity - 13.30 Mn MT



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

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

CMD'S MESSAGE



"By failing to prepare, you are preparing to fail."

-Benjamin Franklin

Dear Shareholders and Colleagues,

It is with this very appropriate and insightful thought that I would like to begin this message to you. This thought while basic and simple, speaks volumes in the context of an organisation. An organisation is like a human body and is a complicated assembly of different nerve-ends and parts that have to work together cohesively to function as a single unit. Various functions and individuals have to come together in synergy and work towards a common purpose. And when that common purpose is preparing and gearing up for the future, the alignment of people and processes in the organisation with its future vision becomes all the more important. I can proudly state that in your Company this alignment of people and processes are in sync with the vision of future.

After a broad upwards movement in cyclical growth that lasted nearly two years, the global economic expansion decelerated in the second half of 2018. The global business activity took a downward trend amid an increase in trade tensions and tariff hikes between the United States and China, decline in business confidence and higher policy uncertainty across many economies. After peaking at close to 4 percent in 2017, global growth remained strong, at 3.8 percent in the first half of 2018, but dropped to 3.2 percent in the second half of the year.

Amidst this global chaos, India has emerged as the fastest growing major economy in the World and is expected to be one of the Top 3 Economic Powers of the World over the next 10-15 years, backed by its strong democracy, favourable demographics and partnerships. India's GDP was at 7.2 percent in 2017-18 and about 7 per cent in 2018-19. With the improvement in the economic scenario, there have been investments in various sectors of the economy. Net Direct Tax collection has crossed ₹ 14 trillion (US$ 200 billion) in FY19 and Goods and Services Tax (GST) collection stood at ₹ 11.77 trillion (US$ 160 billion) during the same period. India's Index of Industrial Production (IIP) rose to 4.4 percent year-on-year in 2018-19 (up to January 2019). while Consumer Price Index (CPI) Inflation stood at 2.86 percent in March 2019.



The road ahead also looks brightly lit for India and India's Gross Domestic Product (GDP) is expected to reach US$ 5 trillion by FY24 on the back of strong leadership, focus on digitalisation, favourable global preference and reforms. A significant improvement of 65 places in last 4 years in India's rank on World Bank's Global Index of 'Ease of Doing Business' should help India to emerge as global manufacturing and services hub in the time to come. This would naturally mean more employment and more income in the hands of the rising youth population of this country, who have a greater propensity to consume. Another factor that will add to the momentum as India races to the top, will be the huge demographic dividend of the Country. By 2030, India will account for almost 30 percent of the World's workforce. By 2030, the Nation is projected to have the largest middle class population in the World, which will reinforce economic growth through increased consumption and investment. With a stable and a forward-looking growth-oriented Government at the helm, we will see many progressive and beneficial initiatives that will propel the Industrial and Socio-economic Growth forward by leaps and bounds.

India is the second largest Cement Producer in the World, with nearly 500 million tonnes of cement Production Capacity. Cyclical in nature, the Capacity utilisation is directly proportional to the demand being generated. The Industry witnessed a strong demand growth of over 12% in the year gone by and hence the average capacity utilisation also witnessed an upwards trend of over 70%. Housing and Infrastructure are two key sectors that account for more than 80% of total cement consumption in the Country and both of these sectors saw a significant upwards trend during the last financial year. With the Government pushing for Infrastructure development with dedicated freight corridors and ports, and, heavy focus on "Housing for All" under Pradhan Mantri Awas Yojna (PMAY), the upward trend for demand and the momentum acquired in the last fiscal looks set to continue.

I am quite pleased to share with you that your Company has stayed ahead of the Industry, both in terms of production and sales. We achieved a double-digit growth of 18% in cement production vis-à-vis a 12% industry growth, while a 15% growth in Sales against an Industry performance of 9% in the areas where your Company operates. This resulted in considerable improvement in our capacity utilisation as we reached 77% of utilisation in FY 18-19 against 65% utilisation in FY 17-18. Grinding Unit at Odisha, commissioning of which was adversely impacted in the previous quarter due to cyclone Fenny, is now nearing completion and is expected to be commissioned shortly. We are also executing a Captive Thermal Power Plant , which is expected to be commissioned by first quarter of FY 19-20 at Durg. These measures along with other important initiatives taken by the Company will further add to its growth in years to come.

Your Company believes that it is the people who are the key to take any movement forward. Whether it is the movement of the Country towards all-round growth, where the citizens of the Country and the Community-at-large play a collectively important role towards Nation-building, or it is the Employees of the organisation who propel the Company towards growth and a bright future. At JK Lakshmi, our CSR initiatives focused towards education, environment and healthcare, which contribute towards the Nation's efforts for building a socially progressive society; while internally our employees across the functions are fully motivated as we work like one cohesive unit while pursuing the organisational goals.

I would like to end this message by thanking all our customers, shareholders, channel partners, business associates, financial institutions and all our employees, who are an integral part of our stakeholder community, for their invaluable support and confidence. Their continued faith and support has enabled this Company to build a strong foundation and motivation us as we gear-up for a power-packed future.



BHARAT HARI SINGHANIA
Chairman and Managing Director

VCMD'S MESSAGE



"If you want to shine like the Sun. First, burn like a sun."

- APJ Abdul Kalam

Dear Shareholders, Associates and Team JKLC,

In the year gone by, your Company has strived to further fortify its foundations by executing well-laid plans in all areas of operations including Marketing and Distribution. Team JKLC worked relentlessly to bring about all-round improvements; along with strengthening the capabilities of its human capital and sustaining its social contribution towards 'All-round Growth'. All this has been done with a single-minded focus on being geared-up for a fruitful future.

Our efforts in this direction have already started showing results. The Company has achieved very satisfactory growth which is much higher than the Industry, both in terms of production and sales in the year gone by. In the last quarter we achieved a stupendous growth of 32% in cement dispatches and the capacity utilization at Durg rose to 97%.

During the year, Company witnessed a steep rise in freights and other costs mainly on account of steep rise globally in the prices of petroleum products; but with focused initiatives your Company was able to reduce the logistic cost by 5%. To further mitigate the risk of sharp rise in fuel, diesel prices and other costs which have an adverse impact on profitability, the company strived to further improve its operational efficiencies and maximisation of realisations by way of optimising product mix and by enhancing the distribution network. Your Company has brought down its power consumption from 71 Kwh/ton in FY18 to 69 Kwh/ton in FY19. The Waste Heat Recovery Power Plant of 7.5 MW at Durg, commissioned in the last quarter of Fy18, had its first full year of operation and has helped the Company to reduce power cost at Durg. The commissioning of 20 MW Thermal Power Plant in FY20 will further bring down the power cost.

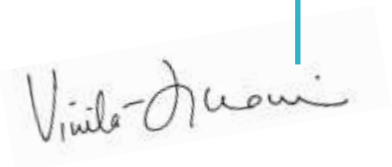


In our bid towards gearing up for the future and the ever evolving markets on India, Your company has taken a number of measures to encash on the emerging opportunities. These include building a portfolio of premium and stronger brands which in turn have led to increase in market share in preferred markets; investing in enhancing brand equity; and expanding the distribution network by going deeper in the rural markets. With these initiatives the Company has enhanced the share of trade in total sales by 10% in FY19. Our marketing and branding efforts, like being the title sponsor of IPL since last two seasons has yielded high brand visibility. Moreover, our team has made various efforts to increase our market presence and market share in our natural markets.. These measures would further provide the Company the ability to absorb the impact of cost increase on various fronts.

Our initiatives focused towards preparing a highly productive and efficient workforce such as SWAGATAM, SPARK, My Exclusive Time and Customer-in-culture have resulted in further aligning the Employees with the Organisation's thought process and also motivated them to perform efficiently. Our HR initiatives have given us highly positive results, as today we are known to have one of the lowest attrition rates in the Cement Industry. After already being recognised as "India's Best Companies To Work For 2017" and "India's Top 10 Best Workplace in Manufacturing 2018" by Great Place to Work Institute India, your Company has been recognised as "Best Employee Engagement Company of the Year" (February 2019) by ET Now.

Team JK Lakshmi has undertaken several activities for empowering women, especially tribal women in the areas of Adult Literacy and Formation of Self Help Groups for Income Generation by providing them trainings on various trades. During the Financial Year, the Company has also focused on activities related to Swachch Bharat Mission by constructing IHHLs in the villages and by providing Sanitary Napkins especially to adolescent girls, by installing Napkin Making Machines near our Plant locations. Besides the ongoing initiatives of the Company to bring about the meaningful and sustainable impact in and around the societies that we operate in, we have partnered with Ashoka University, in a unique initiative of the Haryana Government, to bring about required changes in the Governance for the efficient and meaningful administration.

We firmly believe that there is no substitute to hard work, dedication and preparation. With our eye on the future vision of the organisation, we work as a cohesive unit in synergy and with complete harmony; as we focus on gearing up for a very bright future of this organisation and its various stakeholders. As JKLC gears-up in preparation for a power-packed future, I would also like to thank our customers, business partners, suppliers and our esteemed shareholders, for their supreme loyalty and confidence in us. I am grateful for their partnership and hope that we continue to get support of all our stakeholders in future too which promises to be bright and full of opportunities.



VINITA SINGHANIA
Vice Chairman and Managing Director

CORPORATE INFORMATION

BHARAT HARI SINGHANIA
CHAIRMAN &
MANAGING DIRECTOR

VINITA SINGHANIA
VICE CHAIRMAN &
MANAGING DIRECTOR

BOARD OF DIRECTORS

B. V. BHARGAVA
DIRECTOR

DR. RAGHUPATI SINGHANIA
DIRECTOR

N. G. KHAITAN
DIRECTOR

BHASWATI MUKHERJEE
DIRECTOR

PRADEEP DINODIA
DIRECTOR

Dr. K. N. MEMANI
DIRECTOR

RAVI JHUNJHUNWALA
DIRECTOR

DR. S. CHOUKSEY
WHOLE-TIME DIRECTOR

S. K. WALI
WHOLE-TIME DIRECTOR

SUDHIR A. BIDKAR
CHIEF FINANCIAL OFFICER

BRIJESH K. DAGA
Sr. VICE PRESIDENT & COMPANY SECRETARY



Integrated Cement Unit, Durg

REGISTERED OFFICE
JAYKAYAPURAM,
DISTRICT SIROHI - 307019 (RAJASTHAN)

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

Website: www.jklakshmicement.com
CIN:L74999RJ1938PLC019511

CEMENT PLANTS

RAJASTHAN
BASANTGARH, JAYKAYPURAM,
DISTRICT SIROHI - 307019

CHHATTISGARH
MALPURI KHURD, AHIWARA,
DISTRICT DURG - 491001

GUJARAT
MOTIBHOYAN, KALOL,
DISTRICT GANDHINAGAR - 382010

GUJARAT
VILLAGE DASTAN, TALUKA PALSANA,
DISTRICT SURAT - 394310

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

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

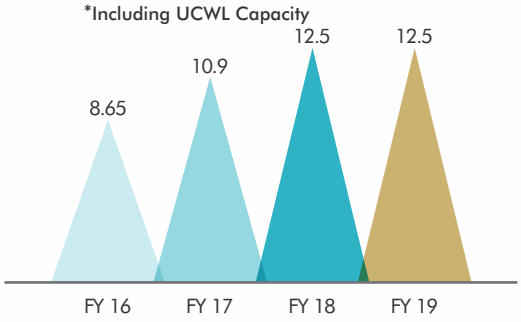
BANKERS
STATE BANK OF INDIA
IDBI BANK LTD.
AXIS BANK LTD.
INDIAN BANK
YES BANK

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

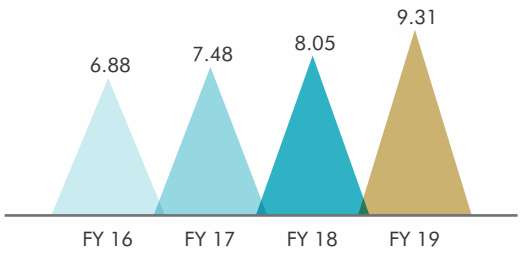
FINANCIAL HIGHLIGHTS

Cement Capacity (Mn MT)

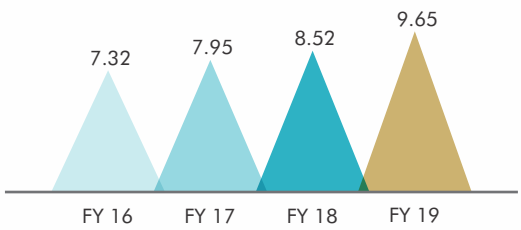
*Including UCWL Capacity



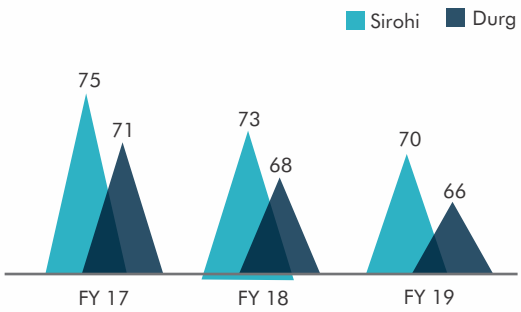
Production (Mn MT)



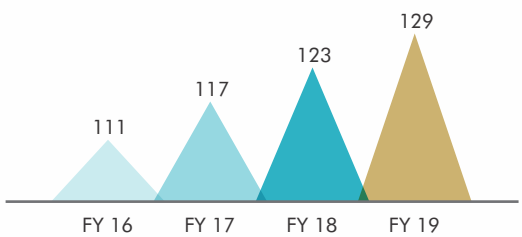
Sales (Mn MT)



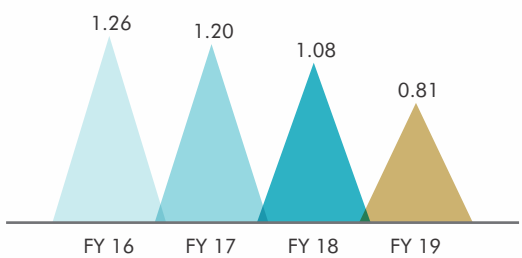
Power Consumption (Kwh./ MT of cement)



Book Value per Share (₹)



Net Debt : Equity Ratio





CREATE

The desire to create is one of the deepest yearnings of the human soul.

You create your own opportunities.

An organisation's success lies in `staying relevant' in the face of emerging new trends, tectonic shifts in technology, competition, changing regulatory environment and market dynamics. It calls for defining the future and set direction; create and execute strategy, ensure alignment, communicate clarity, engage stakeholders, develop talent, manage performance, build accountability, ensure succession, allocate resources, craft the culture, and focus on results.



At JK Lakshmi Cement, we view this `staying relevant' as ceaselessly reinventing ourselves as an organisation, our offerings as well as our approach. And this is an ongoing iterative process. The critical factor here is how we work towards creating opportunities in various realms of our operations; be it controlling costs, enhancing productivity, implementation of new tools and technologies, safety, resource optimisation, fiscal prudence or improving customer experience.

CREATE

Opportunities are the window to the future. Seizing them is akin to seizing the day. It is said that the leaders create opportunities, while the followers wait for them. Breaking the convention, looking at things upside down and the desire to `make a difference' - all characterise the way we work to shape new things to create future. Read on to discover how things unravel at JK Lakshmi Cement.



New Launches - The game is on

Winning is hitting a perfect six - JK Sixer Cement

Nothing is better and more relevant than an idea whose time has come! JK Sixer Cement carries a distinct stamp of the best technology to be a premium product. With consistent metamorphic rock limestone used in this cement and a world-class quality control in its production processes, this cement promises to be a game changer. With symbol of a zapping ball, the logo connotes the superlative shot aimed at reaching the target without a hitch, which brings the victory closer. With a vision to leverage the endorsement of Rajasthan Royals Team, we have proudly launched - JK Sixer Cement primarily in Gujarat and Rajasthan Markets.

JK Sixer Cement has been formulated with the best techniques and has come across as a quality product with a difference. JK Sixer Cement launched in Gujarat, Rajasthan and MP Markets should make each futuristic construction better, stronger and more durable. Just in a short period of time of launch it has performed remarkably in the Markets, justifying its name.





Innovation at its best - Platinum Heavy Duty Cement

Sulphates and Chlorides are the biggest enemies of reinforced bars (steel/sariya). We have designed a truly innovative cement, which embodies `heavy duty' in each



and every particle. In our pursuit to bring out products that adhere to global standards and deliver beyond expectations, our latest offering - Platinum Heavy Duty Cement - is nothing but our obsession towards quality control. Right from paying attention towards the limestone quality to enforcing world-class quality control measures in production processes, we have taken utmost care that it is the best. Platinum Heavy Duty is a modern cement with high reactive fly ash and short discrete fibers that easily resists moderate sulphate and chloride attacks; thus, protecting the reinforced bars from the menace of rust. We have taken due care for the addition of special chemicals during the blending of high reactive fly ash. Add to this installation of machines equipped with 'PSD Technology' ensures premium quality. Even the packaging is exceptional with unique features and many `firsts in the segment' that challenge the cloning market with its lens and hologram seals; to prevent duplicates. This multi-coloured bag offers a distinctive visual delight and easy recognition. Launched in all three variants and safe flex packing, it prevents pilferage, leakage and wastage.



Launch of JK Lakshmi Composite Cement - Steel Guard

JK Lakshmi Composite Cement - Steel Guard was launched in Surat on 1st June 2018. Dealers were invited from Surat, Tapi, Valsad, Vapi, Navsari and Bharuch Districts. This innovative product, has been widely acclaimed and applauded for its quality and excellence in markets across the Country since its launch.





Our Partners in Progress

Our Dealers are our partners in true sense. It's their unwavering commitment that has help us scale newer heights of success every year. Acknowledging their efforts during the financial year, we took more than 1700 Dealers of Chhattisgarh, MP ,Maharashtra and Gujarat to various International locations like Scandinavian Islands, Turkey, Bali, Singapore with Cruise, Hong Kong & Macau, Indonesia, Thailand, Mauritius and Malaysia; and to Domestic locations like Goa and Andaman Islands.







Green Value-added Product

The Company manufactures 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 the 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.

'Cementing the Ties' gets an Award

We started 'SKY', a loyalty programme for Business Associates across all markets. Not only the programme has got huge appreciation, but has also received the 2019 Award for 'Best Loyalty Programme in BB8 sector'. It is a prestigious Customer Loyalty Programme that has cemented JK Lakshmi Cement's reputation further. The award was conferred upon to, JK Lakshmi Cement in the presence of all industry stalwarts at a ceremony held at The Taj Lands End, Mumbai in February 2019.

Expanding Reach

Positive growth in our business has encouraged us to launch two new offices viz. Nagpur and Varanasi. These new offices are catering to the growing needs of our customers in those regions very efficiently.



Creating more from the same design capacity

In November 2017 Durg Unit commissioned a Waste Heat Recovery based Power Plant with a guaranteed 7.5 MW capacity. This Plant has achieved more than its guaranteed capacity after several modifications done in the process. What's more, this plant met more than 40% of the total power requirement of its cement plant in April 2019.

Alternative Fuels - Alternatives to reduce cost, conserve Fossil Fuels



Biomass Reclaiming System

Cement manufacturing is highly energy intensive. Energy accounts for almost 30-40% of the production cost. The substitution of Fossil Fuels by Alternative Fuels (AF) in the production of Cement Clinker is of great importance for both cement producers and for society; because it conserves fossil Fuel Reserves, reduces pollution and greenhouse gas emissions. Moreover, the use of Alternative Fuels can help to reduce the costs of cement production. At Jaykaypuram, Sirohi we have started using alternative fuels, categorized into hazardous waste, non-hazardous wastes and agricultural wastes. We use De-Oiled Cake, FMCG Waste, Gasket Scrap and our own TPP Fly Ash in the category of non-hazardous waste. We use both solid and liquid hazardous waste such as TDI Tar, Spent Bleaching Earth, Paint Sludge, ETP, CETP, etc. We have developed an in-house system for agricultural waste excavation. We have installed a shredder in Biomass Yard for shredding the Plastic waste, Roof Liner waste and Gasket Scrap. In order to further use liquid AFR we have made an in-house arrangement of Liquid AFR Feeding System in our Kiln-1, which has enabled us to use liquid hazardous waste viz. Pharmaceutical waste and various Industrial Liquid wastes. We are very proud to say that with the dedicated efforts of the Team we are able to save around ₹ 4 Crores per annum by using various Alternative Fuels, while also reducing 101814 MT of CO^2.



Liquid AFR Feeding System



Safety APP

The R&D Team has developed in-house a "SAFETY APP" that enables designated employees to report unsafe acts or conditions, any other issues relevant to health and safety directly from their mobile phones to the concerned Safety Department and Unit's Safety Officer. The APP comes with a feature that allows one to take photographs of the issue for reporting it. Our efforts of being a pioneer in safety have helped us to achieve recognition in the form of QCFI – National Safety Excellence Award - 2018 and Mines Safety Week Celebration 2018 - Overall Performance Award.

Automatic Solar Panel Cleaning System developed in-house

Inventiveness is utilising scrap and other items waiting to be discarded. Our team developed an efficient system for Solar Panel that reduces cleaning time. This automatic Solar Panel Cleaning System was developed in-house and has rotating nylon brush for effective cleaning.





Integrated Cement Unit, Durg

CONSOLIDATE

Consolidation should result in better focus and synergies in operation.

Consolidate and move on to the next stage in your journey.

As business grows, functions have to gear up to meet the increasing demands of the wider organisation, where activities become increasingly fragmented. At times creating conflicting systems and process standards arises across different businesses and regions. These challenges, if not tackled properly, can pose hindrance to the onward journey.



At JK Lakshmi Cement, we see tremendous opportunity and unleashing of organisational resources as we consolidate. We believe, to consolidate is to create an overarching mechanism that helps create more room for growth, more scope for optimisation and more span for outreach. Some of the benefits that accrue include increased consistency, compliance and service quality while reducing costs.

CONSOLIDATE

Excellence is the operating word as we work to consolidate our position in the ongoing operations as well as the market. With focus on quality, sweating of the assets is our policy to optimise performance, improve capacity utilisation, enhance efficiency, and increase productivity. Our operating units, functions and departments are replete with stories on how do we achieve all such objectives. Read on and get a glimpse.

Recovering the Heat Wastage in WHR by adjusting the TG Inlet Temperature

Our WHR system was designed for a maximum STG inlet temperature of 356°C and flow of 80 TPH with the operating range of 336°C at the same flow. The STG was designed considering the operating parameters of the kiln in the year 2010. Over the years, kiln operation had been optimised and productivity enhanced. And hence, the input parameters of WHR changed. We observed that much of the temperature was being dropped by use of Attemperator. Although, it helped in increasing the flow but the heat energy was being wasted. We worked on the issue and observed that the main constraint was the limit of steam inlet temperature of turbine. This was taken up by our team to find a cost-effective solution. This CFT, after a lat of experiments solved the problem. It resulted in improvement of Specific Heat Consumption and any increase in the inlet temperature due to process condition in kiln was easily taken care of by the Turbine which was being wasted previously.

Not Working in Vacuum; Replace FRP Fans, See it Work!

Air cooled condenser fans play a major role in power generation by maintaining the vacuum condition of the TG system. It becomes all the more important in case of Waste Heat Recovery (WHR) system as it is entirely dependent on the available heat and its complete utilisation. Our WHR system is designed for vacuum of 0.80 at ambient temperature 42°C. With the onset of summer season, atypically the vacuum fell to a level of 0.66; leading to drop in generation. Our technical teams got their act together with an objective of maintaining the generation levels. Various actions resulted only in marginal improvement in the outcomes. Finally, the team concluded that existing fans were not able to deliver design air flow to achieve 15 MW Generation in summer season (> 44°C); so it was then decided to replace the fans. After the replacement the performance has been very encouraging. Achieved power saving of 30 kwh per fan (total six fans). The vacuum could be maintained at desired level without water spraying on fins. Increase in the vacuum resulted in increase in WHR Generation by 0.7 MW/hr in summer season. The total savings is to the tune of INR 1.6 crore in a year.



Quality Circle Award

Quality Circle Jhajjar Unit awarded ParExcellence & Excellence by NCQC Gawlior– The Case Studies viz. `Problem of Fly Ash Unloading in cement mills' and `Non-utilization of Reject Water in AAC plant' presented in NCQC won the coveted award.



Solid Flow feeder installation in one of the Silos, to take Flyash in Cement Mill discharge, helps improve productivity and Flyash storage capacity.

~100% of Clinker capacity utilisation at Durg Plant

In just four years, the Durg plant has more than doubled its production of cement to 2.3 MTPA, with almost 100% clinker capacity utilisation at 1.499 MTPA in 2018-19. The plant is all geared up to increase the clinker production in the coming year by about 25% having received various government clearances.

No.1 on several efficiency parameters - 'ek abhedya ' Durg

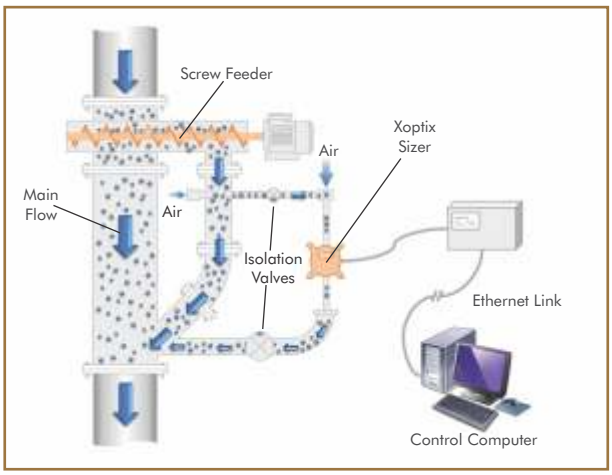
In a recent study by CII experts, our Durg unit's overall power consumption is comparable with top 5 Cement Plants in the country. It is also on top of the chart for several efficiency parameters within the State. Energy costs pose a major challenge to cement manufacturing units; and in the last four years of operation, efficiencies of power consumptions have been improved by a whopping 17%. It is a matter of pride for us at Durg, that technology chosen has made the plant capable of burning several types of coal with innovative modifications and systems put in place.



Integrated Cement Unit, Durg

Increasing Cement Mill Productivity with Online Particle Size Distribution Analyzer

Measuring particle size is a key quality control process and helps to ensure a high performance product in terms of overall cement strength. In traditional process, cement fineness is measured using Blaine number. The limitation of the technique is that it is slow and a manual procedure. Thereby, having some chances of errors as it is manual.



Our team identified and implemented a unique idea of optimising one of the Cement Mills with the help of getting online data of Particle Size Distribution, as it helps in tuning the mill parameters which further helps in optimising the mill throughout. With that, our production team could directly monitor the complete particle size distribution for the different grades of cement. The in-process data produced online correlated and tracked extremely well with offline sieve data, giving confidence to the team. With the use of online PSD analyser, the impact of making minute adjustment to the milling process could be seen in real time. It also resulted in improving the output and the specific power consumption. The best part - the payback period of the project - was just 6.7 months.

Strengthening Key Fundamental Financial Ratios

The Company having nearly completed all its ongoing expansions, the focus during the year was to consolidate the gains emanating from these expansions. Further with the completion of all its Major Borrowing Programmes, the Company focused its attention on de-leveraging the Balance Sheet & improving its key Fundamental Financial Ratios. As a result of all these efforts of reducing debts, the total borrowings of the Company as of 31st March, 2019 were ₹ 1613 Crore as against ₹ 2020 Crore as of 31st March, 2018 i.e. a reduction of over ₹ 400 Crore.



Bankers Meet

Consequently the Debt Equity Ratio of the Company improved from 1.39 as of 31st March, 2018 to 1.06 as of 31st March, 2019.

The Company has a Treasury Corpus of ₹ 380 Crore as of 31st March, 2019 which has been judiciously deployed in various tax efficient debt instruments to garner returns higher than the cost of funds.

Taking into account the available Cash balances, the Net Debt Equity of the Company improved to 0.81 as of 31st March, 2019 as against 1.08 as of 31st March, 2018. The De-leveraging of the Balance Sheet is expected to continue in the coming year which will give us sufficient cushion to raise funds in future for funding our Brown field expansions over the next 3-4 years.

The Company is enjoying a Credit Rating of AA- (Double A Minus) for its Long-term Borrowings from CARE and continues to enjoy the highest possible Rating of A1+ (A One Plus) for its Short-term Borrowings from CARE & CRISIL.

Industry-Innovation and Academia

JK Lakshmi Cement, apart from its core operational business, undertakes research and development activities. Under this initiative, named as Industry-Innovation and Academia, the Company provides internship opportunity to students from engineering and management background, graduation and post-graduation courses in colleges / institutions. Number of students from various streams of engineering like Mechanical, Electrical, Computer Science, etc. completed their industrial internship at our various manufacturing locations. This provides a practical experience to the youth as well as helps in developing a better relationship between industry and academic institutions along with delivering responsibility that we, as organisation, morally hold towards the society and the youths of the nation and the globe.

Robust Procurement Policy

E-procurement has enabled structured supplier relationships, effective communication, reduced external spending, eliminated paperwork as well as travel hours. Our sound Logistic Management System helps us to add value to our indirect footprints downstream, through balanced and resourceful strategies.

More Alternative Materials

JK Lakshmi Cement pays the highest attention to sustainability of natural resources and believes in their optimal usage and espousing the principles of Circular Economy. With fusion of technology and conservative approach to natural resources, manufacturing units are utilising waste derived raw materials in place of virgin natural raw materials wherever possible. The strategy is to use alternative materials, encouraging sustainable utilisation of resources.

More Transparency - Real-time Emissions Data Directly to CPCB

Operational risks concerning environment, health and safety are topmost priority for the Company. The Company has maintained consistent standards for identified risks and opportunities associated with the sites and thus got ISO Certification. The units are Certified for ISO 14001, including proper identification of environmental risks for fresh and wastewater, source and fugitive emissions, consumption of fuel, wastage of energy in any form, and GHG emissions. The emissions / waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB). The Company has already installed Online Continuous Emission Monitoring Systems (OCEMS) that provide real-time emission with data directly to Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB). All our emission sources are equipped with the state-of-the-art air pollution control equipment like, Bag houses, electrostatic precipitator, bag-filters, etc. to ensure compliance with the applicable emission / waste standards / norms.



Grinding Unit, Kalol

Improving Customer Experience

Besides our efforts towards bringing various improvements in our operational efficiencies, we also hired leading consultants to improve the connect with our customers whether it is rural or urban. New customers in India are the ones who are at the bottom of the pyramid not only in terms resource availability but also accessibility.

To meet these rising expectations your company started a project called Lakshmi Ashrey to cater rural customers' building material requirements.

Similarly, our basket of environment-friendly value added product is fulfilling the aspirations of Urban customers.



Other initiatives to save energy, time and cost at our plant locations

- Dampers removed from All Bag Filter Fans caused power saving of ~ 32 KWH
- Flyash unloading automation process has helped in smooth flyash feeding. Air compressor idle operation has decreased due to this intervention and has completely removed manual intervention followed earlier
- Installed labor attendance and bill generation system through SAP, to avoid manual intervention
- Auto invoicing after weigh capturing from weigh bridge, to save time of invoicing and to reduce turn around time
- Implemented a check for GRN creation for paper saving and online GRN approval



Integrated Cement Unit, Sirohi

CHANGE

The secret of change is to concentrate on building newer things on the pillar of past than fighting with the old.

Change makes us grow.

Organisations emerge anew through the continuing process of change. Change, though, is intrinsic to an organisation yet manifests externally. To thrive on change, one needs to embrace perpetual growth and development, continuous scanning for changes in the society, environment and aspirations of the people. Change, when meticulously planned and immaculately implemented, unleashes organisational energy and ushers in a new phase of growth.



At JK Lakshmi Cement , we strive to focus on creating a culture of change and growth and at the same time leveraging the best from the past. Our experience is that when change represents growth and improvement; it generates energy and is often eagerly embraced. Acting as the agents of change, our people constantly build their capacity to see through blind spots, acknowledge business dynamics and spend energy meaningfully to seek solutions to unlock value.

CHANGE

Commitment is paramount. A business must believe in and fulfill its obligations towards its people, community, environment, health, safety and sustainable practices. For us, the philosophy of giving back to the society has been enshrined in our ethos by the founding fathers over a century ago. Read further to know how we work towards realising a sustainable future and empowering the disadvantaged sections of the society.

Challenges as Opportunity - With the Installation of SNCR System

The stringent norms set by Ministry of Environment and Forest has posed a fundamental challenge for entire cement fraternity to come ahead and start working on how to meet the norms of NOx reduction. To maintain the NOx emissions within limits is the biggest burning issue for the cement industry in India, and JK Lakshmi Cement is no exception. We, along with others who are similarly affected, are working on finding solutions to meet the target of NOx reduction.

Sirohi

The first concept identified for the NOx reduction was primary mitigation. A cost-effective measure but with limitations in that it reduces Nox by 20-30%. As a measure of secondary mitigation, the team decided to install SNCR system in Kiln-1 first. After the successful installation of SNCR in our Kiln-1, we decided to go for a new technology of Online CFD in SNCR system in our Kiln-2 & Kiln-3 where NOx reduction target is <1000 mg/Nm^3. Online CFD identifies location at which more Ammonia has to be injected, and helps to reduce the aqueous Ammonia consumption in SNCR system. Hence, we are able to meet the stringent target!



Durg

Durg unit is the first plant in entire Chhattisgarh to have installed and commissioned sophisticated SNCR system for control of NOx and bringing down emissions below CPCB norms; fulfilling its promise of commissioning it in a time-bound manner.

Raising the Green bar - our Durg Unit Way

With its vast green cover developed in a short span of about 4 years, the Durg plant is a sight to behold. Its inescapable greenery changes perception of stakeholders and mesmerises visitors. The plant is a marvel of technology and infrastructure with all kinds of environmental protection measures. The 54 Water Harvesting Structures there have become a `must-visit' ground for even the Water Conservation Force Trainees of the Central Ground Water Board of India.





Reutilisation of RO Reject & Autoclave Condensate Water in AAC Manufacturing



When everyone is aligned to the goals and objective, ideas flow like water. Ground water is precious, and minimising its use our priority. Following our Zero Discharge Water Policy, an innovative idea of reutilisation of RO (Reverse Osmosis) reject water and Autoclave condensate water was implemented. An underground storage tank with one lakh liters storage capacity was constructed, considering the discharge quantity of reject water. The RO reject and Autoclave condensate water is stored in this tank and re-utilised for slurry preparation for manufacturing of AAC blocks. The result is fresh water saving of 275 Ltr/M3 of AAC Block & zero discharge of water.

JK Lakshmi Smart Serv

It is theis smart delivery system of JK Lakshmi Cement for bulk orders, that saves tons of packaging material and also meets quality needs of customers. It's a unique concept that promises to fulfill, new-age construction needs. Currently this type of service is only available at JK Lakshmi Cement and it has been highly appreciated by customers.



Renewable Energy to Reduce Carbon Footprint



Installation of 500 KWH Solar Plant in Jhajjar Unit

The Jhajjar unit undertook the initiative of renewable energy / green power generation with a massive solar plant installation at an investment of around ₹ 3 Crore. And, the figures speak for themselves.

Impact in 2018-19

Generation 654931 kWh

GHG emission reduction - 392959 kg of Co2

LT Power load Reduced ~ 220 kWh

Savings ₹ ~ 50 lakh



Green Pro Certificate by CII (Confederation of Indian Industry) for Composite cement production

Salesforce: Automation of Business Processes to Enhance Team's Efficiency and Save their Team

JK Lakshmi Cement has implemented world's leading CRM software Salesforce in all its business units i.e. JKLC, UCWL and Sixer. This software has improved employees efficiency. It also saves employee's time as there is no need to manually input the data of their market activities. It has also empowered them by providing 360 degree visibility of their customers. It benefits the Company by connecting different departments and providing higher visibility, thereby aiding in decision making as reliable data is now easily accessible to all key decision makers.

CHANGE



Change has to be constantly seen from the lens of the Eco-Social system where we operate

His Excellency, Governor of Haryana, Shri Satyadev Narayan Arya awarded our Jhajjar unit for Excellent Work in the Field of CSR for continual support to Child Welfare Department

A New Perspective on Safety

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. Digital platforms (like BBSM module developed in SAP and Mobile Apps) for behaviour-based safety system implementation, safety inspection, safety learning, employee participation and consultation. For JK Lakshmi, Health and Safety of its stakeholders is of utmost priority. It is ensured through strict implementation of safety measures / guidelines. The Company thrives on upgrading the health and safety aspects at all places and work functions. The Company has devised a separate dimension of 'Health and Safety Sustainability' for strict adherence and maintaining highest level of health and safety environment.

Safety Innovation Award

Jk Lakshmi Cement Jhajjar Unit won The Safety Innovation Award -2018 by the Institute of Engineers India, Delhi State Center under the aegis of the Safety and Quality Forum- IEI.



Embracing Change, Naturally

Change is also an important part of business life; it allows business to adapt to its environment and to improve its market position. This ever-adapting and evolving trait is reflected as a core behavior in each of our employees. At JK Lakshmi Cement relevant changes are made in systematic manner, either to introduce a new or more efficient way of working or to re-organise the work force. Discard the old, but retain what is good and introduce the new - this is the mantra. Being awarded 'Best Employee Engagement Company of the Year'(February 2019) by ET Now just proves our unwavering commitment to our greatest capital, our people.



Our CSR Policy - the fountainhead of all things good

The Mission Statement of the Company unequivocally states "be a socially responsible corporate citizen". For JK Lakshmi Cement, the business priorities coexist with the commitment for extending the help to the poor and the needy. This realisation had given our organisation 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. The CSR policy of the Company reflects strongly the commitment towards inclusive growth and development. The major CSR thrust areas of the organisation are Health; Water & Sanitation; Education; Skill development and Livelihoods; Environment sustainability and Community Development. Apart from the vocational training, other key interventions have been to support small and marginal farmers with high yielding varieties of seeds to increase production and income. The social intervention programmes and initiatives are aligned to various Sustainable Development Goals.

CSR footprints impacting lives of more than 2 lakh people





Ms. Sheetal Thakor, 21, a Vama Learner now Student of MSW

Sheetal enrolled with Vama Lakshmi Vocational Training in the year 2016. After completing the tailoring course successfully, she also managed the Sanitary Napkin Manufacturing Unit setup by JKLCL Kalol Grinding Unit with 4 other girls. Inspired by the transformation in 20 villages through the CSR programmes of JKLCL Kalol Grinding Unit, she decided to study further. She is currently pursuing her Master of Social Work (MSW) from Gujarat Vidyapeet (Ahmedabad). The fee is funded by her earnings through tailoring.



"The Vama Lakshmi CSR project has truly been the turning point in my life. It has transformed me from a simple, shy village girl to an independent and confident modern woman. I am indebted for life to JK Lakshmi Cement for my transformation."

(Vama Lakshmi is a signature CSR Programme of JKLCL Kalol Grinding Unit for Women Empowerment)







HEALTH CARE

JK Lakshmi Cement is the only corporate associated with Gujarat State TB Forum

832 Medical camps conducted
23,583 beneficiaries

EDUCATION

Student2Scholar - Buddy4Study an NGO facilitated scholarships for needy children. 800 students will be receiving scholarship worth of INR 15 Lakh by September 2019. 21 girl students have received these scholarships

Adopted Anganwadis - 5 centres and 110 children were adopted under Rajasthan Government Nandghar Yojana

Conducted Navodya School entrance coaching for Std V - 35 students

Conducted E-learning classes at 5 Government Schools at Jharli -1800 students from Std VI-XII

Built a Community Library at Durg - Average 60 footfall daily

COMMUNITY TRAINING

Linked community vocational training with Government Women Polytechnic College

195 women have received Government Certificates after completion of training till March 2019

EMPLOYEE VOLUNTEERING

Health camps, school enrolment drives, food-kit distribution, teaching at computer centre, assist community infrastructure development

96 employees contributed to community works

Total 1015 man-hours (per employee average ~10.57 man-hours)

ENVIRONMENT

More than 6000 saplings planted

Facilitated waste collection & disposal at Durg - 3 tipplers cover 6 villages

AWARDS 2018-19



JK Lakshmi Cement has been awarded with the title of 'Best Employee Engagement Company of the Year' by ET NOW



8th Asia's Best CSR Practices Awards 2018 given by CMO Asia at Sentosa, Singapore presented by Mr. Hong Chun Naran, Minister of Education, Sports & Culture of Combodia



Prestigious SNEMA (SEEM National Energy Management Award) 2017 given by Dr. Ajay Mathur (Director General of TERI & a member of the PM Council on Climate Change) & Mr. Saurabh Kumar (MD- Energy Efficiency Services Ltd.)



PPC, PSC, Composite Cement across all locations of operations Certified with Green Pro Certification by prestigious institute CII-Godrej, GBS, Hyderabad



'RSPC Shram Utpadakta Puraskar - 2016-17'
Shri Kheema Ram, Attendant Cement Mill, receiving the 'Shram Utpadakta Puraskar 2016-17' instituted by Rajasthan State Productivity Council from Shri DB Gupta IAS, Chief Secretary, Government of Rajasthan and Shri OP Galhotra IPS, DG of Police Rajasthan on 27th November, 2018 at Jaipur



'CII Leadership Performance Awards – 2018 (Solar)'
Shri Ravindra Jain, Sr. Manager (Instrumentation) and Shri Madan Singh, Manager (Solar) received the CII Performance Excellence Award, trophy and certificate from Md.Nasimuddin, Principal Secretary; Government of Tamilnadu, Mr. Ramesh Kymal, Chairman REC and Shri L.S. Ganpati, Co-Chairman on 5th Decmber, 2018 at Chennai



'CII Leadership Performance Awards – 2018 (Solar)'
Mr. Sumit Malhotra, Chief Executive Marketing, receiving the 2019 award for 'Best Loyalty Programme in B2B Sector' at Ceremony held at Taj Lands End ,Mumbai on 5th February, 2019



Shri Pradeep Ghara, Sr. Manager (Electrical) & Shri Kanish Kumar Singh , Asst. Manager (Process) receiving the Award from Shri Ajay Mishra, IAS, special chief secretary, Energy Sector Government of Telangana on 31st August, 2018 at Novotel HICC, Hyderabad

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

The Directors are pleased to present the 79th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2019.

FINANCIAL RESULTS

₹ in Crore

	2018-19	2017-18
Sales & Other Income	3938.60	3582.29
Profit before Interest & Depreciation	471.26	479.46
Profit before Depreciation	283.82	281.98
Profit / (Loss) after Tax	80.10	82.15
Surplus brought forward	269.23	197.71
Amount available for Appropriation	349.33	279.86
Appropriations		
Transfer to Debenture Redemption	8.51	-
Dividend & Dividend Distribution Tax	10.64	10.63
Surplus carried to Balance Sheet	330.18	269.23
	349.33	279.86

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 2019. The Dividend outgo subject to approval at the ensuing Annual General Meeting will be ₹ 10.64 Crores (inclusive of Dividend Distribution Tax of ₹ 1.81 Crores).

PERFORMANCE

The Company bettered the Industry in terms of volume growth by achieving a double-digit growth of 18% in its cement production and 15% in its cement sales during FY 2019 as against Industry Growth of 12% at all India and about 9% in the Company's operating market areas. The Company improved its capacity utilisation to 77% in FY19 from 65% in FY18. In fact, Company achieved 97% capacity utilisation in the last quarter of FY19.

The Company witnessed a sharp rise in fuel, diesel prices and other costs which had a severe impact on its profitability. To mitigate these impacts, the Company focused on improving its operational efficiencies and maximisation of its realisation by way of optimising product mix as also by enhancing distribution network. The Company has increased its blended cement production & sales substantially. The Company brought down its power consumption from 71 Kwh/ton in FY 18 to 69 Kwh/ton in FY 19. The Waste Heat Recovery Power Plant of 7.5 MW was commissioned in the last quarter of FY18, and had its first full year of operation, which enabled the Company to contain its power cost at Durg plant. With the commissioning of 20 MW Thermal Power Plant in FY 20 power cost will be brought down further.

Due to increase in petroleum prices, Company witnessed a steep rise in logistic cost, which is the single largest cost element. With various initiatives taken by Company towards optimising dumps and modes of transportation and encouraging direct dispatches aided by GST regime, the Company was able to reduce logistic cost by 5%.

Optimisation of its sales mix in terms of regions and segments has resulted in Company improving the realisations per Million Ton of cement sold. It is made possible by judicious mix of new brands, increased trade network and with these initiatives the Company enhanced share of trade sales by 10% in FY 19.

The Company's EBIDTA stood at ₹ 471.26 Crore as against ₹ 479.46 Crore in previous Financial Year. The Company's Net Profit was at ₹ 79.56 Crore as against ₹ 83.96 Crore in previous fiscal.

The Company improved its Debt Equity ratio to 1.06 in FY19 from 1.39 in FY18.

PROGRESS OF THE PROJECTS & EXPANSIONS

The Company is currently executing its Grinding Unit project in Odisha with an annual capacity of 0.8 Million Tonnes, which is expected to be commissioned in the second quarter of FY 2019-20. The Company is also executing a 20 MW Captive Thermal Power Plant which is expected to be commissioned by the end of first quarter of FY 2019-20.

OUTLOOK FOR INDIAN ECONOMY

Leaving behind the initial hiccups caused first by demonetisation in 2016 and then implementation of GST in mid-2017, the Indian economy is now steadily growing and is expanding nearly about 7% each year since last a few quarters and there is every reason to believe that it shall continue to do so at least for next a decade or two. With GST collections rising, infrastructure development in full swing, and this growth momentum continuing, India is on its way to be among top 3 global economies; just behind China and USA in next 7 – 8 years. A significant improvement of 23

places in India's rank on World Bank's Global Index of Ease of Doing Business should help India to emerge as global manufacturing and services hub in the time to come. This would naturally mean more employment and more income in the hands of the rising youth population of this country, who have a greater propensity to consume. It is natural to assume that when any economic development touches the lives of the vast majority of people then the sectors linked to construction are natural beneficiaries of such economic development.

With inflation and fiscal deficits firmly under control, tax base expansion leading to handsome increase in tax collections and a stable exchange rate, the only worry that India may have is of high reliance on energy imports. However, it is also pertinent to note that the share of manufactured goods and services in the export basket is consistently growing at CAGR of more than 20%. It is further heartening to see that the exports of electronic goods have risen by as much as 50% in last fiscal.

Oil and Gas imports nearly account for 40% of all imports and have potential to rise with firming up of international crude prices amid trade sanctions on Iran. It may be worthy to note here that while between FY 18 and FY 19; the Oil imports rose just about 3.7% in volume terms; the increase in value terms is as high as 56%. If similar trend continues it can have some implications on Indian economy as the rising current account deficit can lead to higher inflation, increase in fiscal deficit, and consequent cuts on capital expenditure and investments. However, with manufacturing gaining momentum through 'Make in India' initiative and rising exports, it should ease the worries arising out of possible Oil inflation. It is often stated that the 21st century shall belong to India; and within the first two decades we have seen significant changes that can make this dream a reality. The world is looking at India with a new vision and aspiration. And with this pace, commitment and strength nothing shall stop our country from achieving new heights.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Cement is a cyclic industry with trends that repeat every 3 – 4 years. During the peak years when the demand growth is near double digits, the industry has seen capacity utilisations peaking at more than 90%, but this is also followed by capacity utilizations falling below 70%. This is mainly due to rush of capacity additions during peak years. This time, the down cycle has been prolonged and fortunately, after a long gap of more than 7 years, the cement industry during last fiscal has witnessed a strong demand growth of over 12%. This growth, though, has pushed the average industry capacity utilisations to above 70%. With similar growth momentum continuing for the next couple of years with no big capacity additions in last a few years there is possibility of capacity utilisations again crossing above 80%.

However, the history of indiscriminate capacity additions seen between 2005 and 2010, which led to industry almost doubling its capacity, is unlikely to be repeated in the future as there are hardly any new players that have entered the industry in the recent past. Unexpectedly, low capacity utilisation levels in recent years have seen exit of some of the new entrants in cement business and this has led to consolidation of capacities into the hands of a few select players. Post this consolidation, the industry structure is unlikely to change soon and this would act as a barrier to indiscriminate capacity additions seen in past.

Another development which may have a long-term impact on the industry structure is in the way fresh mining leases have been allotted through auctions. While the initial few rounds of auctions witnessed abnormally high premiums to acquire the mining rights, the auctions which have taken place recently have seen some responsible behaviour by the participants. The mines which have been allotted in the auctions will have to be operationalised in next 3 – 5 years and this can see some new green-field capacities being created. Hence, going forward, the industry will see a balanced fresh capacity addition, from both point of views - the expansion of existing and creation of new. This certainly would mean a relatively higher capital cost and hence would call for a responsible pricing behaviour from all the players in the industry even when the demand growth and capacity utilisations are low.

OPPORTUNITIES AND THREATS

Housing and infrastructure are two key segments that account for more than 80% of total cement consumption in the country. Both of these sectors have seen significant upturn during last financial year.

While the infrastructure sector is mainly driven by government's spending, the cement consumption in housing is mostly driven by private spending. Slump in the organised real estate, which was culmination of oversupply in preceding years, very severely impacted cement demand during the last a few years. Even when there were some signs of excess housing stock getting liquidated and there were hopes of revival, demonetisation took the money supply out of market and virtually put new project launches on hold. Although in the long run demonetisation is expected to impact the industry in a positive way, the short term signs of this step were waning. The implementation of RERA, where

the builders had to complete and deliver on existing projects before starting new ones gave our industry a much needed boost. During this period, the government's spending on Pradhan Mantri Awas Yojna (PMAY) under Housing for All by 2022, also provided much needed support to keep the cement demand afloat.

Given the fact that the budget support on infrastructure and PMAY for FY 20 is similar to FY 19, any growth in demand for cement will only happen with increase in private spending on housing or with overall economic development and job creation that would lead to increase in commercial construction. Fortunately, the factors that impact private consumption and organised real estate appear to be on track and indicators are positive. There is healthy GDP growth and at more than 7% it puts India amongst the fastest growing large economy in the world. Additionally, the bank loans are getting cheaper especially for the first-time buyers and there is also tax relief for those who want to invest in the second-hand property. Lastly, the reduction of GST on under-construction properties should boost to new launches and promote more construction.

Your Company has taken a number of measures to capitalise on the emerging opportunities and counter the threats. These include building a portfolio of premium and stronger brands, which in turn have led to increase in market share in preferred markets; investing in enhancing brand equity and expanding the distribution network by reaching the deeper rural markets. This is with a view to facilitate the beneficiaries of PMAY and first-time home builders. Your Company has also been the title sponsor of IPL since last two seasons and it has yielded a very high brand visibility. Fruits of these efforts are already visible in the operational performance for the year that has just concluded and your Company is quite hopeful to reap further benefits in the coming years.

RISKS AND CONCERNS

Energy (Power & Fuel), Supply Chain Costs, and Taxes account for more than 60% of what a cement company gets from the customer as price or revenue from sales. Any major variation in these, with adverse demand situation, is a source of major risk and cause of concern. We would like to discuss and elaborate on each of these.

The cost of energy is largely impacted by global factors such as the supply situation, economy, politics and so on. With India being heavily dependent on energy imports, the impact is stronger and it is sizeably visible in the cement industry which gets almost 50% of its fuel requirements through imports. Hence, even a minor change in exchange rates, owing to any change in trade balance, can significantly impact the profitability of the industry. Luckily for the industry, the conditions in past have been favourable, though there are some signs of hardening of energy prices in global market. In order to hedge against these volatilities, the cement companies are now gradually moving towards alternate forms of energy and fuels. In the near future, the industry hopes to meet significant requirements of power from renewable sources, though there is still a long way to go.

Transportation is a major component in the Supply Chain and this is again largely dependent of the cost of fuel that is imported. As the lead distances become shorter, the share of road transport is increasing making the industry more vulnerable to variations in supply chain costs with respect to variations in fuel prices as compared to the past when rail movement accounted for more than 50% of total cost. However, the positive aspect is that lead distances are shrinking and the gains of shortening the distribution distances are relatively higher than the incremental per KM cost. Hence, those who can reduce the lead distances aggressively stand to gain in medium to long run.

Finally, the taxes – each time GST council meets, the industry eagerly hopes that the cement will be put under lower tax slabs than the sin slab of 28%. Ever since the introduction of GST, the council is periodically reviewing the tax rates and is consistently bringing more and more commodities under lower tax slabs. Cement is now one of the very few commodities that is in highest tax slab and understandably because it is not easy for the governments of the day to let lose the tax cow. Though, recently the government has provided some relief to the users, in terms of reducing GST on under construction property, a reduction in GST on cement would make the commodity more affordable to masses; especially those who are building homes under PMAY. It shall also help to bridge the gap in per capita cement consumption from global averages. With the general elections coming to an end and GST collections continuously improving; the industry is still hopeful for a favourable outcome.

Your Company has made various efforts to increase its market presence and market share in its natural markets and in the markets that are more economically beneficial. It is putting all efforts to considerably shrink the lead distances to optimise logistics cost further and increase the share of blended cement in its product portfolio. These measures would provide the company cushion to absorb the impact of increase in various costs.

KEY CHANGES IN FINANCIAL INDICATORS

Sl. No.	Particulars	Unit	As at 31.3.2019	As at 31.3.2018
1	Debtors Turnover	Times	49	47
2	Inventory Turnover	Times	12	11
3	Interest Coverage Ratio	Times	2.51	2.43
4	Current Ratio	Times	0.72	0.76
5	Operating Profit Margin	%	11 %	12 %
6	Net Profit Margin	%	2.06 %	2.41 %
7	Return on Networth	%	5.26 %	5.65 %

"Our People, Our Passion"

At JK Lakshmi, we believe that people are our biggest asset. Our aim has always been to create a place where employees take pride in their work and passionately contribute towards the Company's growth.

Augmenting our human capital and investing in our people towards their all-round development is an integral part of our DNA. We have always endeavoured to create an environment that not only encourages individual's passion but strengthens the team-spirit as well. At JK Lakshmi our core value proposition is to provide challenging, enriching and fulfilling opportunities that maximise our people's potential. We are focussed on creating an environment that provides challenges, opportunities to learn, rewards and growth.

JK Lakshmi is one of the Cement Company in India with low attrition rate. The recognition received over the years is testimony to this. JK Lakshmi was awarded "India's Best Companies To Work For - 2017" and "India's Top 10 Best Workplace in Manufacturing - 2018" by Great Place to Work Institute, India. In February 2019, we were honoured with the **"Best Employee Engagement Company of the Year"** award by **ET Now.**

To further synergise our bonding with the employees, as well as, to motivate them to strive for excellence, several unique initiatives are undertaken on a continuous basis. Few of the noteworthy ones are:

SWAGATAM - Post issuance of the appointment advice, a special letter is sent to either the parent or spouse of the candidate to congratulate them. The letter is duly signed by Head-HR and aims to evoke a sense of pride in the family members of the candidate.

SPARK - (Stimulating Passion in Achievers for Excellence in Results & enhanced Knowledge) – An initiative which focuses on developing young leaders. It aims to develop in the leaders of tomorrow, early responsibility and provide them with empowered roles as a part of our "grow our own timber" philosophy.

My Exclusive Time (MET)- This quarterly program is designed for employees wherein HR personnel meets and accompanies employees personally at their work areas for a whole day and tries to understand the pain and pleasure points.

Employee Engagement Survey- TRIM Index is a reflection of our innovative retention strategies, our enabling work culture and practices encompassing 'Care', 'Passion' and 'Ethical Performance'.

We conduct Employee Satisfaction Survey (ESS) through M/s. TNS India once in every two years. Our TRIM Index has been gradually increasing: 77 (2005), 80 (2007), 81 (2009), 85 (2011), 91 (2013), 92 (2015 & 2017), and 99 (2019). The TRIM index has always made us proud and has put us amongst the top 10% global companies (2007, 2009, 2011, 2013, 2015, 2017 & 2019).

Customer-in-Culture- It is a unique initiative wherein non-marketing employees, led by HR, visit and meet the dealers/end-customers and vendors of the Company on quarterly basis to understand their suggestions and difficulties, if any.

In addition to the above, other key initiatives in practice during the year under report include, We-Care (Cementing Aspirations through Receptive Exchange), Open House Communication Meeting with VC&MD, Whole-time Directors and Plant Heads, Udaan, Umang, Sham Ki Mulakat, Spring Fun Fest and more. These programs contributed significantly in engaging and driving excellence through human capital.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY.

Internal Control Systems are the foundation for ensuring achievement of organisation's objectives of operational efficiencies, reliable financial reporting and compliance with laws, regulations & policies. The Company has laid down strong internal control systems in line with the size, complexity and geographical spread of its business. These Internal Control Systems ensure that the assets & interests of the Company are well protected. These Internal Control Systems are reviewed regularly by the Management and also by the Internal and External Auditors of the Company and are found to be effective and adequate.

The Company has an in-house Internal Audit Department which carries out the Internal Audit based on a Systematic Audit Plan covering all key functions and aspects of the business. The Company has also engaged external audit firms for conducting audit of its major plants and key

marketing offices. The internal audit reports, of the external as well as in-house audit teams, are reviewed by the Top Management and are placed before the Audit Committee of Directors. The Audit Committee undertakes a total review of the audit observations and also the action taken by the Management on all the findings of the Internal Auditors. The implementation of the recommendations of the Internal Auditors is regularly reviewed and monitored by the Senior Management and the Action Taken Report is placed periodically before the Audit Committee. The Company also has an Internal Risk Management Committee comprising of Functional Heads. This Committee meets on a quarterly basis to evaluate the risk as also the mitigation plan put in place to minimise the impact of various internal and external risks to the Company's business. In addition, there is a Risk Management Committee at board level to review the various risks which impact the Company's operations and the management plan to meet those risks.

The Company also has a robust MIS system and budgetary control system under which the operating and financial performances are reviewed on a monthly basis. The variations with the budget are analysed and corrective actions are taken to minimise the variations with the budget wherever shortfalls are noticed. Further, the Company has also put in place Legal Compliance Monitoring Tool to ensure timely compliance of all the applicable status at its different locations.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial Control which commensurate to its size, complexity and the nature of its business. These Internal Financial Control Systems and Policies & Procedures ensure accuracy and completeness of the accounting records and also help in timely preparation of the reliable financial statements. These systems also ensure safeguarding of the Company's assets and prevention and detention of frauds and errors in the reporting mechanism.

The Company also has in place the specific Standard Operating Procedures (SOPs) for its various functional areas. These SOPs are reviewed periodically by the Internal Audit Team and exceptions, if any, are reported and corrective actions are taken therefore.

The Company's IT System is based on a robust ERP System which ensures seamless connectivity of plants, sales offices and head office for faster and more reliable processing of transactions as well as generating reports for faster decision-making. The Company also has a strong control system and management reporting system which serve as the backbone for monitoring its operations to ensure that business results are achieved and continuously improved.

The Internal Financial Control Systems are regularly reviewed to ensure their effectiveness, taking into account the essential components of Internal Controls stated in the Guidance Note on the Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on such assessments carried out by the Management, no reportable material weaknesses in the adequacy in the System of Operations of Internal Financial Controls were observed during the year.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on 31st March 2019 in the prescribed Form MGT -9 is attached as Annexure 'A' to this Report and forms a part of it and is also available on the website of the Company at www.jklakshmicement.com.

RELATED PARTY TRANSACTIONS

During the Financial Year ended 31st March 2019, 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 INVESTMENT

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 Notes to Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013 (Act), Shri Sushil Kumar Wali (DIN: 00044890) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

The Board of Directors of the Company, on recommendation of the Nomination & Remuneration Committee, has re-appointed Dr. Shailendra Chouksey (DIN: 00040282) and Shri Sushil Kumar Wali (DIN: 00044890) as Whole-time Directors of the Company, for a further period of 3 years each w.e.f. 1st August 2019, subject to requisite approval of Members of the Company at the ensuing AGM. The Board recommends their re-appointment.

Further, the Board of Directors appointed Ambassador Bhaswati Mukherjee (DIN:07173244) as an Additional Director in the category of Independent Director, pursuant to Regulation 17(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), for a period of three consecutive years, with effect from 28th March 2019, subject to requisite approval of the Members at the ensuing AGM. Ms. Mukherjee holds office up to the date of the ensuing AGM. The Company has received requisite Notice under section 160 of the Act from a Member and declaration from her under Regulation 16 of Listing Regulations regarding her independence pursuant to Section 149 of the Act. As an Independent Director, Ms. Mukherjee shall not be liable to retire by rotation. The Board recommends her appointment.

The first term of office of Dr. Kashi Nath Memani (DIN: 00020696), Shri Bhupendranath Bhargava (DIN: 00001823), Shri Nand Gopal Khaitan (DIN: 00020588), Shri Pradeep Dinodia (DIN: 00027995) and Shri Ravi Jhunjhunwala (DIN: 00060972) as Independent Directors of the Company shall determine at the date of ensuing AGM i.e., 31st August 2019. They are eligible for re-appointment as Independent Directors of the Company for a second term of upto five consecutive years. The Board of Directors has recommended for the approval of the Members through Special Resolution in the ensuing AGM, re-appointment of Dr. Kashi Nath Memani, Shri Bhupendranath Bhargava, Shri Nand Gopal Khaitan and Shri Ravi Jhunjhunwala as Independent Directors of the Company for a second term as mentioned in the AGM Notice forming part of the Company's Annual Report 2018-19. Shri Pradeep Dinodia has requested the Board not to consider him for re-appointment and relieve him from the office of the Director after the expiry of his present term.

The Board has taken on record the declarations and confirmations received from above Independent Directors regarding their independence pursuant to Section 149 of the Act and Regulation 16 of Listing Regulations.

There were no other changes in the Directors/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 2018-19 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, 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 there under.

The Particulars in respect of the deposits covered under Chapter V of the said Act, for the Financial Year ended 31st March 2019 are: (a) Accepted during the year – ₹ 7.17 Crore;(b) Remained unclaimed as at the end of the year – ₹ 0.41Crores; (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) In accordance with the provisions of the Companies Act, 2013 and rules thereunder, M/s. S.S. Kothari Mehta & Company, Chartered Accountants, were appointed as the 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.

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 2018-19.

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 Auditors 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 2018 and as required, Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Company has duly maintained requisite Cost Records pursuant to Section 148(1) of the Companies Act 2013.

The Audit of the cost records of the Company for the Financial Year ended 31st March 2019 is being conducted by the said firm and the Report will be duly filed.

CORPORATE SOCIAL RESPONSIBILITY

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

The Company has undertaken several activities for empowering women especially tribal women in the areas of adult literacy, formation of self-help groups for income generation through providing them trainings on various trades. During the Financial Year, the Company has also focused on activities related to Swachh Bharat Mission by constructing IHHLs in the villages, providing sanitary napkins, especially to adolescent girls, by installing Napkin making machines near our Plant locations.

Besides, the ongoing initiatives of the Company to bring about the meaningful and sustainable impact in and around the societies that we operate in, we have partnered with Ashoka University in a unique initiative of the Haryana government to bring about required changes in the governance for the efficient and meaningful administration.

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

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 Act, the Report and Accounts are being sent to all the Members of the Company and others entitled there to, 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 up to 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 could impact the going concern status of the Company and its future operations.

CHANGE IN THE NATURE OF BUSINESS

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

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Sustainability & Business Responsibility Report of the Company for the Financial Year 2018-19 ended 31st March 2019 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 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) Salient features of the Nomination and Remuneration Policy, including changes therein.

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

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

(e) Details regarding Risk Management.

(f) Dividend Distribution Policy.

(g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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 issued by the Institute of Company Secretaries of India.

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 have 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 are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and cooperation received from various State Governments. The Directors also thank the Financial Institutions, Banks, shareholders, suppliers, dealers and in particular the valued customers for their trust and patronage.

Your Directors record their appreciation for the dedication and hard work put in by 'Team-JK Lakshmi', which has enabled the Company to continue to grow stronger in these challenging times.

CAUTIONARY STATEMENT

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

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

On behalf of the Board of Directors

Place: New Delhi
Date: 22nd May 2019

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019
[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	93

* 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, CFA, P.O. Dabok, Udaipur, Rajasthan-313022	L26943RJ1993PLC007267	Subsidiary	Equity-72.54 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 Susidiary of Hansdeep Industries & Trading Company Limited @ 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 2018)				No. of Shares held at the end of the year (as on 31st March 2019)				%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**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1,83,82,957	2,160	1,83,85,117	15.62	1,99,24,598	2,160	1,99,26,758	16.93	1.31
(b) Banks/FI	8,527	24,742	33,269	0.03	10,863	20,404	31,267	0.03	-
(c) Central Govt.	8,27,280	-	8,27,280	0.70	8,88,527	-	8,88,527	0.76	0.06
(d) State Govt. (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	42,84,403	5,804	42,90,207	3.65	40,63,725	5,804	40,69,529	3.46	-0.19
(g) FIIs	95,17,692	-	95,17,692	8.09	1,06,28,001	-	1,06,28,001	9.03	0.94
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**3,30,20,859**	**32,706**	**3,30,53,565**	**28.09**	**3,55,15,714**	**28,368**	**3,55,44,082**	**30.21**	**2.12**
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	1,09,76,582	1,19,436	1,10,96,018	9.43	90,65,322	1,17,864	91,83,186	7.80	-1.63
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	95,96,555	13,57,153	1,09,53,708	9.31	97,85,256	11,19,685	1,09,04,941	9.27	-0.04
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	78,64,921	27,600	78,92,521	6.70	73,09,114	27,600	73,36,714	6.24	-0.46
(c) Others (specify)									
(i) Non-Resident Indians	5,07,562	12,952	5,20,514	0.44	5,55,599	11,336	5,66,935	0.47	0.03
(ii) Trust & Foundation	68,795	484	69,279	0.06	68,770	484	69,254	0.06	-
(iii) Cooperative Societies	12	448	460	0.00	12	448	460	0.00	-
(iv) NBFCs registered with RBI	25,242	-	25,242	0.02	5,735	-	5,735	0.00	-0.02
Sub-Total (B)(2)	**2,90,39,669**	**15,18,073**	**3,05,57,742**	**25.97**	**2,67,89,808**	**12,77,417**	**2,80,67,225**	**23.85**	**-2.13**
Total Public shareholding (B)= (B)(1)+(B)(2)	**6,20,60,528**	**15,50,779**	**6,36,11,307**	**54.06**	**6,23,05,522**	**13,05,785**	**6,36,11,307**	**54.06**	**-0.01**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**11,61,19,287**	**15,50,779**	**11,76,70,066**	**100**	**11,63,64,281**	**13,05,785**	**11,76,70,066**	**100**	**-**

**The total shareholding of Promoters at (A) above includes 2,60,01,864 (22.10%) as on 1st April 2018 and 31st March 2019 pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 / 2018. The same does not form part of the Promoters as defined in the Companies Act, 2013.

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2018)			Shareholding at the end of the year (as on 31st March 2019)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Bengal & Assam Company Ltd.	2,80,56,895	23.84	-	2,80,56,895	23.84	-	-
	Total	**2,80,56,895**	**23.84**	-	**2,80,56,895**	**23.84**	-	-

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2018)		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 2019			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 2018)		Shareholding at the end of the year (31st March 2019)	
		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	Franklin Templeton Mutual Fund A/C Franklin India Focused India Fund ^ ^	29,50,976	2.51	45,00,000	3.82
4	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus ^ ^	30,00,000	2.55	39,00,000	3.31
5	HDFC Life Insurance Company Ltd ^ ^	47,15,854	4.01	32,03,462	2.72
6	Government Pension Fund Global ^ ^	30,94,262	2.63	30,94,262	2.63
7	Life Insurance Corporation of India Ltd. ^ ^	28,93,126	2.46	28,93,126	2.46
8	Sachin Bansal & Vivek Bansal ^ ^	28,79,533	2.45	27,95,036	2.38
9	Franklin India Smaller Companies Fund ^ ^	18,95,030	1.61	23,45,030	1.99
10	ICICI Prudential Equity & Debt Fund ^ ^	16,15,763	1.37	18,19,956	1.55

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 2018 and 31st March 2019.

(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 2018)		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., 31.3.2019			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., 31.3.2019			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., 31.3.2019			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., 31.3.2019			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., 31.3.2019			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., 31.3.2019			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., 31.3.2019			180	0.00

Note: Shri Pradeep Dinodia, Shri Ravi Jhunjhunwala, Dr. Kashi Nath Memani, Ms. Bhaswati Mukherjee, 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 2018, during the year 2018-19 and at the end of the year i.e., as on 31st March 2019.

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 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**
Change in indebtedness during the Financial Year				
• Addition	177.06	-	-	177.06
• Reduction	(375.50)	(205.00)	(4.92)	(585.42)
Net Change	**(198.44)**	**(205.00)**	**(4.92)**	**(408.36)**
Indebtedness at the end of the Financial Year (as on 31st March 2019)				
(i) Principal Amount	1581.43	-	31.44	1612.87
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	8.43	-	2.30	10.73
Total (i+ii+iii)	**1589.86**	**-**	**33.74**	**1623.60**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Crore)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Bharat Hari Singhania (Chairman & Managing Director)	Smt. Vinita Singhania (Vice Chairman & Managing Director)	Dr. Shailendra Chouksey (Whole-time Director)	Shri Sushil Kumar Wali (Whole-time Director)	
1.	**Gross Salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.94	5.07	3.29	3.31	14.61
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.27	0.31	0.02	0.01	0.61
2.	Others (mainly contribution to Provident Fund)	0.28	0.51	0.16	0.16	1.11
	Total (A)	**3.49**	**5.89**	**3.47**	**3.48**	**16.33**
	Ceiling as per the Companies Act 2013	Remuneration paid as approved by the Shareholders by means of Special Resolution passed on 7th September 2016 & 15th January 2019				

(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	Dr. K.N. Memani	Shri Pradeep Dinodia	Ms. Bhaswati Mukherjee	Dr. Raghupati Singhania	
1	Independent Directors								
	• Fee for attending Board / Committee Meetings	0.03	0.07	0.05	0.03	0.01	-	-	0.19
	• Commission (Amount)	0.07	0.07	0.07	0.07	0.07	-	-	0.35
	Total (1)	**0.10**	**0.14**	**0.12**	**0.10**	**0.08**	**-**	**-**	**0.54**
2.	Other Non-executive Directors								
	• Fee for attending Board / Committee Meetings	-	-	-	-	-	-	0.05	0.05
	• Commission (Amount)	-	-	-	-	-	-	0.07	0.07
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**0.12**	**0.12**
	Total (B) = (1+2)	**0.10**	**0.14**	**0.12**	**0.10**	**0.08**	**-**	**0.12**	**0.66**
	Overall Ceiling as per the Companies Act 2013	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	2.80	1.04	3.84
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.02	0.05	0.07
2.	Others (mainly contribution to provident fund)	0.07	0.04	0.11
	Total	**2.89**	**1.13**	**4.02**

(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 2019.

On behalf of the Board of Directors

Place: New Delhi
Date: 22nd May 2019

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE 'B' TO DIRECTORS' REPORT

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 2018-19:-

- Optimisation of cooling air in Kiln.
- Arresting False air ingress across pre collector and mill outlet (VRM).
- Installation of Aerofoil design louver ring and armour ring in VRM-2.
- Installation of Online Particle size Distribution Analyzer (PSD) in CM-2.
- Compressed air line modification in CM-2.
- VFD installed in PA fan of kiln-3.
- Installation of flow guiding plate on separator rotar in CM-1.
- VFD installation in kiln-2 main firing blower.
- Optimisation of pressure drop across coal mill and booster fan through CFD study.
- VFD installed in Coal firing blowers to optimize coal to air ratio.

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

- Increased use of Bio-Mass, RDF pluff and other Non- Hazardous waste.
- Liquid AFR feeding system in Kiln-1.
- Installation of Harrow trolley system in AFR circuit.
- Enhancing generation potential of WHR through optimisation of clinker cooler.

(III) The Capital Investment on energy conservation equipment:

Sl. No.	Particulars/ Equipment Names	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1.	Optimization of Clinker Cooler MFR	-	450
2.	Boiler outlet is to be directly connected to ESP, bypassing booster fan.	10	25
3.	Replacement of GRP Fans with FRP Fans	40	55
4.	MVFD in Boiler Feed Pump	-	25
5.	Variable frequency drive for fine coal bins.	8	5
6.	Variable frequency drive for packing plant bag filter	10	6
7	Pre Crusher in Cement Mill	41	28

B. Technology Absorption

(I) The Efforts made towards technology absorption:-

- Installation of Online Particle size Distribution Analyzer (PSD)
- Installation of Aerofoil design louver ring and armour ring in VRM-2
- Automatic cement bulker loading system in packing plant for loading different grades of cement.
- Replacement of GRP fans with FRP fans.
- Installation of MVFD in boiler feed pump.

- Installation of 02 Nos. Continuous Ambient Air Quality Monitoring Stations (CAAQMS)
- Installation of PTZ Camera for all major stacks centralized these with LED screen for top stack view.
- Online Continuous Effluent Monitoring System (CEMS) for 3*18 MW CTPP.
- Installation and Commissioning of SNCR system at Durg.

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

- Reduction of additive cost by optimizing mines quality.
- Platinum heavy duty cement launched.
- Water pattern modified to optimize water consumption in Cement VRM.
- Turn Around Time for out bound trucks improved by installing additional Weigh Bridge.

(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 reason thereof:- NA

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

S.No.	Particulars	Amount (₹ in Crore)
1.	Capital Expenditure	0.01
2.	Revenue Expense	6.23

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.	225.51

On behalf of the Board of Directors

Place: New Delhi
Date: 22nd May 2019

Bharat Hari Singhania
Chairman & Managing Director

ANNEXURE - C - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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, 2019** (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, 2019 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 and 2018;

(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 and 2018- (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, 2016 and Cement (Quality Control) Order, made thereunder

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

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

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

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

I further report that, during the audit period, Company opted for conversion of Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 45.00 Crore in Equity Shares of Udaipur Cement Works Limited, a subsidiary of the Company.

This report is to be read along with 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. Wherever 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.

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

Place: New Delhi
Date: 1st May 2019

ANNEXURE - D - CSR REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2019

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-

   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". 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.

   The CSR Policy of the Company reflects strongly the commitment towards inclusive growth and development. The CSR Policy objective clearly state that "the Company aspires to be a leading Company in the Indian Cement Industry while maintaining a clear focus on social upliftment for inclusive growth to the realization of truly empowered society". The vision of the Company's CSR 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". Accordingly, major CSR thrust areas of the Organization are Health; Water & Sanitation; Education; Skill development and Livelihoods; Environment sustainability and Rural Development.

   A brief detail of various initiatives and programs are given below-

   Health: -

   Under the Health CSR projects, the Company has implemented one of its flagships CSR projects – Naya Savera- an Integrated Family Welfare Programme which focus on reducing maternal and infant's mortality rate in the Sirohi District of Rajasthan which has benefitted more than 80,000 people. Due to this project, the Company has been able to improve maternal and infant's health in the area. Under the Naya Savera project, more than 1663 pregnant women received full ANC care and about 1349 institutional deliveries were supported. Apart from this, more than 830 medical health camps were organized which benefitted approximately 24000 people. HIV/AIDS awareness camps were also organized. The Company also supported WHO recommended staple food to 40 Multi Drug Resistant-Tuberculosis (MDR-TB) patients in Gujarat. This project for the Multi- Drug Resistant-TB was initiated in partnership with Civil Hospital, Gandhinagar, Gujarat. This has benefitted 118 Multi Drug Resistant-Tuberculosis (MDR-TB) patients from BPL and vulnerable groups. Under Health project, other major activities included nutritional support to pregnant women, organizing awareness meetings on preventive health care and promotion of low -cost sanitary napkins among the girls and women as a part of promotion of personal hygiene.

   Education: -

   Under the Education Projects, the Company organized adult literacy centres, E-learning classes in Govt. Schools and mainstreamed dropouts to various government schools. Under the adult literacy project, more than 100 women were made functionally literate. For the Company, one of the key education projects has been, "Project Aarmbh". Under this project the focus has been to mainstream the drop-outs and never-been-to-school children at various grades into Government schools. During the reporting period, total of 52 children were mainstreamed into schools at various plant locations. So far 739 children have been placed in various Schools under the umbrella of 'Project Aarambh'. Another key project was adoption of school for the purpose of making it a model school. Under this, school was supported with teachers, books, libraries, drinking water and other basic facilities like table and benches for students. Under the thrust area of education, the Company adopted five "Anganwadi Centers" in Sirohi District of Rajasthan which benefited more than 100 children. E-learning classes were organized at five schools at Jhajjar Plant location which benefited about 1800 students. The Company CSR education initiative is truly inclusive as it is supporting one "Special School" of MR children. The CSR project is providing multiple need-based support to more than 50 Mentally Retarded (MR) children in partnership with District Child Welfare Office. The Company also set up

and runs "Remedial Classes" for "Children with low learning levels" and community-based libraries. Apart from the abovementioned initiatives, the Company also supports infrastructure facilities mainly girls' toilets, RO's in Govt. Schools, etc.

Skill Development & Livelihood: -

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, etc. 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. Over 195 Self-Help- Group (SHG) members generated additional income of about 1500-2000 per month through stitching & embroidery, broom, paper plate/Dona, phenyl making, Pickle/Papad making, Cotton Bags, Sanitary Napkin Making, etc.

Apart from the vocational trainings, other key intervention has been to support small and marginal farmers with high yielding varieties seeds to increase production and income.

The social intervention programmes and initiatives are aligned to various Sustainable Development Goals.

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

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

   The CSR Committee comprises of the following Members:

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

   One meeting of the CSR Committee was held during the financial year 2018-19 which was attended by all members.

3. **Average Net Profit of the Company for last three financial years: ₹ 4,188 lakh**
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 83.48 lakh**
5. **Details of CSR spent during the financial year**
   a. **Total amount spent for financial year 2018-19** : ₹122.88 lakh
   b. **Amount unspent, if any** : NIL
   c. **Manner in which the amount spent during the financial year is detailed below:**

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
1	Medical Camps & Aids to patients under Health Care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the central govt. for the promotion of sanitation and making available safe drinking water	Durg, Chattisgarh/ Kalol & Surat Gujarat/ Jharli, Haryana/ Cuttack, Odisha	18.00	25.30	153.00	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
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	25.50	21.14	121.73	Direct
3	Education	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 & Surat Gujarat/ Jharli, Haryana/ Cuttack, Odisha	9.00	33.30	249.89	Direct
4	Water & 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/ Jharli, Haryana/ Surat, Gujarat	9.00	9.82	137.66	Direct
5	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/ Kalol & Surat, Gujarat/ Cuttack, Odisha	12.00	19.48	173.23	Direct/ NGO

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount Spent Direct or through NGO
6	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	Durg, Chattisgarh/ Kalol, Gujarat	0.50	2.38	21.58	Direct
7	Rural Development	Rural Development Projects	Jaykaypuram, Rajasthan/Durg, Chattisgarh/ Kalol & Surat, Gujarat	2.50	8.55	147.52	Direct
8	Others			7.00	2.91	47.94	
		TOTAL		**83.50**	**122.88**	**1052.55**	

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

S.K.Wali
Whole-time Director

Date: 22nd May 2019

ANNEXURE 'E' TO DIRECTOR'S 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 2018-19 ended 31st March 2019:

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, 1.96; Shri Ravi Jhunjhunwala, 1.68 ; Shri Pradeep Dinodia, 1.12; Dr. Kashi Nath Memani, 1.40, Dr. Raghupati Singhania, 1.68 and Shri B.V. Bhargava, 1.40 (b) Executive Directors: Shri Bharat Hari Singhania, CMD, 48.95; Smt. Vinita Singhania, VC &MD, 82.61; Shri S.K. Wali, WTD, 48.67 and Dr. S. Chouksey, WTD, 48.67.

B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary - The KMPs received normal annual increment in the Salary. Executive Directors & KMPs - Shri Bharat Hari Singhania, CMD, (33.14 %); Smt. Vinita Singhania, VC & MD, 10.51 %; Dr. S. Chouksey, WTD, 9.12% and Shri S.K. Wali, WTD, 9.12 % each; Shri S.A. Bidkar, CFO, 9.06% and Shri B.K. Daga, Sr. VP & CS, 9.71%. Non-executive Directors - Dr. Raghupati Singhania 0.00%; Shri B.V. Bhargava, (9.09%), Dr. Kashi Nath Memani 11.11%; Shri Pradeep Dinodia (20.00%); Shri Ravi Jhunjhunwala 20.00%; and Shri N.G. Khaitan 7.69%.

C. The percentage increase in the median remuneration of employees is 4.55 %. The number of permanent employees on the rolls of Company - 1757.

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 9% with individual increment varying from 0 to 20%.

E. We affirm that the remuneration paid during the year 2018-19 is as per the Nomination & Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: 22nd May 2019

Bharat Hari Singhania
Chairman & Managing Director

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 2019, the Board of Directors of the Company consists of eleven Directors comprising of four Executive Directors and seven Non-executive Directors (NED) out of which six are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2018-19 ended 31st March 2019, on 16th May 2018, 2nd August 2018, 14th November 2018 and 8th February 2019. Attendance and other details of the Directors as on 31st March 2019 are given below:

Name of the Director	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (7.9.2018)	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies		
					Director-ships $	Committee Memberships @	Committee Chairmanships @
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Shri Bharat Hari Singhania, Chairman & Managing Director	00041156	Executive	3	No	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	4	Yes	5	-	-
Shri B.V. Bhargava*	00001823	IND	2	Yes	3	3	1
Dr. Kashi Nath Memani*	00020696	IND	4	No	4	3	1
Shri Nand Gopal Khaitan*	00020588	IND	4	Yes	6	6	2
Shri Pradeep Dinodia*	00027995	IND	2	No	5	9	5
Dr. Raghupati Singhania	00036129	NED	4	No	8	2	1
Shri Ravi Jhunjhunwala *	00060972	IND	3	Yes	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	-	-
Ms. Bhaswati Mukherjee*#	07173244	IND	N.A.	N.A.	2	-	-

*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).

Shri B.V. Bhargava, Dr. Kashi Nath Memani, Shri Nand Gopal Khaitan and Shri Ravi Jhunjhunwala who were appointed as Independent Directors of the Company for a term of five consecutive years at the AGM held in 2014 are proposed to be re-appointed as Independent Directors at the forthcoming AGM in accordance with the provisions of Section 149 of the Companies Act, 2013 and Listing Regulations. Shri Pradeep Dinodia who was also appointed at the aforesaid AGM has requested the Board not to consider him for re-appointment.

$ Excluding private companies, foreign companies, general association public 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.

Ms. Bhaswati Mukherjee was appointed as an Independent Woman Director on the Board of Directors of the Company w.e.f. 28th March 2019.

Other Listed Companies where Directors of the Company are Directors and their category of Directorship (as on 31st March 2019)

Sl.No	Name of Director	Name of Listed Company	Category of Directorship
1	Shri Bharat Hari Singhania	JK Agri Genetics Limited	Non- Executive
		JK Paper Limited	Non- Executive
		JK Tyre & Industries Limited	Executive
		Bengal & Assam Company Limited	Non- Executive
2	Smt. Vinita Singhania	JK Paper Limited	Non- Executive
		HEG Limited	Non- Executive
		Udaipur Cement Works Limited	Non- Executive
		Bengal & Assam Company Limited	Non- Executive
3	Shri B.V. Bhargava	The Supreme Industries Limited	Independent
		Grasim Industries Limited	Independent
		Excel Corp Care Limited	Independent
4	Dr. Kashi Nath Memani	HT Media Limited	Independent
		Emami Limited	Independent
		DLF Limited	Independent
5	Shri Nand Gopal Khaitan	Mangalam Timber Products Limited	Independent
		Mangalam Cement Limited	Independent
		Reliance Chemotex Industries Limited	Non- Executive
		India Power Corporation Limited	Independent
		HSIL Limited	Independent
		Chase Bright Steel Limited	Independent
6	Shri Pradeep Dinodia	DFM Foods Limited	Independent
		Shriram Pistons and Rings Limited	Non- Executive
		Hero Motocorp Limited	Independent
		DCM Shriram Limited	Independent
7	Dr. Raghupati Singhania	JK Agri Genetics Limited	Non-Executive
		Radico Khaitan Limited	Independent
		JK Tyre & Industries Limited	Executive
		Bengal & Assam Company Limited	Non-Executive
		D C M Limited	Independent
8	Shri Ravi Jhunjhunwala	HEG Limited	Executive
		RSWM Limited	Non-Executive
		Maral Overseas Limited	Non-Executive
		BSL Limited	Non-Executive
		India Glycols Limited	Independent
9	Ms. Bhaswati Mukherjee	Jindal Stainless Limited	Independent

Note: Other directors do not hold directorship in any other listed company.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

The Board has identified the following as core skills/expertise/competencies required in the context of the Company's business and sector for it to function effectively:-

(i) financial and accounting knowledge; (ii) strategic expertise; (iii) risk governance; (iv) legal & corporate governance expertise; (v) technology/ knowledge pertaining to Cement industry; (vi) commercial experience; (vii) community service, sustainability and corporate social responsibility and (viii) quality and safety experience.

All these skills/expertise/competencies are available with the Board of Directors of the Company.

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 2019 are: Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan – 15,948 shares and Dr. Raghupati Singhania – 1,77,948 shares. Dr. Kashi Nath Memani, Shri Pradeep Dinodia, Ms. Bhaswati Mukherjee 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 11th March 2019. Shri Nand Gopal Khaitan was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting except Shri Pradeep Dinodia to whom leave of absence was granted.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

5. PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors has specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

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 Act 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 as amended from time to time.

The Committee consists of four Directors, out of which three are Independent Directors and one is Non-executive Director. Four meetings of the Audit Committee were held during the financial year ended 31st March 2019.

Date of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
16th May 2018	4
2nd August 2018	5
14th November 2018	4
8th February 2019	3

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman (IND)	4
Dr. Raghupati Singhania	Member (NED)	4
Shri Ravi Jhunjhunwala	Member (IND)	3
Shri B.V. Bhargava	Member (IND)	2
Shri Sushil Kumar Wali*	Member (IND)	3

*Shri Sushil Kumar Wali ceased to be a Member of the Committee w.e.f. 14th November 2018

The Audit Committee Meetings were attended by the Chief Financial Officer, 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. 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 as amended from time to time.

Date of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
16th May 2018	3
2nd August 2018	4
14th November 2018	4
8th February 2019	4

The name 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 (IND)	4
Shri Bharat Hari Singhania	Member	3
Dr. Shailendra Chouskey	Member	4

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 2019, the Company received nine 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 2019, 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 Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
16th May 2018	2
14th November 2018	3
8th February 2019	3
11th March 2019	4
27th March 2019	4

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 (IND)	5
Shri B.V.Bhargava	Member (IND)	3
Shri Ravi Jhunjhunwala	Member (IND)	4
Shri Bharat Hari Singhania	Member	4

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 and independence of a Director as well as a policy on Board Diversity. The Policy is available at the website of the Company and the weblink is http://www.jklakshmicement.com/wp-content/uploads/2019/04/NR-Policy.pdf. The salient features of the policy are 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 and Listing Regulations 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, as 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 the Board of Directors, its Committees and individual Director as per the manner of performance evaluation specified by the Committee from time to time.

(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 while recommending any new name of Director for appointment to the Board.

(v) The eligibility criteria for appointment of Key Managerial Personnels (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 2019 to the following Executive Directors is as follows: Shri Bharat Hari Singhania - ₹ 3.49 Crore, Smt. Vinita Singhania - ₹ 5.89 Crore, Shri Sushil Kumar Wali - ₹ 3.48 Crore and Dr. Shailendra Chouksey - ₹ 3.47 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 2018-19, the Company paid sitting fees aggregating to ₹ 24.65 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, Dr. 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
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
2017- 18	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7th September 2018	12.00 Noon

Special Resolutions regarding re-appointment and payment of Minimum Remuneration to Managing Directors and Whole-time Directors 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. Special Resolution regarding issue of securities of upto ₹ 500 Crore was passed in the AGM held on 7th September 2017 and 7th September 2018.

Special Resolutions for waiver of the recovery of part of minimum remuneration paid to Chairman and Managing Director (CMD) and Vice Chairman and Managing Director (VC&MD) for Financial Years 2016-17 and 2017-18; and for Payment of Remuneration to them for their remaining period of tenure were passed on 15th January 2019 by way of Postal Ballot during the Financial Year 2018-19 ended 31st March 2019. Mr. Ronak Jhuthawat, Company Secretary in whole- time Practice, was appointed as Scrutinizer for conducting the postal ballot/ e- voting process.

The Special Resolutions were passed with requisite majority on 15thJanuary 2019. Details of voting pattern is available on the Company's Website at www.jklakshmicement.com. There is no immediate proposal for passing any resolution through Postal Ballot.

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/companys-policy-pdf/Related-Party-Transactions-Policy.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: NIL

Based on Company's submission, for non-compliance of Regulation 18 of SEBI Listing Regulations, show cause Notice issued by NSE and BSE Ltd. were withdrawn by the said stock exchanges. 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 ensure the dignity and self-respect of women employees. 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 Internal Complaints Committees (ICC) at its work places to redress the complaints, if any, of women employees. The Company also organises workshop/awareness programmes from time to time in this regard.

During the year, no complaint was filed with ICC alleging Sexual Harassment. Further, there were no complaints pending as on the end of the financial year 31st March 2019.

(v) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. The Company has a Risk Management Committee headed by a Whole-time Director which meets on quarterly basis and evaluate the efficacy of the framework relating to risk identification and its mitigation. In addition, the Board at its Meeting held on

8th February 2019 has constituted a Board level Risk Management Committee, pursuant to Regulation 21 of SEBI Listing Regulations comprising of four Directors - namely, Smt. Vinita Singhania (Chairperson of the Committee), Shri N.G. Khaitan, Dr. S. Chouksey and Shri S.K.Wali and three senior executives of the Company- namely, Shri S.A. Bidkar, Shri S. Ramesh and Shri P. L. Mehta. Further, the Board of Directors has also defined the role and responsibilities of the Committee including Cyber Security. The Company Secretary acts as the Secretary of the Committee.

(vi) **Disclosure of commodity price risks and commodity hedging activities:** As a part of Risk Management mechanism, the Company has identified fluctuations in major commodity prices as one of the risks. To mitigate the same, the Company undertakes commodity 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 ensure availability of raw material and prices under check.

Requisite details pursuant to SEBI Circular dated 15th November 2018: For the financial year 2017-18, Company's exposure in petcoke and coal was more than 10% of the total cost of production. Board of Directors considered Petcoke and Coal as 'Material' commodities for the purpose of disclosure as required under the aforesaid SEBI Circular.

(a) Total exposure of the listed entity to commodities: ₹564/- Crore

(b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke	509 Crore	5.12 lakh MT	NIL	NIL	NIL	NIL	NA
Coal	55 Crore	2.35 lakh MT	NIL	NIL	NIL	NIL	NA

(c) Commodity risks faced by the listed entity during the year: Nil

(vii) Details of utilization of funds raised through preferential allotment as specified under Regulation 32 (7A): During the financial year, the Company has not raised any funds through preferential allotment or through Qualified Institutions Placement.

(viii) **Certificate:** The Company has received requisite certificate from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS 234, CP No. 3331) dated 17th May 2019 that none of the directors on the Board of JK Lakshmi Cement Ltd. has been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

(ix) **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.

During the year, Udaipur Cement Works Limited, has become a Material Subsidiary of the Company as defined in Regulation 16 of the Listing Regulations and all applicable requirements have been duly complied with.

The Company has formulated a policy for determining material subsidiary as required under above Regulation and the same is disclosed on the Company's Website. The web link is http://www.jklakshmicement.com/companys-policy-pdf/Policy-for-Material-Subsidiary.pdf

(x) **Credit Ratings**

Ratings to various facilities of the Company by Rating Agencies are as under:

Sl. No.	Facility	Rating Agency	Rating Assigned
A	**Long Term Bank Facilities**		
1	Long Term Bank facilities of ₹1599.85 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
2	Non-Convertible Debentures of:		
	- ₹ 300 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
	- ₹ 40 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
	- ₹ 33.19 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
3	Fixed Deposits of ₹ 50 Crore	CARE Ratings Ltd.	CARE AA- (FD); Stable (Double A Minus [Fixed Deposits]; Outlook Stable)
4	Non-Convertible Debentures of ₹ 40 Crore	Brickwork Ratings India Pvt. Ltd.	BWR AA (Outlook : Stable)
B	**Short Term Bank Facilities**		
1	Short Term Bank Facilities of ₹ 500 Crore	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
2	Commercial Paper of ₹ 375 Crore	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
3	Commercial Paper of ₹ 375 Crore	CRISIL Ltd.	CRISIL A1(+) (A One Plus)

During the year under review, CARE Ratings Ltd has revised the Credit Rating in respect of Company's Long Term Banking Facilities & Non-Convertible Debentures from CARE AA Stable (Double A; Outlook Stable) to CARE AA- (Double A Minus; Outlook Stable). Further, CARE has also revised the Credit Rating in respect of Company's Fixed Deposits from CARE AA (FD) Stable (Double A, [Fixed Deposits]; Outlook Stable) to CARE AA- (FD); Stable (Double A Minus; [Fixed Deposits]; Outlook Stable).

Brickwork Rating has maintained the existing rating of BWR AA (Outlook : Stable).

During the year under review, CARE Ratings Ltd. & CRISIL have maintained the Credit Rating in respect of Short Term Banking Facilities & Commercial Paper at CARE A1(+) (A One Plus) & CRISIL A1 (+) (A One Plus) respectively.

(xi) **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 along with 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.

(xii) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended 31st March 2019.

(xiii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details relating to fees paid to the Statutory Auditors are given in Note 47 to the Standalone Financial Statements. No fees has been paid by any of the subsidiaries to the said Auditors. Further, no fees was paid by any of the subsidiaries or by the Company to any entity in the network firm / network entity of which the statutory Auditor is a part.

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 Directors seeking appointment or re-appointment at the aforesaid AGM are given in the statement under Section 102 of the Companies Act, 2013 to the Notice convening the said AGM.

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

(iv) **Financial Calendar (Tentative)**

Financial Reporting

for the quarter ending 30.06.2019	Within 45 days of the end of the quarter
for the half-year ending 30.09.2019	
for the quarter ending 31.12.2019	
for the year ending 31.03.2020 (Audited)	Within 60 days of the end of the financial year
Annual General Meeting for the Financial Year ending 2019-20	Between July and September 2020

(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 2019-20 has been paid to both the aforesaid Stock Exchanges.

The securities of the Company are not suspended from trading.

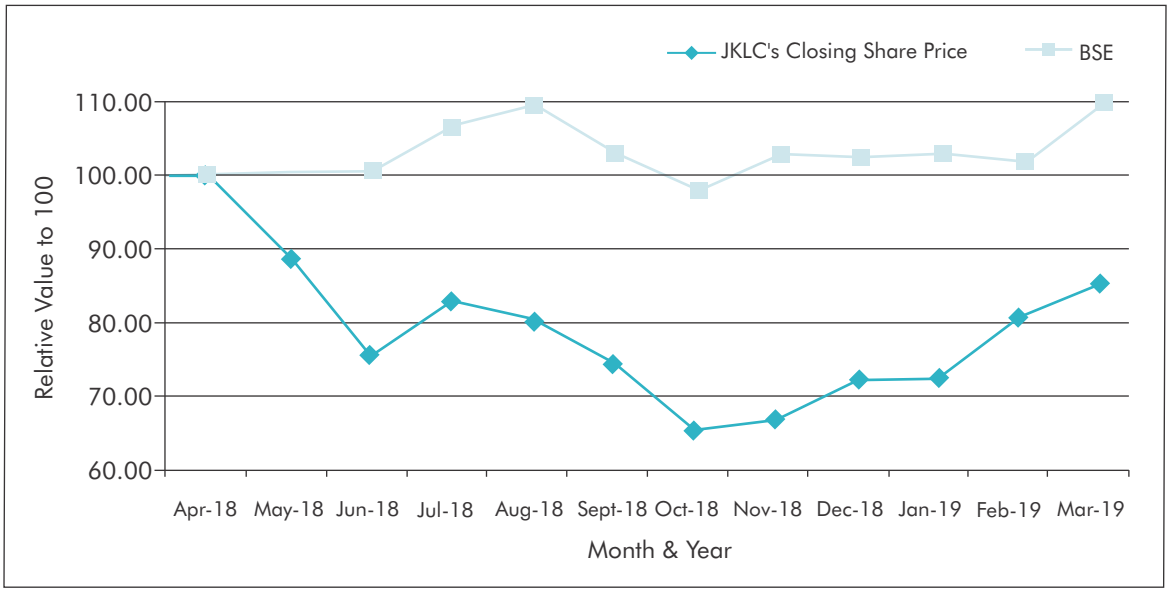
(viii) **Security Code for Company's Equity Shares on Stock Exchanges and ISIN:**

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

(ix) Stock Market Price Data

Months (2018-2019)	BSE Ltd. (₹)		National Stock Exchange Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2018	453.70	390.00	450.80	396.00
May 2018	416.20	358.55	417.50	359.00
June 2018	366.90	298.00	366.00	298.00
July 2018	350.95	300.00	350.90	305.05
August 2018	344.70	313.05	345.00	314.15
September 2018	333.25	299.00	334.00	300.05
October 2018	309.20	249.55	309.80	261.95
November 2018	281.05	255.00	283.00	263.25
December 2018	296.95	262.00	295.00	260.20
January 2019	325.00	283.00	319.85	282.05
February 2019	334.00	294.95	330.70	292.85
March 2019	368.95	325.50	362.45	325.90

JK Lakshmi Cement Ltd.'s Share Performance v/s BSE Sensex (April'18 - March'19)



(x) Distribution of Shareholding as on 31st March, 2019

No. of Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	55,33,412	4.70	64,307	93.86
501-1000	18,15,392	1.54	2,454	3.58
1001-5000	29,00,120	2.46	1,378	2.01
5001-10000	11,78,144	1.00	162	0.24
10001 & above	10,62,42,998	90.30	211	0.31
TOTAL	**11,76,70,066**	**100.00**	**68,512**	**100.00**

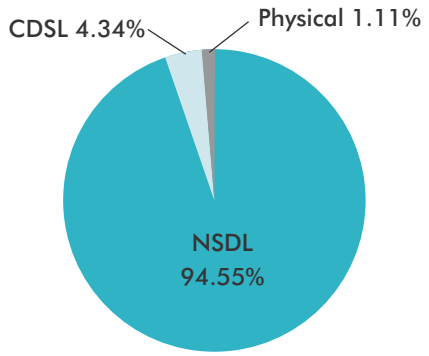
(xi) Share Transfer System

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 2019, 98.89% 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 2019



(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31st March 2019 – NIL.

(xiv) **Commodity price risk or foreign Exchange risk and hedging activities:** During the financial year ended 31st March 2019, 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, Dist. Sirohi - 307 019(Rajasthan)

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

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

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

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

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

1. **JK Lakshmi Cement Limited**
Secretarial Department, 3, Gulab Bhawan
(Rear Block), 6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002
Ph:(011) 30179860
Contact Person: Mr. B.K.Daga
(E-mail: bkdaga@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. Ajay Dalal
(E-mail: ajay.dalal@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 2019 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) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub–regulation (2) of Regulation 46 of the Listing Regulations.

(xxi) (a) Transfer of Shares to IEPF Authority:

In accordance with the 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 63,455 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 2018, the Company had 59,430 Equity Shares, which were unclaimed by 943 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company had transferred 18,002 Equity shares which remained unclaimed by 340 Equity Shareholders to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 17 requests for 1,250 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/credited. Accordingly, as on 31st March 2019, the Company has 40,178 Equity Shares which remain unclaimed by 587 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 shares.

15. DECLARATION

This is to confirm that for the financial year ended 31st March 2019, 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

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JK Lakshmi Cement Limited

I have examined the compliance of the conditions of Corporate Governance by JK Lakshmi Cement Limited ('the Company') for the financial year ended March 31, 2019, as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

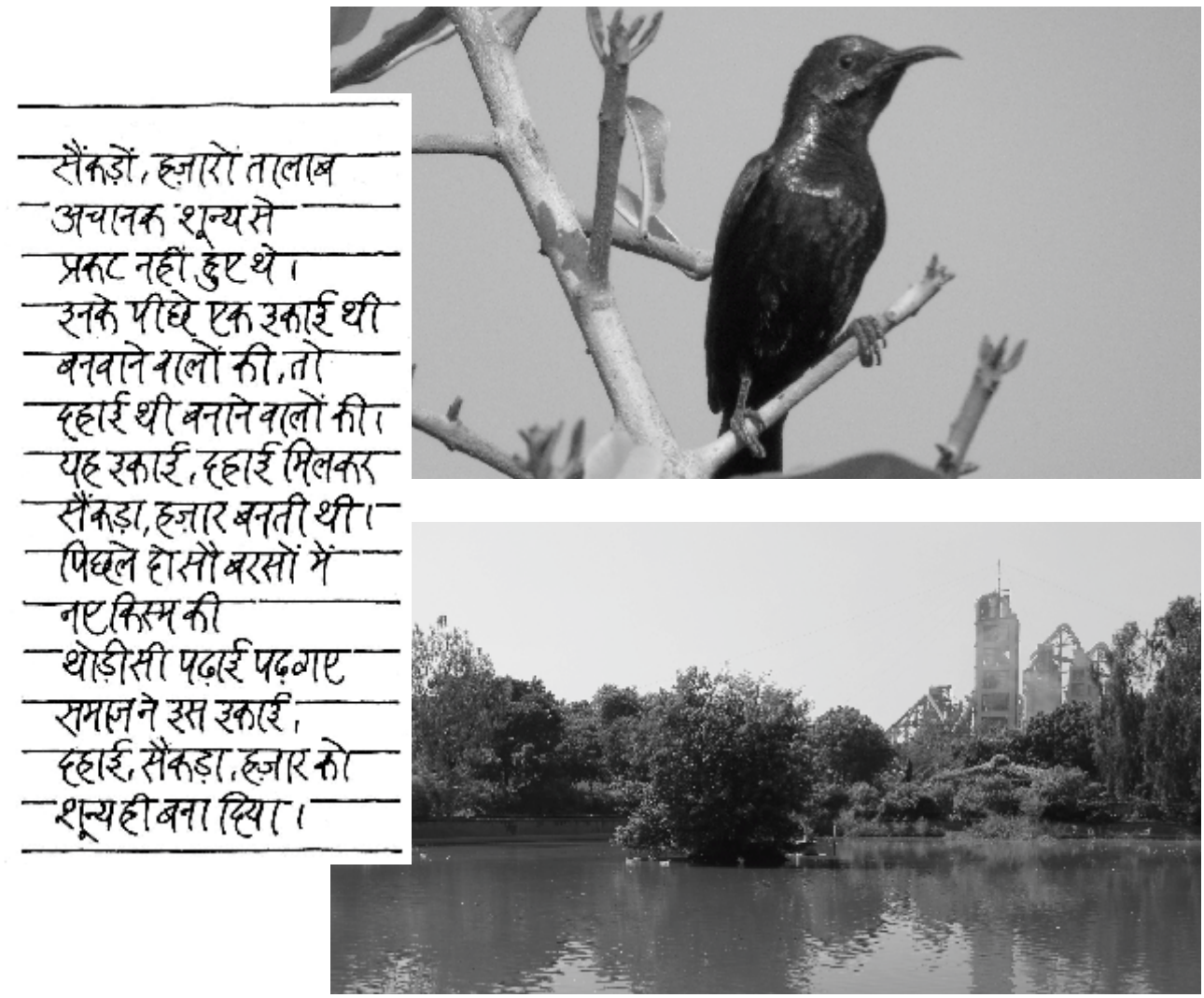
In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2019.

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

Namo Narain Agarwal
Company Secretary,
FCS 234, CP 3331

Place: New Delhi
Date: May 22, 2019


JK LAKSHMI CEMENT Ltd.
My dad loves working in JK Lakshmi Cement and I love the smile on his face when he gets back home.


सैंकड़ों, हज़ारों तालाब
अचानक शून्य से
प्रकट नहीं हुए थे।
इनके पीछे एक इकाई थी
बनवाने वालों की, तो
दहाई थी बनाने वालों की।
यह इकाई, दहाई मिलकर
सैंकड़ा, हज़ार बनती थी।
पिछले दो सौ बरसों में
नए किस्म की
थोड़ीसी पढ़ाई पढ़ गए
समाज ने इस इकाई,
दहाई, सैंकड़ा, हज़ार को
शून्य ही बना दिया।

INTRODUCTION

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we present our Business Responsibility Report (BRR) for the Financial Year 2018-19. The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective. We strongly believe in our core values - commitment to excellence and customer satisfaction, maximizing long term shareholders value, socially valued enterprise, caring for people and environment. Giving back to the community is central to the culture of the Company.

The World Economic Forum theme of year 2018 "Creating a shared future in a fractured world" deliberated for collective action towards finding solutions for the planet that is in peril, for saving the future generations by the threat of climate change, rising economic inequalities.

Our Philosophy is driven on the principles of our founding fathers who envisioned a future that values Nation before themselves. In the words of our founding father:



"I believe that industry, apart from serving the society, by creating wealth, should also promote and take active part in the mental, physical and social upliftment of man and society at large"

Late Lala Kamlapat Singhania

Rekindling the hope for a sustainable world, we believe that urgent and collective action is called for to re-configure a growth paradigm where there is prosperity, environmental preservation and sustainability is ingrained as value in the society.

The Company endorses various aspects and initiatives of sustainable development, which are adopted and formulated both nationally and internationally. Some of these include the Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI) and Corporate Social Responsibility (CSR).

Understanding the resource-intensive nature of the business, JK Lakshmi Cement Ltd, since its inception with fusion of technology and conservative approach to natural resources, is utilizing waste derived raw materials in place of virgin natural raw materials wherever possible. The strategy is to use alternative materials, encouraging sustainable utilization of resources in accordance to the Company's Sustainability and the Corporate Environment Policy.

As part of the emission reduction and mitigation strategy, we are focused on reducing carbon footprint, utilization of waste heat, harnessing clean renewable energy, reducing clinker factor, use of alternative fuels and installation of state of art emission control technology. The strategy has been to reduce the energy footprint of its operations by adopting cost-effective technologies that are aligned to a set of guidelines and examples as laid out by the Paris agreement of United Nations Framework Convention on Climate Change (UNFCCC) and the SDGs.

Responsible use of energy is what we practice and reduce dependency on conventional sources of energy by promoting renewable alternatives. Our adherence to clean environment keeps us ahead of the curve in performing beyond compliance on the emissions and energy front. We value integrating and absorbing best innovations and ideas to achieve technological sustainability.



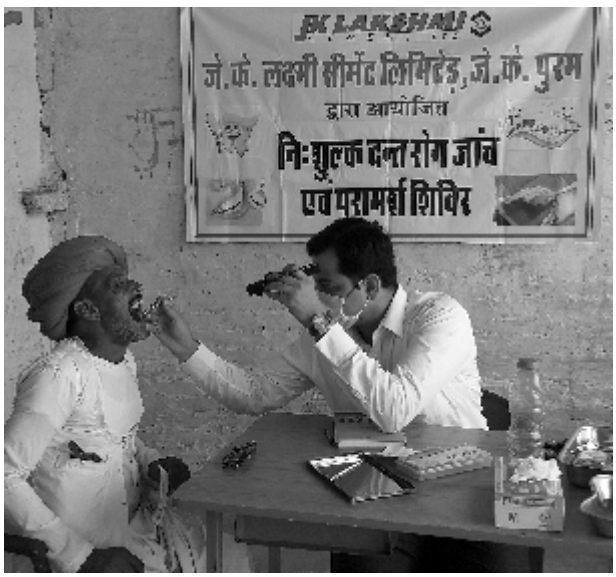
The thrust areas of our endeavors are Health, Water, Environment, Knowledge, Skill Development and Employability. We believe in enriching lives of the people and work to achieve the same with our interventions like **आरोग्य लक्ष्मी (Arogya Lakshmi), अंबु लक्ष्मी (Ambu Lakshmi), ज्ञान लक्ष्मी (Gyan Lakshmi), नया सवेरा (Naya savera)** and many more.



At JK Lakshmi, our leadership comes with rich governing experience coupled with strong societal values that provides a balanced guidance. It is the foundational element that strengthens risk management, compliance with regulations, long term perspective on shareholder's values, management accountability, trust of the community and

customers, responsible decision- making, agility and finally realize our mission.

For JK Lakshmi, Health and Safety of its stakeholders is of utmost priority. It is ensured through strict implementation of safety measures/guidelines. The Company thrives on upgrading the health and safety aspects at all places and work functions. The Company has devised a separate dimension of "Health and Safety Sustainability" for strict adherence and maintaining highest level of health and safety environment. 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.



Responsibility to our neighbors i.e. community is one of the key parts of our business profile. Our operational sites are mostly located in remote areas where the need for socio-economic development surges. Our social interventions under Corporate Responsibility are charted by the philosophy of inclusive community development and meaningful social engagement.



JKLC has developed digital platforms (like BBSM module developed in SAP and Mobile Apps) for behavior-based safety system implementation, safety inspection, safety learning, employee participation and consultation.

Our R&D Team has developed in-house "SAFETY APP" that enables designated employees to report unsafe acts or conditions, any other issues relevant to health and safety directly from their mobile phones to the concerned safety department and Unit's safety officer. The App comes with a feature that allows one to take photographs of the safety issue for further reporting to the concerned. Our efforts of being a pioneer in safety has helped us to achieve recognition in the form of QCFI – National Safety Excellence Award - 2018, Mines Safety Week Celebration 2018 - Overall Performance Award etc.

JK Lakshmi, apart from its core operational business, undertakes research and development activities. Under this initiative, named as Industry-Innovation and Academia, the Company provides internship opportunity to students from various academic streams at our manufacturing locations.

This provides a practical experience to the youth as well as helps in developing a better relationship between industry and academic institutions. We are also able to discharge our responsibility towards society leading to development of pool of knowledgeable professional for future requirement of the country.

The Company intends to shortly publish 2nd Corporate Sustainability Report covering Financial Years 2016-18 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

S No.	Disclosures	Information/Reference Sections
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 2018 to 31st March 2019
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	Manufacture of Clinker
		23942	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, twelve 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

S No.	Disclosures	Information/Reference Sections
1.	Paid-up Capital	₹ 58.85 Crore
2.	Total Turnover	₹ 3938.60 Crore
3.	Total Profits after Taxes	₹ 80.10 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	During the Financial Year 2018-19, the Company spent ₹ 122.88 lakhs on CSR activities. This represents 2.94% of the Average Net Profit after Tax for three Financial Years immediately preceding the FY 2018-19.
5.	List of activities in which expenditure in 4 above has been incurred	• Health • Education • Livelihood & Skills Development • Water and Sanitation • 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 a step-down subsidiary Ram Kanta Properties Private Limited.

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

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

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

   No, the other entities e.g. 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 as under:



'P'1. Businesses should conduct and govern themselves with Ethics, Transparency and Accountability



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



'P'3. Businesses should promote the well- being of all employees



'P'4. Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised



'P'5. Businesses should respect and promote human rights



'P'6. Businesses should respect, protect and make efforts to restore the environment



'P'7. Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner



'P'8. Businesses should support inclusive growth and equitable development



'P'9. 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) ISO 45001/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?	While the policy has been circulated to key internal stakeholders, other relevant stakeholders are being covered as deemed necessary, from time to time.								
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.								

(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?**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the Company has been publishing BRR from the FY 2016-17 onwards as an integral part of the Annual Report.

Besides, the Company also voluntarily published a Corporate Sustainability Report covering FYs 2014-16. Above reports are available on website of the Company:

Business Responsibility Report FY 2017-18: http://www.jklakshmicement.com/wp-content/uploads/2018/08/annual-report-201718-new.pdf

Corporate Sustainability Report FY 2014-16: http://www.jklakshmicement.com/wp-content/uploads/2017/08/JKLCL-Web-Upload-SustainabilityReport2014-16.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.

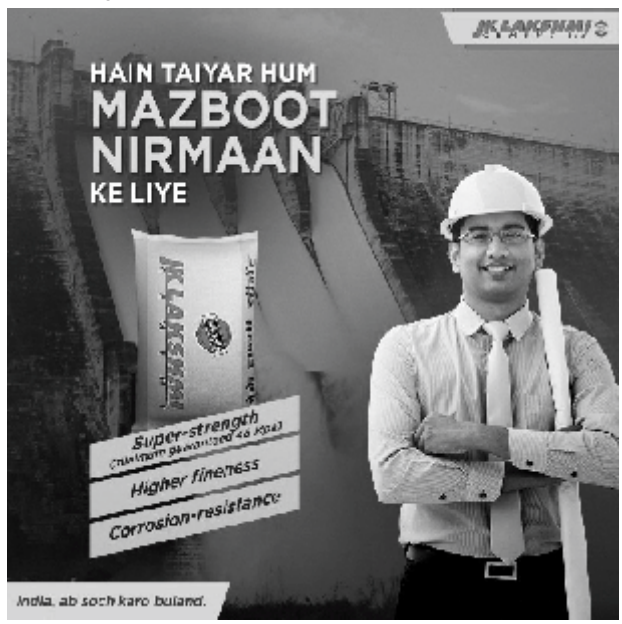
   The said Codes/Policy cover all dealings with the suppliers /customers/business associates / others.

   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 2018-19 ended 31st March 2019. However, ten complaints were received from the shareholders which were promptly resolved to their utmost satisfaction. No complaint was pending as on 31st March 2019.

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 understands the value it holds by being a responsible corporate organisation that promotes manufacturing of products with sustainable design and technology. The Company is engaged in manufacturing of cement and a wide range of cement products including Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), 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 and promoting the circular economy. The Company is progressively trying to increase the percentage use of alternate fuels instead of fossil fuels in its fuel mix required to produce clinker.

The Company manufactures 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 the 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. It has numerous advantages, some of which are as follows:

- **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 quantity of fossil fuels during manufacturing but also offers opportunity in optimization of civil design of various structures due to reduced dead load.

JK Lakshmi Smart Serve: It is the smart packaging concept offered by JK Lakshmi Cement Ltd to cement bulk users. It saves tons of packaging material i.e. Polypropylene and also meets product quality responsibility to consumers. It's a unique concept that promises to fulfill, new-age construction needs. It is premium service offered at no extra cost, equipped with latest technology-enabled features like GPS tracker, Quantity Check Sensor, Anti-theft Lock and many more benefits.

The Company has installed state of art technology equipment and has progressively implemented various innovations, process modifications, etc. to maximize resource efficiency. Some of the major initiatives are:

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

Further, the Company has installed Solar power generation plants at various locations, with potential to mitigate about total 20533000 kgs. of Carbon Emissions annually.

Loacation	Solar Power Plant capacity	GHG Emission matigation potential (Kg Co2eq. per year
Phalodi, Rajasthan	6000 KW	11270000
Surat, Gujarat	2360 KW	9263000
Kalol, Gujarat	500 KW	
Jhajjar, Haryana	500 KW	

The Company is committed to educate its stakeholders on various aspects related to working with cement and its value-added products and educate through on-site demonstrations, helpline nos. & social media platforms like Youtube, Facebook, Twitter, etc. 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?

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

Consumption per unit of Product	FY 2017-18	FY 2018-19
Electrical Energy (Kwh/Ton of Cement)	71	69
Thermal Energy (Kcal/Kg of Clinker)	700	701

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 energy efficient value-added product AAC Blox 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 a vast working network of local (within country) as well as international suppliers that provide raw materials, technology, equipment and services. The focus lies mostly on procuring from local suppliers, leading to an ease of delivery and services, reducing environmental footprint and hence boosting local economy.

The procurement practices have always been associated with aspects defined as per our green procurement practice in upstream activities. Collaboration effort between supplier and the Company has been the main ingredient of our supply chain management system. 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.

The Company segments suppliers based on nature of operations, volume of business and type of risk associated, assigning them risk ratings. The selection criteria are based upon transparency of suppliers about their sustainability programmes covering production of goods in an environmental friendly way, societal interest and cost effective procurement. The Company takes into account its vision regarding responsible business practices while entering into contracts with the suppliers.

E-procurement has enabled structured supplier relationships, effective communication, reduced external spending, eliminated paperwork as well as travel hours. Our sound logistic management system helps us to add value to our indirect footprints downstream, through balanced and resourceful strategies.

JK Lakshmi Cement understands the value of natural resources and believes in their optimal usage and espousing the principles of Circular Economy. With fusion of technology and conservative approach to natural resources, manufacturing units are utilizing waste derived raw materials in place of virgin natural raw materials wherever possible. The strategy is to use alternative materials to encourage sustainability.



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 strives to promote local vendors by procuring from them at all its manufacturing locations thereby improving the efficiency of the procurement cycle. The Company keeps in touch with its vendors by organizing periodic meetings to discuss possible opportunities and ways of further enriching the partnership, to strengthen the means of implementation and revitalize the partnership for Sustainable development. The Company organizes various capacity building programmes and encourages its vendors & suppliers to participate in them. Also, technical assistance is provided to them on aspects of being resource efficient thereby saving the environment. We engage with them with a constructive dialogue which aims at understanding their concerns and expectations while taking business decisions. In such interactions, we communicate our efforts, endeavors and targets, and seek their suggestions.

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.**

There is no direct solid or liquid waste generated from the operations. Domestic waste water generated from colony, offices, canteen and rest rooms is treated through innovative sewage treatment plants and the treated water is used in development of greenbelt, plantation etc. Dust collected from pollution control equipment is recycled back into the process. The Company uses various alternative fuels and raw materials such as biomass etc. fly ash, slag and waste derived gypsum in its manufacturing process. The Company has also obtained requisite permissions for utilization of hazardous and other wastes generated from various industries like automobiles, refinery, pharmaceutical etc. as an alternative fuel.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees :** 1757 Permanent Employees
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 2574
3. **Please indicate the Number of permanent women employees:** 21
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 15% of our permanent workmen are members 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	99%	91%
Permanent Women employees	100%	76%
Casual/ Temporary/ Contractual employees	89%	72%
Employees with disabilities	0%	0%

*At Plant Locations



Industry - Academia Relationship:
Team JKLCL with M.Tech. Industrial Trainee Students

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

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 the Corporate Sustainability Report covering Financial Years 2014-16: 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 & marginalised stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders in and around its manufacturing plants including contractual workers. The Company engages with these stakeholders through various programmes, projects and activities aimed at their upliftment and betterment.

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

   Yes, the Company through its following CSR initiatives have engaged the disadvantaged, vulnerable and marginalised stakeholders:

   - Health
   - Education
   - Livelihood & Skills Development
   - Water and Sanitation
   - Rural Development

   Kindly refer to Annexure D to the Directors Report.



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?**

   We at JK Lakshmi Cement uphold "Human Rights" relating to life, liberty, equality and dignity of an individual as enshrined in our constitution of India. We honour individuality of all employees and strive to adhere to the following fundamental human rights:

   (a) All employees shall practice business ethics and professional code of conduct of the Company.

   (b) There is no discrimination in hiring process and the employees are given equal opportunity for growth and development.

   (c) There is no discrimination to any employee based on race, gender and nationality.

   (d) All employees have right to freedom of professional expression and suggestions.

   (e) All employees have right to freedom to practice their religion and professional endeavors.

   (f) All employees must live with social dignity.

   The Company has not conducted any formal assessment on human rights. However, general guidelines are being provided in various interactive platforms within sites and operations. Also, all the contractual/ vendors agreements includes clauses that are aligned to considering human rights aspects.

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

   The Company has not received any stakeholders complaint in the Financial Year 2018-19 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.**

   Sustainability is built into JK Lakshmi Cement's business processes through well-defined Sustainability and Corporate Environment Policies. The Company also encourages its subsidiaries, vendors, and dealers to take health, safety and environment- friendly measures on sustainable basis for a better tomorrow.

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 web page etc.**

   Yes, the Company has devised strategies and mechanisms towards addressing the environmental issues. The Company is very much committed to reduce its ecological footprint. The Company is reporting its carbon and energy footprint in its Corporate Sustainability Report. Our initiatives towards these issues have been recognized by CII and other agencies. The Company has also framed a Corporate Environment Policy to implement holistic approach to manage our carbon footprint and develop a proactive top level drive for tackling Climate Change issues within the organisation. The ingrained value of sustainability backed by a policy for a cleaner and greener environment, JK Lakshmi has been limiting its emission level well below the permissible limits fixed by the regulatory authorities.

   To utilize the available waste heat from the operations, the Company has installed Waste Heat Recovery based Power Generation System (WHRS) of 15 MW at Sirohi and 7.50 MW at Durg. Further, the Company has installed Solar Power Plants of total 9.36 MW capacity at its various locations. The Company has registered various Clean Development Mechanism (CDM) and Voluntary Carbon Standard (VCS) projects to address the global issues of climate change, global warming etc.

   The Company is under process of accounting its water and carbon footprint assessment as per the ISO 14046 and ISO 14064 respectively.

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



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

   Yes, the Company has instrumented an elaborate mechanism to identify and assess potential environmental risks at all its operational sites and in greenfield as well as brownfield projects.

   Further, all our operational sites are certified for internationally accepted Environment Management System i.e. ISO 14001 and follow its guidelines for assessing Environment risks, their impacts as well as opportunities which are reviewed and audited periodically.

S No.	Certification	Unit Sirohi	Unit Durg	Unit Kalol*	Unit Jhajjar	Unit Surat
1	ISO14001	✓	✓	✓	✓	✓
2	ISO 9001	✓	✓	✓	✓	✓
3	ISO 50001	✓	✓	✓	✓	✓
4	ISO 45001/ OHSAS 18001	✓	✓	✓	✓	✓

*Company's Kalol Grinding Unit also has ISO 14064 and ISO 14046 certifications for Carbon and Water Footprint respectively.

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 3 nos. of projects related to Clean Development Mechanism (CDM) with United Nations Framework Convention on Climate Change (UNFCCC) and 2 nos. of projects with Verified Carbon Standard (VCS) (now Verra). The details are given below:

CDM Projects:

- Replacement of fossil fuel by biomass in PyroProcessing 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

VCS Projects:

- Bundled Rooftop Solar PV based Power Generation by **JKLCL Project ID- PL1730**
  https://www.vcsprojectdatabase.org/#/pipeline_details/PL1730

- AAC Block Manufacturing Using Energy Efficient Technology by **JKLCL Project ID-1651**

  https://www.vcsprojectdatabase.org/#/project_details/1651

  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, renewal energy, etc. Y/N. If Yes, please give hyperlink for web page etc.**

   Yes, the Company is following a proactive approach towards adoption of green energy and has installed 6 MW solar power plant at Phalodi, Rajasthan. Also, the manufacturing units at Surat, Kalol and Jhajjar have solar power plant of an aggregate capacity of 3.36 MW. Further, initiatives like Installation of Waste Heat Recovery (WHR) based Power generating unit and Selective Non-Catalytic Reaction (SNCR) system in Sirohi and Durg are few initiatives taken by the Company towards harnessing green and clean technology. Use of alternative fuels and raw materials at all our manufacturing sites helps to reduce the consumption of fossil fuels like coal to conserve natural resources.

   The Company is ardently working towards energy efficiency. All our manufacturing units are ISO 50001 certified for Energy Management System.

   Our efforts and resulting energy efficiency in our process systems have been well recognized by Confederation of Indian Industries (CII) in their energy benchmarking study conducted during the year.

   The Company is actively working towards further optimizing its operations to gain better energy efficiency through various small and cost-effective modifications through various innovations.

   For more details please refer www.jklakshmisustainability.com.

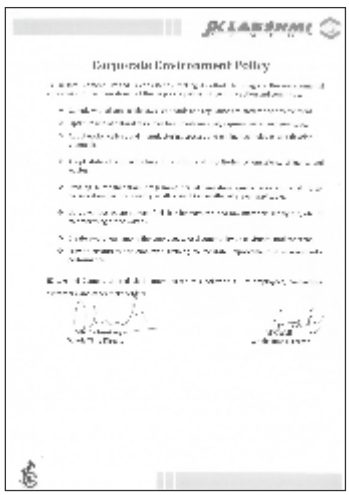
6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emissions / waste generated by the Company are well within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB). The Company has already installed Online Continuous Emission/Effluent Monitoring systems (OCEMS) that provide real-time data directly to Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

   All our emission sources are equipped with the latest art of technology air pollution control equipment like, Bag houses, Electrostatic Precipitator, Bag-filters, SNCR etc. to ensure compliance with the applicable norms.

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 are pending as on end of Financial Year 2018-19.



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

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

   The Company is a Member of the following Trade / Chamber / Associations:

   (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)
   (h) Coal Consumers Association of India

   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: Governanceand 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, Environment, Sustainable Business Principles, etc.

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. And the details of the projects undertaken?**

   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. The Company follows a corporate level CSR Policy; contents whereof are disclosed on the Website of the Company at www.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.

   Kindly refer Annexure D of Directors Report.

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

   The Company has been implementing various CSR projects through in-house CSR teams. However, need based external support is taken from other CSR organization, NGO and government departments.

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

   There is a dedicated CSR team for regular monitoring and evaluation of the CSR projects. The project activities are periodically reviewed by CSR Committee. The help of external agencies is also taken to assess impact of CSR projects. During the reporting period, an internal impact assessment was done for Naya Savera project, which was encouraging.

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

   Please refer to ANNEXURE D of the Directors Report for the CSR projects undertaken and amount spent.

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.**

   At JK Lakshmi Cement Ltd, engagement with the community comes with people's participation and involvement to reap maximum benefits of the proposed welfare project. Before initiating any community engagement and welfare programme, Company consults and organizes group discussions with the village sarpanch and gram panchayats, detailing on the purpose and long-term benefits of the project intervention ensuring full participation of the community people. Root level work is being done by the Company's CSR teams along with the community, so that aim of the project could be met with long-lasting impacts.

   The Company encourages participation of the community in various CSR initiatives right from planning to completion of the project. The participatory stakeholder approach helps in identifying needs of the stakeholders and leads to greater sense of ownership among the people, ensuring sustained outcomes. This ensures successful adoption of the CSR projects by local communities.



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?**

   No customer complaints/consumer cases were pending as on end of Financial Year 2018-19.

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

   Yes, the Company mentions the complete value offering on the packaging of premium products. These details are over and above the 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 filed a complaint with Competition Commission as it felt that Cement Companies, participated in a tender including JK Lakshmi Cement for supply of cement, had colluded to quote higher cement rates. Aggrieved by adverse judgement given by the Competition Commission, the Company has filed an appeal before the Competition Appellate Tribunal (Since merged with NCLT), which has granted a stay on the Commission's orders.

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

   Yes, Customers are our key stakeholders, who keep showing us the right direction. 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 and services etc.

   The Company puts a lot of effort to understand the need of customers, their pain areas, and their complaints / feedbacks through Focus Group Discussion with Customers and important influencers like Masons, Contractors & Architects etc. 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 missed calls at the call center goes unattended. During last financial year, we have received around 3500 calls regarding some query or complaints from the end consumers and resolved all the queries and got an average rating of 3.2 out of 5.

   Further, digital surveys were conducted on Facebook to understand the preference of customers & our Brand Positioning. 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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JK Lakshmi Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No 13 of Note 1 of Accounting Policy).	**Our procedures included, but were not limited to the following:** • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers". • On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. • We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and • Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. Based on our audit procedures we have concluded that revenue is appropriately recognized, and that there was no evidence of management bias.

Sr. No.	Key Audit Matter	Auditor's Response
2.	Evaluation of uncertain civil and indirect tax positions and recoverability of amount deposited under protest as recoverable. The Company has material uncertain civil and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The eventual outcome of these litigations is uncertain, and the positions taken by the management of the Company are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements. Based on management judgement and the advice from legal and indirect tax Consultants and considering the merits of the case, the Company has recognized provisions wherever required and for the balance matters, where the management expects favorable outcome, these litigations have been disclosed as contingent liabilities in the financial statements unless the possibility of out flow of resources is considered to be remote. Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.	**Our procedures included, but were not limited to the following:** Obtained details of completed tax assessments of earlier years and demands as on March 31, 2019 from management of the Company. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Based on management estimates and Independent legal opinion taken by Management of the company, the liability against these matters are not yet certain hence the same has been shown as contingent liability in the current standalone financial statements. • Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; • Gaining an understanding of the civil and indirect tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31 March 2019; • Verifying demand notices received from various indirect tax authorities and evaluating the Company's written responses to those matters; • Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and • Assessing the adequacy of the Company's disclosures. We did not identify any significant exceptions to the management's assessment of the ongoing civil, and indirect tax litigations as a result of the above procedures.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 in terms of Section 143(11) of the Act, we give in "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, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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, 2019 on its financial position in its standalone financial statements- Refer note 54, 55, 56, 57 and 59;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 22, 2019

Annexure A to the Independent Auditor's Report to the Members of JK LAKSHMI CEMENT LIMITED on its standalone financial statements dated May 22, 2019

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 in transit 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. 66 (a) of the standalone financial statements.

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

b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the subsidiary company is 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 related to the activities of the same applicable and are specified accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.

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, 2019 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 (Rs. In crore)	Forum where dispute is pending
Sale Tax Act	Sale Tax	2006-2014	3.71	Jodhpur High Court
Sale Tax Act	Sale Tax	2003-09	119.49	Jodhpur High Court
Sale Tax Act	Sale Tax	1995-1998	0.63	Jodhpur High Court
Sale Tax Act	Sale Tax	1992-1998	0.46	Jodhpur High Court
Sale Tax Act	Sale Tax	2005-2006	4.74	Jodhpur High Court
Sale Tax Act	Sale Tax	1995-2006	0.42	High Court
Sale Tax Act	Sale Tax	1997-1998	0.05	Joint Commissioner (Appeals)
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2002-2016	37.90	Supreme Court
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2012-2015	0.79	Jodhpur High Court
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2007-2008	2.72	Dy. Comm. (Appeal)
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2013-2014	0.39	CTO (AE)
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2012-2013	0.39	CTO (AE)
The Rajasthan Tax on Entry of Goods into local areas Act, 1999	Entry Tax	2015-2017	0.88	CTO (AE)
West Bengal Entry Tax	Entry Tax	2015-2016	0.38	Calcutta High Court
Gujarat Entry Tax	Entry Tax	2007-2008	0.01	Joint Commissioner (Appeals)
Central Excise Act	Excise Act	2009-2016	2.82	CESTAT
Central Excise Act	Excise Act	2007-2008	0.02	CESTAT
Central Excise Act	Excise Act	1996-1998	1.87	CESTAT
Finance Act, 1994	Service Tax	2007-2009	1.18	Excise Commissioner
Finance Act, 1994	Service Tax	2012-14	0.25	CESTAT
Finance Act, 1994	Service Tax	2012-2013	0.15	CESTAT
Finance Act, 1994	Service Tax	2013-14	2.45	CESTAT
Finance Act, 1994	Service Tax	2012-2013	0.07	Commissioner (Appeal)
Income Tax Act, 1961	Income Tax and Interest	2012-2013	3.67	Commissioner (A), Kolkata
Income Tax Act, 1961	Income Tax and Interest	2013-2014	1.46	Commissioner (A), Kolkata
Income Tax Act, 1961	Income Tax and Interest	2014-2015	0.23	Commissioner (A), Kolkata

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, term loan were applied for the purpose for which the term loan were obtained. No money have been raised during the year by way of initial public offer / further public offer.

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 report that no fraud by the Company 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. In our opinion and according to the Information and explanation given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(refer note no 52 of the standalone 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 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. as referred to in Section 192 of Act.

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: May 22, 2019

Annexure B to the Independent Auditors' Report to the Members of JK LAKSHMI CEMENT LIMITED dated May 22, 2018 on its 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 1(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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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, to the best of our information and according to the explanations, 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, 2019, 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: May 22, 2019

JK Lakshmi Cement Limited
Balance Sheet as at 31st March 2019

₹ In Crore (10 Million)

		Note No.	As at 31st March 2019	As at 31st March 2018
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	2,633.39	2,791.20
	(b) Capital work-in-progress		411.07	226.14
	(c) Investment Property	3	0.55	0.61
	(d) Intangible Assets	4	5.06	1.71
	(e) Intangible Assets Under Development		-	1.94
	(f) Financial Assets			
	(i) Investments	5	357.30	353.89
	(ii) Loans	6	58.10	61.94
	(iii) Others	7	0.89	0.11
	(g) Deferred Tax Assets (Net)	20	22.03	19.98
	(h) Other Non-Current Assets	8	28.39	26.18
			3,516.78	3,483.70
(2)	**Current Assets**			
	(a) Inventories	9	311.70	317.03
	(b) Financial Assets			
	(i) Investments	10	362.37	440.24
	(ii) Trade Receivables	11	106.57	96.94
	(iii) Cash and Cash Equivalents	12	1.95	3.55
	(iv) Bank Balance other than (iii)	13	16.08	8.04
	(v) Others	14	9.80	9.45
	(c) Other Current Assets	15	130.18	129.84
			938.65	1,005.09
	TOTAL ASSETS		4,455.43	4,488.79
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	16	58.85	58.85
	(b) Other Equity		1,463.82	1,394.36
			1,522.67	1,453.21
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,260.40	1,398.42
	(ii) Other Financial Liabilities	18	175.63	140.08
	(b) Provisions	19	10.85	10.80
	(c) Deferred Tax Liabilities (Net)	20	-	-
	(d) Other Non-Current Liabilities	21	175.64	160.57
			1,622.52	1,709.87
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22	58.58	412.96
	(ii) Trade Payables	23		
	Micro and Small Enterprises		6.01	3.77
	Others		505.41	314.85
	(iii) Other Financial Liabilities	24	516.39	372.50
	(b) Other Current Liabilities	25	206.11	208.72
	(c) Provisions	26	5.97	10.23
	(d) Current Tax Liabilities (Net)	27	11.77	2.68
			1,310.24	1,325.71
	TOTAL EQUITY AND LIABILITIES		4,455.43	4,488.79

Significant Accounting Policies 1
Notes on financial statements 2-70

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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 2019

₹ In Crore (10 Million)

		Note No.	2018-19	2017-18
I.	Revenue from Operations	28	3,882.34	3,514.19
II.	Other Income	29	56.26	68.10
III.	**Total Income (I+II)**		3,938.60	3,582.29
IV.	**Expenses**			
	Cost of Materials Consumed	30	714.99	584.15
	Purchases of Stock-in-Trade	31	169.79	242.20
	Change in inventories of finished goods, work-in-progress and traded goods	32	83.93	(47.97)
	Employee Benefits Expense	33	259.86	234.95
	Finance Costs	34	187.44	197.48
	Depreciation and Amortization Expense	35	179.39	179.27
	Excise Duty		-	102.04
	Other Expenses	36	2,238.77	1,987.46
	Total Expenses (IV)		3,834.17	3,479.58
V.	**Profit before Exceptional Items and Tax (III-IV)**		104.43	102.71
VI.	Exceptional Items		-	-
VII.	**Profit before tax (V-VI)**		104.43	102.71
VIII.	Tax Expense			
	(1) Current Tax		27.21	25.93
	(2) Deferred Tax		(2.34)	(10.36)
	(3) Tax Adjustments for Earlier Years		-	3.18
	Total Tax Expense (VIII)		24.87	18.75
IX.	**Profit for the Year**		79.56	83.96
X	**Other Comprehensive Income**			
	Items that Will Not be Reclassified to Profit or Loss in Subsequent Periods			
	(1) Re-measurement (losses)/Gain on defined benefit plans		0.83	(2.78)
	(2) Income tax effect		(0.29)	0.97
	Total Other Comprehensive Income (X)		0.54	(1.81)
XI	**Total Comprehensive Income For The Year (IX + X)**		80.10	82.15
XII	Earnings per equity share (Face Value of ₹ 5 each)	37		
	Basic Earnings per equity share (₹):		6.76	7.14
	Diluted Earnings per equity share (₹):		6.76	7.14

Significant Accounting Policies 1
Notes on financial statements 2-70

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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, 2019

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2017	Change during the year	As at 31st March 2018	Change during the year	As at 31st March 2019
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

₹ 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	Debenture Redemption Reserve	General Reserve	Retained Earnings	Re-measurement of Net Defined Benefit	
Balance as at 1st April'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 to Debenture Redemption Reserve	-	-	5.00	-	(5.00)	-	-
Transfer from 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**
Profit for the Year	-	-	-	-	79.56	-	79.56
Dividend payment including Dividend Distribution Tax (2017-18)	-	-	-	-	(10.64)	-	(10.64)
Transfer to Debenture Redemption Reserve	-	-	15.31	-	(15.31)	-	-
Transfer from Debenture Redemption Reserve	-	-	(6.80)	-	6.80	-	-
Other Comprehensive Income	-	-	-	-	-	0.54	0.54
Balance as at 31st March'2019	**25.64**	**88.65**	**68.61**	**950.74**	**333.37**	**(3.19)**	**1,463.82**

Significant Accounting Policies 1
Notes on financial statements 2-70

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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 22nd May, 2019.

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 thehistorical 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 (PPE) are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management.

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

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

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

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

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

Intangible Assets are amortized as follows:

- Computer Software : Over a period of five years

Intangibles Assets with indefinite useful lives, if any are not 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 & spares.	At cost, on weighted average basis.
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 Instruments

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

1. Financial Assets

1.1 Definition

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

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

(i) Financial Assets at Amortised Cost

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

2.4 Trade and Other Payables

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are 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 from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. That grant is recognised in the Statement of Profit and Loss under 'other operating revenue'. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by recording the grant as deferred income which is released to the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Grants related to income are recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other operating revenues'.

(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 upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle the Company adopts five step model, which are:

- Identify the contract(s) with customer(s);
- Identify the performance obligations under the contract(s)
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract(s)
- Recognize revenue, when or as the entity satisfies a performance obligation.

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 absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of leaves.

v) Termination Benefits

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

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

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(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 recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

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

(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 Company by the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) Diluted earnings per share

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

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

(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) **Accounting Standards, Interpretations and amendments to existing standards that are Effective from 1st April, 2019.**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which are effective from 1st April, 2019

1. W.e.f. 1st April 2019 Ind AS 16 Leases will replace existing leases standard, Ind AS 17 Leases. Lessee will follow Single Lease Accounting. There is no classification as operating or finance Lease for lessee. Under Ind AS 116 Lessee will recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessee would recognize depreciation expense on the right of use asset and interest expense on the lease liability, classify the lease payments into principal and interest component. Management is currently reviewing the operating lease contracts in place to determine the impact of this standard.
2. The following standards or amendments made in below mentioned standards are not expected to have a material impact over financial statements:
   i) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)
   ii) Ind AS 109 – Prepayment Features with Negative Compensation
   iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement
   iv) Ind AS 23 – Borrowing Costs
   v) Ind AS 28 – Long-term Interests in Associates and Joint Ventures
   vi) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

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' 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
Additions/Adjustments	0.41	1.02	0.93	11.54	0.23	0.77	7.33	-	22.23
Disposals/Adjustments	-	-	-	0.68	0.03	-	1.90	-	2.61
As at 31st March' 2019	237.35	56.29	208.20	2,759.05	4.36	6.65	39.63	10.43	3,321.96
Accumulated Depreciation									
As at 1st April'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
Charged For the Year	-	0.50	12.54	158.90	0.46	0.91	4.81	0.68	178.80
On Disposal	-	-	-	0.10	0.01	-	1.26	-	1.37
As at 31st March'2019	-	1.86	48.37	605.61	2.78	4.04	23.24	2.67	688.57
Net Carrying Amount									
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
As at 31st March'2019	237.35	54.43	159.83	2,153.44	1.58	2.61	16.39	7.76	2,633.39

1) Leasehold Land Includes ₹ 2.82 crore (previous year ₹ 1.82 crore) pending transfer of title in the name of the Company.

2) 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 2019 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'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
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2019	₹ 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'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**
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2019	-	₹ 25,936	**0.20**	**0.21**
Net Carrying Amount				
As at 31st March'2018	₹ 34,812	0.04	0.56	0.61
As at 31st March'2019	₹ 34,812	0.04	0.51	0.55
Fair Value*				
As at 31st March'2018				4.76
As at 31st March'2019				**4.91**
Rental Income				
For the FY 2017-18				0.61
For the FY 2018-19				**0.59**

* 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'2017	2.92
Additions/Adjustments	0.38
Disposals/Adjustments	-
As at 31st March'2018	**3.30**
Additions/Adjustments	3.89
Disposals/Adjustments	-
As at 31st March'2019	**7.19**
Accumulated Amortisation	
As at 1st April'2017	1.24
Charged For the Year	0.35
On Disposal	-
As at 31st March'2018	**1.59**
Charged For the Year	0.54
On Disposal	-
As at 31st March'2019	**2.13**
Net Carrying Amount	
As at 31st March'2018	1.71
As at 31st March'2019	**5.06**

Note-5 Non Current Investment

₹ In Crore (10 Million)

	As at 31st March 2019 Numbers	Amount	As at 31st March 2018 Numbers	Amount
Investment in Equity Shares				
Subsidiaries- At Cost				
Udaipur Cement Works Limited (₹ 4 each)	225,892,781	128.88	209,688,244	83.88
Udaipur Cement Works Limited -Equity Component*	-	34.90	-	34.90
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	116,050,007	116.05	116,050,007	116.05
Associate- At Cost				
Dwarkesh Energy Ltd (₹ 10 each)	350,000	0.35	350,000	0.35
Others- Fair Value through Profit and Loss				
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	-	4,396,136	-
Investment in Preference Shares- Fair Value Through Profit and Loss				
Subsidiary				
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	43.70	6,600	40.40
Udaipur Cement Works Limited (6% optionally convertible cumulative redeemable preference shares) (₹ 100 each)@	-	-	5,000,000	50.00
Udaipur Cement Works Limited (6% cumulative redeemable preference shares) (₹ 100 each)@	500,000	5.49	-	-
Associate				
Dwarkesh Energy Ltd. (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	1,100,000	10.66	1,100,000	9.53
Others				
V. S. Lignite Power Pvt. Ltd. (0.01%) (₹ 10 each) #	3,899,777	-	3,899,777	-
Other Investments in Subsidiary				
Capital Contribution on account of Financial Guarantee		17.27		18.78
		357.30		353.89
Aggregate carrying amount of quoted investment		128.88		83.88
Aggregate market value of quoted investment		322.35		479.14
Aggregate amount of unquoted investment		228.42		270.01

Under lien with Issuer
* Equity component of 5% Cumulative Redeemable Preference Shares
@ Refer Note 65
Note :- All Investments other than Investment in Equity Shares of Udaipur Cement Works Ltd are unquoted.

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-6 Loans		
Unsecured, Considered Good:		
Security Deposits	37.63	39.94
Loan to Related Parties	20.47	22.00
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	58.10	61.94
Note-7 Other Non Current Financial Assets		
Unsecured, Considered Good:		
Bank Deposits with original maturity for more than 12 months*	0.89	0.11
	0.89	0.11
* Under lien		
Note-8 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances	26.11	23.16
Deferred Expenditure	2.28	3.02
	28.39	26.18
Note-9 Inventories		
Raw Materials (Including in transit Nil (previous year ₹ 1.53 crore))	21.05	16.82
Work -in -progress	32.43	113.80
Finished Goods	25.80	28.37
Stock-in -Trade	0.56	0.55
Stores and Spares (Including in transit ₹ 92.59 crore) (previous year ₹ 28.52 crore)	231.86	157.49
	311.70	317.03

Note-10 Current Investment

₹ In Crore (10 Million)

	As at 31st March 2019		As at 31st March 2018	
	Numbers	Amount	Numbers	Amount
Investment in Non Convertible Debentures at FVTPL				
Reliance Capital Ltd - Market Linked Non Convertible Debentures	-	-	2,500	28.11
IIFL -DWFEC850-300719	3,000	34.91	3,000	32.34
IIFL -EWFEC850 - 120819	5,000	55.27	5,000	53.72
Investment in Mutual Funds at FVTPL				
HDFC FMP 1161 D Feb 2016(1) Regular Gr. Series 35	25,000,000	33.06	25,000,000	30.12
HDFC FMP- 1190 D March 2016(1)- Regular Gr. Series 36	15,000,000	19.70	15,000,000	17.96
HDFC FMP- 1167 D Jan 2016(1) - Direct Gr. Series 35	10,000,000	12.83	10,000,000	11.75
Edelweiss Govt. Securities Fund Regular Plan Gr.	-	-	4,433,803	6.34
Reliance Fixed Horizon Fund - xxxi - Series 2 - Growth Plan	25,000,000	31.59	25,000,000	28.89
DSP BlackRock FMP - Series 196 - 37M - Regular - Growth	10,000,000	11.41	10,000,000	11.60
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	25,000,000	30.41	25,000,000	28.21
HDFC FMP - 1302 D Sept 2016 (1) - Regular Growth	25,000,000	30.34	25,000,000	28.17
HDFC FMP - 1309 D Sept 2016 (1) - Regular Growth	25,000,000	30.41	25,000,000	28.22
Reliance Fixed Horizon FD xxxii Sr4 Regular FMP - 19oct 2016 - Regular Growth	25,000,000	29.90	25,000,000	27.60
L&T FMP - SERIES XIV - SCHEME A - Regular Growth	25,000,000	29.35	25,000,000	27.45
BSL Medium Term Plan - Growth - Direct Plan (GS 7.42%)	-	-	5,224,087	11.87
Kotak medium Term Fund Direct Plan Growth (GS 7.42%)	-	-	7,939,848	11.90
HDFC Corporate Debt Opportunities Fund - Direct- Growth (GS 7.42%)	-	-	3,974,373	5.93
HSBC Cash Fund - Growth - Direct	-	-	86,842	15.02
Invesco Liquid Fund - Direct - Growth	-	-	20,936	5.01
Franklin India Treasury Mgt Account SI - Direct - Growth	-	-	19,270	5.01
DHFL Pramerica Insta Cash Plus - Direct - Growth	-	-	554,264	12.51
L&T Liquid Fund - Direct - Growth	-	-	52,519	12.51
Franklin India Low Duration Fund - Direct - Growth	5,950,621	13.19	-	-
		362.37		440.24
Aggregate book value of quoted investments		362.37		440.24
Aggregate market value of quoted investments		362.37		440.24
Aggregate book value of unquoted investments		-		-

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-11 Trade Receivables		
Considered good - Secured	-	-
Considered good - Unsecured	106.57	96.94
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	3.12	2.05
Less :- Provision/Allowances for doubtful debts	(3.12)	(2.05)
	106.57	96.94
Note-12 Cash and Cash Equivalents		
On Current Account	0.18	1.87
Cheques , Draft on hand/transit	1.58	1.42
Cash on hand	0.19	0.26
	1.95	3.55
Note-13 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	14.71	6.19
On Unpaid Dividend Accounts	1.37	1.85
	16.08	8.04
* Includes ₹ 2.05 crore (previous year ₹ 1.94 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 - Unsecured	7.18	7.49
Credit Impaired	4.22	4.22
Less: Provision for doubtful	(4.22)	(4.22)
	7.18	7.49
Interest Receivable from Banks and others	2.13	1.61
Advances to Employees (Loans)	0.49	0.35
	9.80	9.45
Note-15 Other Current Assets		
Prepaid expenses	11.31	11.16
Balance with Govt. Authorities	69.70	56.00
Other Advances*	48.43	61.94
Deferred Expenditure	0.74	0.74
	130.18	129.84
*Includes advances to related party amounting of ₹ 3.33 crore (previous year ₹ 20.40 crore). Read with note no. 52 and 66(a)		

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
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 2019	31st March 2018
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.	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	11,570,030	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 ₹ 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. **Nature of Reserves :-**

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

Securities Premium : 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 2019		As at 31st March 2018	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	240.46	111.60	350.64	36.60
Term Loans				
From Banks	981.05	171.02	1,022.75	164.89
From Government	21.62	-	-	-
	1,243.13	282.62	1,373.39	201.49
UNSECURED LOANS				
From Bank	-	-	-	5.00
Fixed Deposits	17.27	11.27	25.03	2.56
	17.27	11.27	25.03	7.56
Less:- Shown under Note - 24		293.89		209.05
	1,260.40	-	1,398.42	-

*** 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 ₹ 20 crore are redeemable at the end of 10th year from the date of allotment i.e. 4th Feb, 2010.
   ii) 9% NCDs of ₹ 33.19 crore are redeemable in two equal annual installments at the end of 7th and 8th year from the date of allotment, i.e. 20th July 2012.
   iii) 8.95% 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) 9.05% 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) 9.15% 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 in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for working capital on specified movables assets.

3 NCDs specified in 1 (i) & 1 (ii) are also additionally secured by way of mortgage on Company's Specified Immovable Property in the State of Gujarat in addition to Security specified at Sl. No. 2 above.

4 Term Loans from Banks aggregating to ₹ 88.75 crore are secured by way of a first charge on all the immovable and movable properties pertaining to the Company's Cement Unit 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 ₹ 26.25 crore is repayable in 12 equal quarterly installments.
   b) Term Loan of ₹ 62.50 crore is repayable in 20 equal quarterly installments.

5 Term Loan from a Bank of ₹ 26.25 crore & ₹ 41.56 crore are secured by way of an exclusive first charge on immovable & movable fixed assets of the Company's Cement Grinding Units in the state of Haryana, except charge on the Current Assets. These Term Loans are repayable in 12 & 19 equal quarterly installments respectively.

6 Term Loan from a Bank of ₹ 20.00 crore is secured by way of an exclusive first charge on movable assets of the Company's AAC Block Unit in the State of Haryana, except charge on current assets. This Term Loan is repayable in 16 equal quarterly installments.

7 Term Loan from a Bank of ₹ 25.00 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 20 equal quarterly installments.

8 Term Loan from a Bank of ₹ 152.48 crore is secured by way of an exclusive first charge on all the immovable and movable fixed assets of the Company's Cement Grinding Unit in the State of Gujarat. This Term Loan is repayable in 27 unequal quarterly installments.

9 Term Loans from Banks aggregating to ₹ 650.00 crore are secured by way of first pari passu charge on all the immovable and movable fixed assets of the Company's Cement Plant in the State of Chattisgarh. These Term Loans from Banks are repayable in 26 equal quarterly installments.

10 Term Loan from a Bank of ₹ 87.46 crore is secured by way of an exclusive charge on movable assets of the Company's 20 MW Thermal Power Plant at Durg, Chattishgarh. This Term Loan is repayable in 50 quarterly installments commencing from 30th June 2020.

11 Term Loan from a Bank of ₹ 62.95 crore is secured/to be secured by way of an exclusive first charge on all the Immovable & Movable Assets of the Company's Cement Grinding Unit at Cuttack, Odisha, except the charge on the Current Assets. This Term Loan is repayable in 56 equal quarterly installments commencing from 31st March 2020.

12 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 36 crore granted to the Company in relation to Cement Grinding Unit at Jhajjar, Haryana is secured by Bank Guarantee of equivalent amount and shall be repaid at the end of 5th year from the date of respective disbursement dates during Financial Year 2018-19. The said IFL is recognised on amortised cost basis.

13 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.

14 The above outstanding NCDs/Term Loans are net of the Processing charges as per IND AS.

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-18 Other Non Current Financial Liabilities		
Trade and other deposits	131.69	96.79
Other Liabilities	26.67	24.51
Financial Obligation of Guarantee	17.27	18.78
	175.63	140.08
Note-19 Non Current Provisions		
Provision for Employees' Benefits	10.85	10.80
	10.85	10.80
Note-20 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	390.11	388.35
Others	1.19	1.53
Less: Deferred Tax Assets		
Expenses / Provisions allowable	69.02	69.33
Unabsorbed Depreciation & Brought Forward Business Losses	157.29	180.37
Others	6.14	6.49
MAT Credit Entitlement	180.88	153.67
Deferred Tax Assets (Net)	(22.03)	(19.98)
Note-21 Other Non-Current Liabilities		
Deferred Revenue*	13.25	2.66
Liability for Employees Subsidised Car Scheme	5.10	4.46
Govt. and other dues	157.29	153.45
	175.64	160.57
* Including on account Government Grant of ₹ 11.05 crore		
Note-22 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	55.68	50.67
Buyer's Credit from Banks	-	102.92
Commercial Papers	-	50.00
Unsecured Loans		
Fixed Deposits	2.90	9.37
Commercial Papers	-	200.00
	58.58	412.96

Working capital borrowings from Banks are secured by hypothecation of Stocks and Book Debts etc. of the Company, both Present & Future and by a second charge on the movable and immovable assets of the Company's Cement Plants in the States of Rajasthan and Chattisgarh (except those assets which are exclusively charged to other lenders).

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-23 Trade Payables		
Micro and Small Enterprises	6.01	3.77
Others	505.41	314.85
	511.42	318.62
Note-24 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-17)	293.89	209.05
Interest Accrued but not due on borrowings	10.73	11.53
Unclaimed dividends #	1.37	1.85
Unclaimed matured Public Deposits and interest #	0.60	0.37
Capital Creditors	31.63	20.12
Other liabilities	178.17	129.58
	516.39	372.50
# Investor Education and Protection Fund will be credited as and when due.		
Note-25 Other Current Liabilities		
Advance from Customers	61.97	89.98
Govt. and other dues	140.61	118.28
Deferred Revenue*	3.53	0.46
	206.11	208.72
* Including on account Government Grant of ₹ 3.07 crore		
Note-26 Current Provisions		
Provision for Employees' Benefit	5.97	10.23
	5.97	10.23
Note-27 Current Tax Liabilities/(Assets) (Net)		
Provision for Taxation (Net of Taxes paid)	11.77	2.68
	11.77	2.68

₹ In Crore (10 Million)

	2018-19	2017-18
Note-28 Revenue From Operations		
Sale of products		
Cement	3,355.08	2,993.20
Others	523.02	516.54
Other Operating Revenues	4.24	4.45
	3,882.34	3,514.19
Note-29 Other Income		
Interest Income	2.53	2.02
Profit on sale* of		
Long Term Investments	-	-
Current Investments	32.07	41.25
Profit/(loss) on Sale of Property Plant & Equipments (Net)	0.56	0.33
Other Non - Operating Income	21.10	24.50
	56.26	68.10
* Inclusive of fair value gain of ₹ 13.14 crore (Previous year gain of ₹ 17.08 crore)		
Note-30 Cost of Material Consumed		
Raw Material Consumed	714.99	584.15
	714.99	584.15
Note-31 Purchse of Stock - in - Trade		
Purchase of Traded goods	169.79	242.20
	169.79	242.20
Note-32 Change In Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening 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
Closing Stocks		
Stock-in-progress	32.43	113.80
Finished Goods	25.80	28.37
Stock-in-Trade	0.56	0.55
	58.79	142.72
Add/(Less) : Excise Duty Variance on Stocks	-	(5.24)
Less : Preoperative period Stocks	-	-
	83.93	(47.97)

₹ In Crore (10 Million)

	2018-19	2017-18
Note-33 Employee Benefit Expense		
Salaries and Wages	216.16	192.10
Contribution to Provident and Other Funds	15.78	15.59
Staff Welfare Expenses	27.92	27.26
	259.86	234.95
Note-34 Finance Cost		
Interest expenses	185.80	195.42
Other borrowing cost	1.64	2.06
	187.44	197.48
Note-35 Depreciation and Amortization Expense		
Depreciation on Tangible Assets	178.85	178.92
Amortisation on Intangible Assets	0.54	0.35
	179.39	179.27
Note-36 Other Expenses		
Consumption of Stores and Spares	105.84	95.64
Power & Fuel	919.81	795.87
Rent (Net of realisation ₹ 0.80 crore, previous year ₹ 0.81 crore)	17.15	16.27
Repairs to Buildings	6.89	11.67
Repairs to Machinery	42.95	51.52
Insurance	3.12	3.11
Rates and Taxes	2.66	6.85
Transport, Clearing and Forwarding Charges	953.32	872.59
Commission on Sales	51.55	40.49
Directors' Fee & Commission	0.67	0.66
Provision for Doubtful Debts	1.07	-
Advertisement, Travelling, Consultancy & Misc. expenses etc.	133.74	92.79
	2,238.77	1,987.46
Note-37 Earning Per Equity Share		
Profit after tax	79.56	83.96
Weighted average number of equity shares outstanding	117,670,066	117,670,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	6.76	7.14
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	6.76	7.14

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, 2019	As at 31st March, 2018
Change in USD	+₹0.25	+₹0.25
Effect on profit / (loss) before tax (₹ in Crore)	(0.57)	(0.40)
Change in USD	-₹0.25	-₹0.25
Effect on profit / (loss) before tax (₹ in Crore)	0.57	0.40

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, 2019	As at 31st March, 2018
1	**Loans in Rupees**		
	- Fixed Rate	383.50	674.20
	- Floating Rate	1207.75	1243.31
	- Interest Free	21.62	-
	Total	1612.87	1917.51
2	**Loans in US $**		
	- Fixed Rate	-	102.92
	- Floating Rate	-	-
	Total	-	102.92
3	**Grand Total (1+2)**	1612.87	2020.43

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 2019	As at 31st March 2018
Change in Basis Points	+ 25	+ 25
Effect on profit / (loss) before tax (₹ in Crore)	(3.02)	(3.11)
Change in Basis Points	- 25	- 25
Effect on profit / (loss) before tax (₹ in Crore)	3.02	3.11

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 Receivablesare 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'2019					
Secured	-	-	-	-	-
Unsecured	75.68	28.08	1.22	4.71	109.69
Gross Total	**75.68**	**28.08**	**1.22**	**4.71**	**109.69**
Provision for Doubtful	-	-	-	(3.12)	(3.12)
Net Total	**75.68**	**28.08**	**1.22**	**1.59**	**106.57**
As at 31st March'2018					
Secured	-	-	-	-	-
Unsecured	68.42	24.26	1.52	4.79	98.99
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**

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, 2019					
	- Borrowings	1612.87	352.47	955.50	304.90	1612.87
	- Trade Payables	511.42	511.42	-	-	511.42
	- Other Liabilities*	678.76	365.15	165.45	148.16	678.76
	Total	**2803.05**	**1229.04**	**1120.95**	**453.06**	**2803.05**
2	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**

*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 2019	As at 31st March 2018
Borrowings	1,612.87	2,020.43
Less: Cash and Cash equivalents (Including Current Investments & other bank balances)	380.40	451.83
Net debt	**1,232.47**	**1,568.60**
Equity Share Capital	58.85	58.85
Other Equity	1,463.82	1,394.36
Total Capital	**1,522.67**	**1,453.21**
Capital and net debt	**2,755.14**	**3,021.81**
Gearing ratio	**44.73%**	**51.91%**

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 2019		As at 31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss				
Investments				
- Mutual Funds	272.19	272.19	326.07	326.07
- NCD's & others	90.18	90.18	114.17	114.17
- Preference Shares*	94.75	94.75	134.83	134.83
(ii) At Amortized Cost				
a) Bank FDs.	15.60	15.60	6.30	6.30
b) Cash & Bank Balances	3.32	3.32	5.40	5.40
c) Investments	-	-	-	-
d) Trade Receivables	106.57	106.57	96.94	96.94
e) Loans	58.10	58.10	61.94	61.94
f) Others	9.80	9.80	9.45	9.45
Total	650.51	650.51	755.10	755.10
B. Financial Liabilities				
(I) At Amortized Cost				
- Borrowings	1612.87	1612.87	2020.43	2020.43
- Trade Payables	511.42	511.42	318.62	318.62
- Other Financial Liabilities	380.86	380.86	284.75	284.75
Total	2505.15	2505.15	2623.80	2623.80

* 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, 2019			
Financial Assets			
- Unquoted Preference Shares		94.75	
- Mutual Funds	272.19		
- NCDs & others		90.18	
As at 31st March, 2018			
Financial Assets			
- Unquoted Preference Shares		134.83	
- Mutual Funds	326.07		
- NCDs & others		114.17	

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 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 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 2019	As at 31st March 2018
Assets		
Forward Contracts	-	-
Liabilities		
Forward Contracts	201.19	74.68

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 2019	As at 31st March 18
Opening	3.12	0.35
Deferred during the year	15.34	3.23
Released to profit and loss	1.68	0.46
Closing	16.78	3.12
Current	3.53	0.46
Non-Current	13.25	2.66

Note-44 Income Tax Expense:

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

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Current Tax	27.21	25.93
Adjustments in respect of current income tax of previous year	-	3.18
Deferred Tax		
Relating to origination and reversal of temporary difference	(24.87)	(18.75)
MAT Credit Entitlement	27.21	29.11
Total Deferred tax Assets (net)	2.34	10.36

ii. Deferred Tax recognized in Other Comprehensive Income (OCI):

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Deferred Tax (Gain)/Loss on defined benefit	0.29	(0.97)

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Accounting Profit/(Loss) before income tax	104.43	102.71
At applicable Statutory Income tax rate	34.944%	34.608%
Computed Income Tax Expense/(Income)	36.49	35.55
Increase/(Reduction) in taxes on account of:		
Income not taxable	(10.16)	(8.07)
Investment allowance u/s-32AC of Income Tax	-	-
R & D u/s- 35(2AB) of Income Tax	(0.70)	(1.22)
Deferred Tax related to Property, Plant & Equipment & Others	(2.52)	(22.28)
Previous year tax adjustments	-	12.44
Tax on which deduction is not admissible	1.41	1.22
Tax Rate Change	0.35	1.11
Income Tax Expense/(Income) Reported to Profit & Loss	24.87	18.75

iv. Reconciliation of deferred tax (liabilities)/Assets (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	19.98	8.65
Deferred Tax recognised in Statement of Profit and Loss	2.34	10.36
Other Comprehensive Income	(0.29)	0.97
Closing Balance	22.03	19.98

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Deferred Tax Assets Related to		
Brought Forward Losses Setoff	(23.08)	0.17
Disallowances/Allowances Under Income Tax	(0.31)	(6.99)
Others	(0.35)	1.48
MAT Credit Entitlement	27.21	29.11
Total Deferred Tax Assets	3.47	23.77
Deferred Tax Liabilities Related to		
Property, Plant and Equipment	(1.76)	(12.82)
Others	0.34	0.38
Total Deferred Tax Liabilities	(1.42)	(12.44)

v. Deferred Tax: (Continue)

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Net Total Movement in Statement of Profit & Loss	2.05	11.33
Movement in Profit & Loss	2.34	10.36
Movement in OCI	(0.29)	0.97

Note-45 Dividends

The following dividends were declared and paid by the company during the year

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
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
Dividend distribution tax thereon	1.81	1.80
Total	10.64	10.63

The following dividends were proposed by the board of directors in their meeting held on 22nd May'2019, 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	2018-19	2017-18
For the year ended 31st March'2019 – 15% i.e. ₹ 0.75 per equity share, (31st March'2018 – 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	2018-19	2017-18
A	Revenue Expenditures		
	Employee Cost	5.51	4.55
	Cost of Material and Testing Charges	0.22	1.06
	Other R & D Expenses	0.50	1.32
	R & D Cess	-	-
B	**Total Revenue Expenditure**	6.23	6.93
C	**Capital Expenditures**	0.01	-
D	**Total Expenditures (B+C)**	6.24	6.93

Note-47 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2018-19	2017-18
A	**Statutory Auditor**		
	Audit Fee	0.16	0.16
	For Taxation Matters	0.03	0.03
	For other Services	0.12	0.08
	Reimbursement of Expenses	0.01	₹ 56,838
B	**Total (A)**	0.32	0.27
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	2018-19	2017-18
Company's Contribution to Provident Fund	11.89	10.85
Company's Contribution to ESI	0.40	0.28
Company's Contribution to Superannuation Fund	1.40	1.45
Total	**13.69**	**12.58**

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, 2019 and March 31, 2018, 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'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**
Present Value of obligation as on 1st April'18	59.47	12.20
Current Service Cost	3.16	1.52
Interest Cost	4.16	0.85
Benefits Paid	(4.91)	(2.80)
Remeasurement - actuarial loss / (gain)	(0.06)	0.34
Present Value of obligation as on 31st March'19	**61.82**	**12.11**

2 Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Fair Value of plan assets at beginning of year	**55.27**	52.30
Expected Return on plan assets	**3.86**	3.66
Employer contributions	**5.91**	3.54
Benefit paid	**(4.91)**	(3.54)
Actuarial gain / (loss)	**0.76**	(0.69)
Fair Value of plan assets at end of year	**60.89**	**55.27**
Present Value of Obligation	**61.82**	59.47
Net funded status of plan	**(0.93)**	(4.20)
Actual Return on plan assets	**4.64**	**2.97**

3 Expenses recognised in Statement of profit and loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	3.00	1.42
Interest cost	3.79	0.74
Expected return on 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	5.10	-
Current Service Cost	3.16	1.52
Interest cost	4.16	0.85
Expected return on plan assets	(3.87)	-
Remeasurement - actuarial loss / (gain)	-	0.34
For the year ended 31st March'19	3.45	2.71
Actual return on plan assets	4.64	-

4 Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain) For the year ended 31st March'18	2.78
Remeasurement - Actuarial loss/(gain) For the year ended 31st March'19	(0.83)

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 19	As at 31st March 18
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)	15.23	15.06

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.

6 Sensitivity analysis

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Gratuity		
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)
For the year ended 31st March'19		
Discount Rate	0.50%	(1.13)
	-0.50%	1.22
Salary Growth Rate	0.50%	1.24
	-0.50%	(1.16)
Leave Encashment		
For the year ended 31st March'18		
Discount Rate	0.50%	(0.41)
	-0.50%	0.45
Salary Growth Rate	0.50%	0.45
	-0.50%	(0.42)
For the year ended 31st March'19		
Discount Rate	0.50%	(0.44)
	-0.50%	0.48
Salary Growth Rate	0.50%	0.49
	-0.50%	(0.45)

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'2018	
Plan Liabilities - Loss/(Gain)	2.09
Plan Assets - Gain/(Loss)	(0.69)
For the year ended 31st March'2019	
Plan Liabilities - Loss/(Gain)	(0.06)
Plan Assets - Gain/(Loss)	0.77

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity
April'2019 - March'2020	31.12
April'2020 - March'2021	0.55
April'2021 - March'2022	0.74
April'2022 - March'2023	0.70
April'2023 - March'2024	0.79
April'2024 - March'2025	0.65
April'2025 onwards	27.26

8 Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Gratuity	2.63	5.91
Leave Encashment	2.72	4.33
Superannuation	1.40	1.45

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'2018		
Current	4.20	4.47
Non Current	-	7.73
For the year ended 31st March'2019		
Current	0.93	4.04
Non Current	-	8.07

10 Employee benefit expense

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Salary and Wages	216.16	192.10
Costs-defined benefit plan	6.75	11.69
Costs-defined contribution plan	9.03	3.90
Welfare expense	27.92	27.26
Total	259.86	234.95

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)

	2018-19	2017-18
Power & Fuel	-	0.90
Salaries and Wages	3.66	1.24
Contribution to Provident and Other Funds	0.10	0.07
Staff Welfare expenses	0.29	0.21
Insurance	0.11	0.02
Rates and Taxes	0.14	0.10
Travelling, Consultancy & Miscellaneous Expenses	0.85	0.42
Finance costs	9.93	8.59
	15.08	11.55
Add : Expenditure upto previous year	56.96	49.94
Less : Transferred to Property, Plant & Equipment (Includes interest Nil previous year ₹ 3.38 crore).	-	4.53
	72.04	56.96

Note-50 Detail of Expenditure and Earning in Foreign Currency

₹ in Crore (10 Million)

		2018-19	2017-18
a)	**Expenditure in Foreign Currency on account of**		
I)	Consultancy and know-how fee	1.08	0.98
ii)	Interest	1.05	1.86
iii)	Others	0.54	0.34
		2.67	3.18
b)	**Earning in Foreign Currency on account of**		
	FOB value of Exports	-	-
c)	**C.I.F. Value of Imports :**		
I)	Raw Materials	6.99	6.16
ii)	Power & Fuel	193.98	137.58
iii)	Stores and Spares	14.34	12.15
iv)	Capital Goods	7.53	0.43
		222.84	156.32

Note-51 Expenses charged to Raw Material (Limestone) account includes :

₹ in Crore (10 Million)

	2018-19	2017-18
Salaries & Wages	4.83	6.29
Contribution to Provident and Other Funds	0.33	0.49
Employees' Welfare Expenses	0.84	1.27
Consumption of Stores and Spares	28.78	32.95
Power & Fuel	7.59	7.86
Repairs to Machinery	3.88	4.15
Material Handing	89.03	70.52
Insurance	0.13	0.18
Rates and Taxes	23.88	25.84
Royalty	78.54	76.92
Miscellaneous Expenses	0.91	0.47
Total	238.74	226.94

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
Ms. Bhaswati Mukherjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. 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	Sr. 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 course of business :

i) ₹ in Crore (10 Million)

Nature of Transactions	Refer name from above									
	UCWL	HITCL	DEL	BACL	Trusts	UCWL	HITCL	DEL	BACL	Trusts
	2018-19					2017-18				
- Sharing of Expenses received	8.24	0.67	-	0.07	-	6.37	0.001	-	0.06	-
- Sharing of Expenses/ Expenses paid	-	-	-	-	-	0.29	-	-	-	-
- Payment of Expenses	-	-	-	1.21	-	-	-	-	1.16	-
- Sale of Clinker/Cement/ Others	135.92	67.87	-	-	-	38.48	58.95	-	0.03	-
- Purchase of Cement/Others	8.83	64.10	-	-	-	6.13	31.37	-	-	-
- Other Income	0.68	-	-	-	-	0.86	-	-	-	-
- Investments #	-	-	-	-	-	50.00	-	-	-	-
- Loan/Advances given	-	-	-	-	-	10.00	-	-	-	-
- Advances Received back	-	-	-	3.33	-	41.16	-	-	3.33	-
- Contribution	-	-	-	-	9.86	-	-	-	-	7.58
- Corporate guarantee given on behalf of	220.00	-	-	-	-	50.00	-	-	-	-
Outstanding as at year end:										
- Receivable/(Payable) :	10.00	(2.59)	-	20.53		23.99	3.08	-	23.86	
EPF	-	-	-		(0.67)	-	-	-		(0.75)
SF					(0.89)					(1.46)
GF					(0.93)					(4.20)
- Corporate guarantee outstanding	270.00	455.00				50.00	525.00			

Refer Note 65

ii) **Remuneration Paid to KMPs**

Particulars	2018-19	2017-18
Short Term Employee benefits	20.34	20.61
Post Employment benefits*	-	-
Other Payments	0.67	0.66

* 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.

Note-53 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 65.45 crore (previous year ₹ 108.97 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 2019	31st March 2018
a) Service Tax	2.85	0.25
b) Sales Tax and Interest	129.08	16.35
c) Income Tax	6.09	6.13
d) Renewable Energy Obligation	-	20.21
e) Excise Duty @	-	-
f) Other matters	15.23	8.60
Total	153.25	51.54

@ excluding Show Cause Notices of ₹ 148.65 crore (previous year ₹ 148.65 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 had 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 granted a stay on CCI Order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Company believes that it has a good case but out of abundant caution amount of ₹ 2.00 crore has been provided in the books during financial year 2017-18.

Note-58 Maximum balance due for Commercial Paper issued during the year was ₹ 375.00 crore and the year end balance is Nil (previous year Maximum balance ₹ 320.00 crore and at the year end ₹ 250.00 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 for repayment of the principal amount in respect of Sales Tax Exemption, Sales Tax Deferment and Interest thereon. The Principal amount of Sales Tax Exemption and Sales Tax Deferment has since been paid in earlier years. The Rajasthan Tax Board Ajmer in its Order dated 14th March, 2018 has set aside the entire demand of interest upto the period of Demand Notice.

During the year, the department has appealed before Hon'ble High Court of Jodhpur against the Order of Rajasthan Tax Board, Ajmer.

Note-60

a) Sales include own consumption at cost ₹ 2.21 crore (previous years ₹ 1.65 crore).

b) Consumption of Stores and Spares is net of scrap sale ₹ 6.01 crore (previous year ₹ 6.72 crore.)

c) Interest expenses include ₹ 8.62 crore (previous year ₹ 7.25 crore) being interest on entry tax and sales tax deferment.

Note-61

a) Other-Non-Operating Income includes receipts from aircraft flying ₹ 1.44 crore, (previous year ₹ 2.98 crore) net of expenses of ₹ 7.50 crore (previous year ₹ 3.94 crore) and write back of District Mineral Fund amounting to Nil (previous year ₹ 10.82 crore) pursuant to Hon'ble Supreme Court decision.

b) Miscellaneous expenses include, Contribution of ₹ 0.50 crore (previous year nil) made to a Political Party as prescribed u/s 182 of the Companies Act, 2013, CSR expenses amounting to ₹ 1.22 crore (previous year ₹ 1.31 crore) and Foreign exchange fluctuation of gain (net) ₹ 1.33 crore (previous year loss (net) ₹ 2.58 crore).

Note-62

a) Forward contracts of ₹ 166.57 crore – USD 22.77 Mn (previous year ₹ 48.51 crore – USD 7.47 Mn.) taken for the purpose of hedging of Supplier's Credit (previous year Buyer's Credit) and ₹ 34.21 crore- USD 4.70 Mn and ₹ 0.41 crore - GBP 0.04 Mn (previous year ₹ 26.17 crore -USD 4.00 Mn) against letter of credit.

b) Un-hedged Nil (previous year ₹ 55.30 crore – USD 8.50 Mn) against Supplier's Credit ₹ 166.57 crore – USD 22.77 Mn and ₹ 34.21 crore- USD 4.70 Mn and ₹ 0.41 crore - GBP 0.04 Mn letter of credit outstanding as at 31st March, 2019.

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 2019 ₹ 6.01 crore (previous year ₹ 3.77 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 2019 Nil (previous year - Nil).

Note-64 Udaipur Cement Works Limited (UCWL), a 72.54% Subsidiary of the Company has completed its Revival & Rehabilitation Scheme in March 2017

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 525.00 Crore (Outstanding as on 31st March 2019 is ₹ 455.00 Crore), issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of said 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 of ₹ 525.00 crore (Outstanding as on 31st March 2019 is ₹ 455.00 Crore), raised by HITCL for onward lending to UCWL.

In addition, the Company has given Corporate Guarantee to Banks for collaterally securing

- The Term Loan aggregating to ₹ 70.00 crore (Previous year nil) granted by the Banks to UCWL and
- The Working Capital Facility of ₹ 50.00 crore (Previous year ₹ 50.00 crore) granted by Bank to UCWL.
- The Company has received a Counter Indemnity from UCWL for

(i) ₹ 220.00 crore in consideration of the Company having given Corporate Guarantee to Bankers of UCWL for outstanding Term Loan of ₹ 70.00 crore & the balance limit of Corporate Guarantee is yet to be utilized.

(ii) ₹ 50.00 crore in consideration of the Company having given Corporate Guarantee to Bank of UCWL for Working Capital Borrowing of ₹ 50.00 crore.

Note-65 During the year 1,62,04,537 Equity Shares of UCWL of Face Value of ₹ 4 each were allotted to the Company at a price of ₹ 27.77 per Equity Share against the Conversion Option exercised by the Company in respect of 45 Lakh 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of UCWL of Face Value of ₹ 100 each held by the Company as per the Terms of Issue of the said OCCRPS.

The balance 5 Lakh, 6% OCCRPS of Face Value of Rs.100 per share aggregating to ₹ 5 Crore shall continue as Redeemable Preference Shares to be redeemed in three equal installments at the end of 18th Year, 19th Year & 20th Year from the date of allotment of 10th August 2017.

Note-66

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 ₹ 20.01 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 23.34 crore) (Maximum balance due ₹ 23.34 crore, previous year ₹ 26.67 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(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 regulation of listing regulation with Stock Exchanges.

Loan given to Udaipur Cement Works Limited is ₹ 10 crore (previous year ₹10 crore). Maximum balance outstanding during the year is ₹ 10 crore.

c) Disclosure of transaction in pursuant to Regulation 34(3) read with Schedule V, part A, clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, with Promoter/Promoter group Companies holding more than 10% of equity share capital of the Company.

Name of Company	Nature of Transaction and amount
Bengal & Assam Co. Ltd	Refer Note 52
Florence Investech Ltd*	Sharing of expenses received ₹ 0.01 crore (Previous year ₹ 0.01 crore)

*Year end balance is Nil (Previous year Nil)

Note-67 During the year the Company has received subsidy of ₹ 0.22 crore (Previous year Nil) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

Note-68 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.

Note-69 Hon'ble Supreme Court has pronounced a judgement in February 2019 making clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Hon'ble Supreme Court seeking additional clarifications and there has been no clarity either from Government or from other Concerned Authorities. In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received

Note-70

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.

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

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

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

JK Lakshmi Cement Limited
Cash Flow Statement
For the year ended 31st March, 2019

₹ In Crore (10 Million)

		2018 - 19		2017- 18	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax and Exceptional Items	104.43		102.71	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	179.39		179.27	
	Interest & Dividend Income	(2.53)		(2.02)	
	Profit on sale of Assets (Net)	(0.56)		(0.33)	
	Profit on sale of Current Investments (net)	(18.93)		(24.17)	
	Gain / (Loss) on Fair Valuation of Current Investment	(13.14)		(17.08)	
	Finance Costs	187.44		197.48	
	Provision for Doubtful Debts	1.07		-	
	Foreign Exchange Difference (net)	0.60		0.05	
	Operating Profit before Working Capital changes	437.77		435.91	
	Adjustments for:				
	Trade and Other Receivables	(7.07)		49.94	
	Inventories	5.33		(39.39)	
	Trade and Other Payables	271.53		48.59	
	Cash generated from Operations	707.56		495.05	
	Income Tax Payments (Net)	(18.11)		(38.58)	
	Net Cash from Operating Activities		689.45		456.47
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment and Intangible Assets	(190.62)		(137.95)	
	Sale of Property, Plant and Equipment and Intangible Assets	1.80		1.08	
	(Purchase) / Sale of Investments (net)	106.53		56.31	
	Loan Given	-		(10.00)	
	Interest Received	2.91		1.74	
	Net Cash from / (used in) Investing Activities		(79.38)		(88.82)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long-term Borrowings	186.16		-	
	Repayment of Long-term Borrowings	(225.22)		(186.83)	
	Short-term borrowings (net)	(354.38)		36.66	
	Interest paid	(199.07)		(204.57)	
	Dividend paid (including Dividend Distribution Tax)	(11.12)		(10.30)	
	Net Cash from / (used in) Financing Activities		(603.63)		(365.04)
D.	**Increase / (Decrease) in Cash and Cash Equivalents**		6.44		2.61
E.	Cash and Cash Equivalents as at the beginning of the year		11.59		8.98
F.	**Cash and Cash Equivalents as at the close of the year (Note 12 & 13)**		18.03		11.59
Notes:					
1.	Cash and Cash Equivalents include:				
	- Cash, Cheques in hand and remittances in transit		1.77		1.68
	- Balances with Scheduled Banks		16.26		9.91
			18.03		11.59

2. 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.

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

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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 Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JK Lakshmi Cement Limited ("the Company" or "Holding Company") and its subsidiaries including step down subsidiary (the Company and its subsidiaries including step down subsidiary together referred to as "the Group") and its associate company, which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary and an associate company referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No 13 of Note 1 of Accounting Policy).	**Our procedures included, but were not limited to the following:** • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" • On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. • We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and

Sr. No.	Key Audit Matter	Auditor's Response
		• Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. Based on our audit procedures we have concluded that revenue is appropriately recognized, and that there was no evidence of management bias.
2.	Evaluation of uncertain civil and indirect tax positions and recoverability of amount deposited under protest as recoverable The Company has material uncertain civil and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The eventual outcome of these litigations is uncertain, and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements. Based on management judgement and the advice from legal and tax Consultants and considering the merits of the case, the Company has recognized provisions wherever required and for the balance matters, where the management expects favorable outcome, these litigations have been disclosed as contingent liabilities in the financial statements unless the possibility of out flow of resources is considered to be remote. Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.	**Principal Audit Procedures** Obtained details of completed tax assessments of earlier years and demands as on March 31, 2019 from management. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Based on management estimates and Independent legal opinion taken by Management of the company, the liability against these matters are not yet certain hence the same has been shown as contingent liability in the current financial statements. Our procedures on verification of the management's assessment of these matters included: • Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; • Gaining an understanding of the civil and tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31 March 2019; • Inspecting demand notices received from various tax authorities and evaluating the Company's written responses to those matters; • Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and • Assessing the adequacy of the Company's disclosures. We did not identify any significant exceptions to the management's assessment of the ongoing civil, income tax and indirect tax litigations as a result of the above procedures.
3.	The Hansdeep Industries & Trading Company Limited (the subsidiary) has recognised financial guarantee given by its holding company to NCD holder against NCDs issued by the company.	Audit procedures included, but not limited to the following: • Tested the design and operating effectiveness of key controls. • Controls over the validation, completeness, implementation and usage of valuation models

Sr. No.	Key Audit Matter	Auditor's Response
		• In the context of observed industry practices, our valuation specialists helped us in evaluating the appropriateness of significant models and methodologies adopted in calculating fair value, risk exposures, completeness of risk factors, and in calculating FVAs. The results of our testing were satisfactory and we consider the fair value of financial instrument assets and liabilities recognized to be acceptable.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries including step down subsidiary and an associate company audited by other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far it relates to the subsidiaries including step down subsidiary and an associate company, is traced from their standalone/ consolidated financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate company are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies including step down subsidiary and an associate company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone/ consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information, in respect of two subsidiaries and one step down subsidiary whose financial statements include total assets of Rs. 1395.84 crores as at March 31, 2019, total revenue of Rs. 757.10 crores and net cash inflows amounting to Rs. 0.54 crores for the year ended on that date and financial statements and other financial information of one associate company which reflect Group's share of net loss of Rs. 0.04 crores for the year ended March 31, 2019. 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 and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of these subsidiaries including step down subsidiary and an associate company and our report in terms of sub-section 3 of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries including step down subsidiary and an associate company is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above maters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary and associate company referred to in the Other Matters paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated balance sheet, the consolidated statement of profit and loss including (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

d) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies/step down subsidiary company and an associate company incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

e) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies including step down subsidiary and an associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors

during the year is in accordance with the provisions of section 197 of the Act.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statement discloses the impact of pending litigations as at March 31, 2019 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 financial statements;

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies including step down subsidiary and an associate company incorporated in India.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 22, 2019

Annexure A to the Independent Auditor's Report to the members of JK Lakshmi Cement Limited dated May 22, 2019 on its Consolidated 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 financial statement of **JK Lakshmi Cement Limited** as of and for the year ended March 31, 2019, 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 an 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 an 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 an 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 an 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 an 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, 2019, based on the internal control over financial reporting criteria established by the holding company including its subsidiary/step down subsidiary company and an 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, in so far 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

Place: New Delhi
Date: May 22, 2019

JK Lakshmi Cement Limited
Consolidated Balance Sheet as at 31st March 2019

₹ In Crore (10 Million)

		Note No.	As at 31st March 2019	As at 31st March 2018
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	3,372.80	3,554.24
	(b) Capital work-in-progress		416.59	226.32
	(c) Investment Property	3	0.64	0.70
	(d) Goodwill	4	72.32	70.51
	(e) Other Intangible Assets	4 A	5.15	1.84
	(f) Intangible Assets Under Development		-	1.94
	(g) Investment in an Associate	5	10.81	9.72
	(h) Financial Assets			
	(i) Loans	6	54.62	56.70
	(ii) Others	7	1.16	0.88
	(i) Deferred Tax Assets (Net)	8	93.08	73.97
	(j) Other Non-Current Assets	9	28.48	26.45
			4,055.65	4,023.27
(2)	**Current Assets**			
	(a) Inventories	10	352.23	355.61
	(b) Financial Assets			
	(i) Investments	11	366.54	463.07
	(ii) Trade Receivables	12	109.80	101.51
	(iii) Cash and Cash Equivalents	13	2.85	4.40
	(iv) Bank Balance other than (iii) above	14	16.58	8.05
	(v) Others	15	10.22	9.70
	(c) Current Tax Assets (Net)	16	1.03	1.03
	(d) Other Current Assets	17	150.73	134.44
			1,009.98	1,077.81
	TOTAL ASSETS		5,065.63	5,101.08
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	18	58.85	58.85
	(b) Other Equity		1,425.73	1,384.67
			1,484.58	1,443.52
	Non Controlling Interest		(7.60)	1.26
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	1,666.50	1,847.15
	(ii) Other Financial Liabilities	20	180.63	139.16
	(b) Provisions	21	12.47	11.55
	(c) Deferred Tax Liabilities (Net)	8	-	-
	(d) Other Non-Current Liabilities	22	175.89	160.65
			2,035.49	2,158.51
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	23	62.36	420.29
	(ii) Trade Payables	24		
	Micro and Small Enterprises		6.01	3.77
	Others		538.79	325.02
	(iii) Other Financial Liabilities	25	691.44	502.53
	(b) Other Current Liabilities	26	236.31	231.76
	(c) Provisions	27	6.48	11.74
	(d) Current Tax Liabilities (Net)	28	11.77	2.68
			1,553.16	1,497.79
	TOTAL EQUITY AND LIABILITIES		5,065.63	5,101.08

Significant Accounting Policies 1
Notes on financial statements 2-64

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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 2019

₹ In Crore (10 Million)

		Note No.	2018-19	2017-18
I.	Revenue from Operations	29	4,316.31	3,859.74
II.	Other Income	30	58.05	69.01
III.	**Total Income (I+II)**		4,374.36	3,928.75
IV.	**Expenses :**			
	Cost of Materials Consumed	31	812.99	662.55
	Purchases of Stock-in-Trade	32	130.12	203.31
	Change in inventories of finished goods, work-in-progress and traded goods	33	95.76	(41.89)
	Employee Benefits Expense	34	290.13	262.51
	Finance Costs	35	255.47	263.70
	Depreciation and Amortization Expense (Net)	36	211.02	207.29
	Excise Duty		-	111.38
	Other Expenses	37	2,533.70	2,230.11
	Total Expenses (IV)		4,329.19	3,898.96
V.	**Profit before Exceptional Items and Tax (III-IV)**		45.17	29.79
VI.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.04)	(0.04)
VII.	Exceptional Items - Gain		3.70	2.74
VIII.	**Profit before Tax (V+VI-VII)**		48.83	32.49
IX.	Tax Expense			
	(1) Current Tax		27.28	26.12
	(2) Deferred Tax		(19.35)	(40.17)
	(3) Tax Adjustments for Earlier Years		0.28	3.18
	Total Tax Expense (IX)		8.21	(10.87)
X.	**Profit for the Year**		40.62	43.36
XI.	**Profit for the Year attributable to**			
	Owners of the Parent		51.25	55.24
	Non Controlling Interest		(10.63)	(11.88)
			40.62	43.36
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		0.64	(3.33)
	(2) Income tax effect on above		(0.22)	1.16
	Total Other Comprehensive Income (XII)		0.42	(2.17)
XIII	**Total Comprehensive Income For The Year (X + XII)**		41.04	41.19
XIV	**Total Comprehensive Income For The Year attributable to**			
	Owners of the Parent		51.71	53.17
	Non Controlling Interest		(10.67)	(11.98)
			41.04	41.19
XV	**Earnings per share:**			
	Basic Earnings per equity share (₹):		4.36	4.69
	Diluted Earnings per equity share (₹):		4.36	4.69

Significant Accounting Policies 1
Notes on financial statements 2-64

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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 2019

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2017	Change during the year	As at 31st March 2018	Change during the year	As at 31st March 2019
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	Debenture Redemption Reserve	General Reserve	Retained Earnings	Re-measurement of Net Defined Benefit Plans	
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
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
Profit / (Loss) for the year	-	-	-	-	51.25		51.25
Dividend payment including Dividend Distribution Tax (2017-18)	-	-	-	-	(10.64)		(10.64)
Transfer from Debenture Redemption Reserve	-	-	(6.80)	-	6.80		-
Transfer to Debenture Redemption Reserve	-	-	15.31	-	(15.31)		-
Other Comprehensive Income	-	-	-	-		0.45	0.45
Balance as at 31st March'2019	25.64	88.65	68.61	950.74	295.72	(3.63)	1,425.73

Significant Accounting Policies 1
Notes on financial statements 2-64

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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

1.1. (a) **The Group Overview:**

The Group, JK Lakshmi Cement Limited (JKLCL or 'Company') and its subsidiaries, 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 22, 2019.

(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"). 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 of JK Lakshmi Cement Limited (JKLCL), its subsidiaries and associate. Subsidiaries are those entities in which JKLCL directly or indirectly has interest more than 50% of the voting power.

1.2. a) The Consolidated Financial Statements comprises of audited Financial statements of JK Lakshmi Cement Limited (Parent Company) and the followings as on 31.03.2019.

Name	Proportion of ownership interest	Financial statements as on	For the period
Subsidiaries and Indirect Subsidiary			
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	31/03/2019	12 months
Udaipur Cement Works Ltd. (UCWL)	72.54% (w.e.f. 10/05/2019)	31/03/2019	12 months
Ram Kanta Properties Pvt. Ltd. (RKPPL)	100%	31/03/2019	12 months
Associates:			
Dwarkesh Energy Ltd. (DEL)	35.00%	31/03/2019	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.

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.

g) The difference between the cost of investment and share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

g) The Accounting policies of the parent Company, its subsidiary, fellow subsidiary and associate are largely similar.

h) Significant Accounting policies and notes accompanying to financial statements of the Company, its subsidiaries and fellow subsidiary are set out in their respective financial statements.

(i) **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 Equipments	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
Gross Block									
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
Additions/Adjustments	0.72	1.02	1.97	17.23	0.30	0.78	8.24	-	30.26
Disposals/Adjustments	-	-	-	0.68	0.03	-	2.08	-	2.79
As at 31st March'2019	346.52	56.67	224.02	3,430.67	4.90	7.21	41.32	14.70	4,126.01
Accumulated Depreciation									
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
Charged For the Year	-	0.50	13.79	188.44	0.52	1.02	5.17	0.95	210.39
On Disposal	-	-	-	0.10	0.01	-	1.37	-	1.48
As at 31st March'2019	-	1.86	52.12	665.07	3.09	4.43	23.70	2.94	753.21
Net Carrying Amount									
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
As at 31st March'2019	346.52	54.81	171.90	2,765.60	1.81	2.78	17.62	11.76	3,372.80

1) Leasehold Land Includes ₹ 2.82 crore (previous year ₹ 1.82 crore) pending transfer of title in the name of the Company.

2) 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 2017 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 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
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2019	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 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
Charged For the Year	-	₹ 6,484	0.06	0.06
On Disposal	-	-	-	-
As at 31st March'2019	-	₹ 25936	0.21	0.21
Net Carrying Amount				
As at 31st March'2018	0.10	0.04	0.56	0.70
As at 31st March'2019	0.10	0.03	0.51	0.64

Note-4 Goodwill

Goodwill on Consolidations

Goodwill acquired in business combination is allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows :

₹ In Crore (10 Million)

Goodwill on Consolidation	As at 31st March 2019	As at 31st March 2018
Udaipur Cement Works Limited (UCWL)	72.25	70.44
Ram Kanta Properties Private Limited (RKPPL)	0.07	0.07
Total	72.32	70.51

There is no impairment of the goodwill.

Note-4A Other Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 31st March'2017	3.27
Additions/Adjustments	0.37
Disposals/Adjustments	-
As at 31st March'2018	3.64
Additions/Adjustments	3.89
Disposals/Adjustments	-
As at 31st March'2019	7.53

Note-4A Other Intangible Assets (continued)

₹ In Crore (10 Million)

Particulars	Software
Accumulated Amortisation	
As at 31st March'2017	1.36
Charged For the Year	0.44
Disposal	-
As at 31st March'2018	1.80
Charged For the Year	0.58
Disposal	-
As at 31st March'2019	2.38
Net Carrying Amount	
As at 31st March'2018	1.84
As at 31st March'2019	5.15

Note-5 Investment in an Associate

₹ In Crore (10 Million)

	As at 31st March 2019		As at 31st March 2018	
Investment in an Associate*	Number	Amount	Number	Amount
Dwarkesh Energy Ltd.				
Equity Shares of face value ₹ 10 unquoted	3,50,000	0.15	3,50,000	0.19
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value ₹ 100/- unquoted	11,00,000	10.66	11,00,000	9.53
		10.81		9.72
Aggregate carrying amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		10.81		9.72

* Share of Post acquisition loss / gain has been adjusted in carrying amount.

Note-6 Loans

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Unsecured, Considered Good:		
Security Deposits	44.15	44.70
Loan to Related Parties	10.47	12.00
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	54.62	56.70

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-7 Other Non Current Financial Assets		
Unsecured, considered good:		
Bank Deposits with original maturity for more than 12 months*	1.16	0.88
*Under lien	1.16	0.88
Note-8 Deferred tax (Asset)/Liabilities (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	495.37	475.87
Others	1.87	3.11
Less: Deferred Tax Assets		
Expenses / Provisions allowable	69.02	69.33
Unabsorbed Depreciation & Brought Forward Business Losses	334.21	323.46
Others	6.14	6.49
MAT Credit Entitlement	180.95	153.67
Deferred Tax (Asset)/Liabilities (Net)	(93.08)	(73.97)
Note-9 Other Non-Current Assets		
Unsecured, considered good:		
Capital Advances	26.20	23.43
Deferred Expenditure	2.28	3.02
	28.48	26.45
Note-10 Inventories		
Raw Materials (Including in transit ₹ 0.02 crore previous year ₹ 2.37 crore)	22.84	19.55
Work -in -progress	40.74	134.67
Finished Goods	28.02	30.20
Stock-in -Trade	0.90	0.55
Stores and Spares (Including in transit ₹ 104.39 crore previous year ₹ 29.92 crore)	259.73	170.64
	352.23	355.61

Note-11 Current Investment

₹ In Crore (10 Million)

	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Investment in Non Convertible Debentures at Fair Value through Profit & Loss				
Reliance Capital Ltd - Market Linked Non Convertible Debentures	-	-	2,500.00	28.11
IIFL -DWFEC850 - 300719	3,000.00	34.91	3,000.00	32.34
IIFL -EWFEC850 - 120819	-	-	5,000.00	53.72
IIFL -EWFEC850 - 120819	5,000.00	55.27	-	-
Investment in Mutual Funds at Fair Value through Profit & Loss				
HDFC FMP- 1161 D Feb 2016 (1) - Growth -Series-35 - Regular Plan	25,000,000.00	33.06	25,000,000.00	30.12
HDFC FMP - 1190 D Mar 2016 (1) - Growth - Series -36 - Regular Plan	15,000,000.00	19.70	15,000,000.00	17.96
HDFC FMP -1167 D Jan 2016 (1) - Growth - Series -35 - Direct Plan	10,000,000.00	12.83	10,000,000.00	11.75
Edelweiss Government Securities Fund - Growth - Regular Plan.	-	-	4,433,803.32	6.34
Reliance Fixed Horizon Fund - XXXI - Growth - Series 2 - Regular Plan	25,000,000.00	31.59	25,000,000.00	28.89
DSP BlackRock FMP - Series 196 - 37M - Growth - Regular Plan	10,000,000.00	11.41	10,000,000.00	11.60
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	25,000,000.00	30.41	25,000,000.00	28.21
HDFC FMP - 1302 D Sept 2016 (1) - Growth - Regular Plan	25,000,000.00	30.34	25,000,000.00	28.17
HDFC FMP - 1309 D Sept 2016 (1) - Growth - Regular Plan	25,000,000.00	30.41	25,000,000.00	28.22
Reliance Fixed Horizon FD XXXII Series 4FMP - 19 Oct 2016 - Growth - Regular Plan	25,000,000.00	29.90	25,000,000.00	27.61
L&T FMP - Series XIV - Scheme A - Growth - Regular Plan	25,000,000.00	29.35	25,000,000.00	27.45
Aditya BSL Medium Term Plan - Growth - Direct Plan	-	-	5,224,087.22	11.87
Kotak Medium Term Fund - Growth - Direct Plan	-	-	7,939,847.71	11.90
HDFC Corporate Debt Opportunities Fund - Growth - Direct Plan	-	-	3,974,373.24	5.94
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	-	-	554,263.75	12.51

Note-11 Current Investment (continued)

₹ In Crore (10 Million)

	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
L&T Liquid Fund - Growth - Direct Plan	-	-	52,518.92	12.51
Franklin India Low Duration Fund - Growth - Direct Plan	5,950,620.65	13.19	-	-
Baroda Pioneer Treasury Advantage Fund - Growth - Direct Plan	-	-	1,576.58	0.33
Aditya Birla SL Floating Rate Fund LTP - Growth - Direct Plan	-	-	6,606.61	0.14
Franklin India Ultra Short Bond Fund - Growth - Regular Plan	-	-	2,950,419.89	7.12
Reliance Liquid Fund - Growth - Direct Plan	414.28	0.20	-	-
Reliance Medium Term Fund - Growth - Direct Plan	62,480.84	0.25	65,131.95	0.24
Reliance Liquid Fund - Cash Plan - Growth - Regular Plan	-	-	426.10	0.11
Reliance Ultra Short Duration Fund - Growth - Direct Plan	3,548.62	1.09	52,546.41	14.75
UTI Dynamic Bond Fund - Growth - Direct Plan	62,634.66	0.13	62,634.66	0.12
Reliance Liquid Fund - Growth - Direct Plan	5,481.65	2.50	-	-
		366.54		463.07
Aggregate book value of quoted investments		366.54		463.07
Aggregate market value of quoted investments		366.54		463.07
Aggregate book value of unquoted investments				

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-12 Trade Receivables		
Unsecured		
Considered good - Secured	-	-
Considered good - Unsecured	109.80	101.51
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	3.12	2.05
Less :- Provision/Allowances for doubtful debts	(3.12)	(2.05)
	109.80	101.51

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-13 Cash and Cash Equivalents		
On Current Account	1.01	2.70
Fixed Deposits with maturity of less than three months	0.06	-
Cheques, DD on hand/transit	1.58	1.42
Cash on hand	0.20	0.28
	2.85	**4.40**
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	15.22	6.20
On Unpaid Dividend / Interest Accounts	1.36	1.85
	16.58	**8.05**
* Includes ₹ 2.05 crore (previous year ₹ 1.94 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	7.61	7.73
Considered doubtful	4.22	4.22
Less: Provision for doubtful claims	(4.22)	(4.22)
	7.61	**7.73**
Interest Receivable from Banks and others	2.12	1.62
Advances to Employees (Loans)	0.49	0.35
	10.22	**9.70**
Note-16 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	1.03	1.03
	1.03	**1.03**
Note-17 Other Current Assets		
Prepaid expenses	11.97	12.02
Balance with Govt. Authorities	71.59	61.95
Other Advances*	66.43	59.73
Deferred Expenditure	0.74	0.74
	150.73	**134.44**

* includes advances to related party amounting of ₹ 3.33 crore (previous year ₹ 3.33 crore). Read with note no. 56 and 59 (a).

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
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 2019	As at 31st March 2018
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	11,570,030	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 ₹ 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. **Nature of Reserves :-**

Capital Redemption Reserve :- Represents the statutory reserve created when Preference Share Capital is redeemed.

Securities Premium :- 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 2019		As at 31st March 2018	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	578.58	221.60	799.37	106.60
Term Loans				
From Financial Institutions				
From Banks	1049.03	173.05	1022.75	164.90
From Government	21.62	-	-	-
	1649.23	394.65	1,822.12	271.50
UNSECURED LOANS				
From Bank	-	-	-	5.00
Fixed Deposits	17.27	11.27	25.03	2.56
	17.27	11.27	25.03	7.56
	1666.50	405.92	1847.15	279.06
Amount disclosed under the head other Current Liabilities (note no. 25)	-	405.92	-	279.06
	1666.50	-	1847.15	-

* Due & payable within one year
Note in respect of security clause & repayment are disclosed in separate respective financial statements of the Company and its subsidiaries.

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-20 Other Non Current Financial Liabilities		
Trade and other deposits	153.96	114.65
Other Liabilities	26.67	24.51
Financial Obligation of Guarantee	-	-
	180.63	139.16
Note-21 Non Current Provisions		
Provision for Employees' Benefits	12.47	11.55
	12.47	11.55
Note-22 Other Non-Current Liabilities		
Deferred Revenue *	13.25	2.66
Liability for Employees Subsidised Car Scheme	5.35	4.55
Govt. & Other Dues	157.29	153.44
	175.89	160.65

* Including on account Government Grant of ₹ 11.05 crore

₹ In Crore (10 Million)

	As at 31st March 2019	As at 31st March 2018
Note-23 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	59.46	50.67
Buyer's Credit from Banks	-	110.25
Commercial Papers	-	50.00
Unsecured Loans		
Fixed Deposits	2.90	9.37
Commercial Papers	-	200.00
	62.36	420.29
Note in respect of security clause are disclosed in separate respective financial statements of the Company and its subsidiaries.		
Note-24 Trade Payables		
Micro and Small Enterprises	6.01	3.77
Others	538.79	325.02
	544.80	328.79
Note-25 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-19)	405.92	279.06
Interest Accrued but not due on borrowings	46.04	50.72
Unclaimed dividends #	1.37	1.85
Unclaimed matured Public Deposits and interest #	0.60	0.37
Capital Creditors	33.26	28.81
Other liabilities	204.25	141.72
	691.44	502.53
# Investor Education and Protection Fund will be credited as and when due.		
Note-26 Other Current Liabilities		
Advance from Customers	76.26	101.83
Govt. and other dues	156.52	129.47
Deferred Revenue *	3.53	0.46
	236.31	231.76
* Including on account Government Grant of ₹ 3.07 crore		
Note-27 Current Provisions		
Provision for Employees' Benefit	6.48	11.74
	6.48	11.74
Note-28 Current Tax Liabilities (Net)		
Provision for Taxation(Net of Taxes paid)	11.77	2.68
	11.77	2.68

₹ In Crore (10 Million)

	2018-19	2017-18
Note-29 Revenue From Operation		
Sale of products		
Cement	3,758.13	3,277.25
Others	543.79	567.62
Other Operating Revenues	14.39	14.87
	4,316.31	3,859.74
Note-30 Other Income		
Interest Income	2.94	2.45
Profit on sale * of		
Long Term Investments	-	-
Current Investments	33.08	43.14
Profit/(loss) on Sale of Assets (Net)	0.56	0.33
Other Non - Operating Income	21.47	23.09
	58.05	69.01
* Inclusive of fair value gain of ₹13.67 crore (Previous year gain of ₹ 17.50 crore)		
Note-31 Cost of Material Consumed		
Raw Material Consumed	812.99	662.55
	812.99	662.55
Note-32 Purchase of Stock - in -Trade		
Purchase of Traded goods	130.12	203.31
	130.12	203.31
Note-33 Change In Inventories of Finished Goods, Work-In-Progress and Stock- In -Trade		
Opening 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
Closing Stocks		
Stock-in-progress	40.74	134.67
Finished Goods	28.02	30.20
Stock-in-Trade	0.90	0.55
	69.66	165.42
Add/(Less) : Excise Duty Variance on Stocks	-	(5.45)
	95.76	(41.89)

₹ In Crore (10 Million)

	2018-19	2017-18
Note-34 Employee Benefits Expense		
Salaries and Wages	241.44	214.91
Contribution to Provident and Other Funds	17.48	17.11
Staff Welfare Expenses	31.21	30.49
	290.13	262.51
Note-35 Finance Costs		
Interest expenses	253.61	261.38
Other borrowing cost	1.86	2.32
	255.47	263.70
Note-36 Depreciation and Amortization Expense (Net)		
Depreciation on Tangible Assets	210.44	206.84
Amortisation on Intangible Assets	0.58	0.45
Less: Charged to Capital work in progress	-	-
	211.02	207.29
Note-37 Other Expenses		
Consumption of Stores and Spares	119.25	106.50
Power & Fuel	1,074.73	917.34
Rent (Net of realisation ₹ 0.81 crore, previous year ₹ 0.55 crore)	18.62	17.08
Repairs to Buildings	7.94	13.16
Repairs to Machinery	48.45	57.53
Insurance	3.40	3.39
Rates and Taxes	2.77	7.47
Transport, Clearing and Forwarding Charges	1,047.39	950.23
Commission on Sales	59.05	44.93
Directors' Fee & Commission	0.78	0.72
Provision for Doubtful Debts	1.07	-
Advertisement,Travelling, Consultancy & Misc. expenses etc.	150.25	111.76
	2,533.70	2,230.11
Note-37a Earning Per Equity Share		
Profit for the year attributable to Equity Shareholders of Parent	51.25	55.24
Weighted average number of equity shares outstanding	117,670,066	117,670,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	4.36	4.69
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	4.36	4.69

JK Lakshmi Cement Limited
Consolidated Notes Accompanying the Financial Statements

Note-38 Financial Risk Management Objectives and Policies.

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

38.1 **Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument 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, 2019	As at 31st March, 2018
Change in USD	+₹0.25	+₹0.25
Effect on profit / (loss) before tax (₹ in Crore)	(0.61)	(0.43)
Change in USD	-₹0.25	-₹0.25
Effect on profit / (loss) before tax (₹ in Crore)	0.61	0.43

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, 2019	As at 31st March, 2018
1	**Loans in Rupees**		
	- Fixed Rate	843.92	1,192.93
	- Floating Rate	1,269.24	1,243.31
	- Interest Free	21.62	
	Total	2134.78	2,436.24
2	**Loans in US $**		
	- Fixed Rate	-	110.25
	- Floating Rate	-	-
	Total	-	110.25
3	**Grand Total (1+2)**	2134.78	2546.49

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 2019	As at 31st March 2018
Change in Basis Points	+ 25	+ 25
Effect on profit / (loss) before tax (₹ in Crore)	(3.17)	(3.11)
Change in Basis Points	- 25	- 25
Effect on profit / (loss) before tax (₹ in Crore)	3.17	3.11

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/postdated 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'2019					
Secured	-	-	-	-	-
Unsecured	77.93	29.03	1.24	4.71	112.91
Gross Total	**77.93**	**29.03**	**1.24**	**4.71**	**112.91**
Provision for Doubtful	-	-	-	(3.12)	(3.12)
Net Total	**77.93**	**29.03**	**1.24**	**1.59**	**109.79**
As at 31st March'2018					
Secured	-	-	-	-	-
Unsecured	72.59	24.65	1.53	4.79	103.56
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**

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, 2019					
	- Borrowings	2,134.78	468.28	1,299.11	367.39	2,134.78
	- Trade Payables	544.80	544.80	-	-	544.80
	- Other Liabilities*	779.96	444.08	187.72	148.16	779.96
	Total	**3,459.54**	**1,457.16**	**1,486.83**	**515.55**	**3,459.54**
2	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**

*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 2019	As at 31st March 2018
Borrowings	2,134.78	2,546.49
Less: Cash and Cash equivalents (Including Current Investments)	385.97	475.52
Net debt	**1,748.81**	**2,070.97**
Equity Share Capital	58.85	58.85
Other Equity	1,425.73	1,384.67
Total Capital	**1,484.58**	**1,443.52**
Capital and net debt	**3,233.39**	**3514.49**
Gearing ratio	**54.09%**	**58.93%**

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 2019		As at 31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss :-				
Investments				
- Mutual Funds.	276.35	276.35	348.90	348.90
- NCD's & others	90.18	90.18	114.17	114.17
- Preference Shares*	10.66	10.66	9.53	9.53
(ii) At Amortized Cost :-				
a) Bank FDs.	16.43	16.43	7.09	7.09
b) Cash & Bank Balances	4.16	4.16	6.25	6.25
c) Investments	-	-	-	-
d) Trade Receivables	109.80	109.80	101.51	101.51
e) Loans	54.62	54.62	56.70	56.70
f) Others	10.22	10.22	9.70	9.70
Total	572.42	572.42	653.85	653.85
B. Financial Liabilities				
(I) At Amortized Cost				
- Borrowings	2,134.78	2,134.78	2,546.49	2,546.49
- Trade Payables	544.80	544.80	328.79	328.79
- Other Financial Liabilities	466.15	466.15	362.71	362.71
Total	3,145.73	3,145.73	3,237.99	3,237.99

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, 2019			
Financial Assets			
- Unquoted Preference Shares	-	10.66	
- Mutual Funds	276.35		
- NCDs & others	-	90.18	
As at 31st March, 2018			
Financial Assets			
- Unquoted Preference Shares	-	9.53	
- Mutual Funds	348.90		
- NCDs & others	-	114.17	

Note-41 a) Segment Information:

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the VC&MD of the Company (Chief Operating Decision Maker).

Note-41 b) Derivative Financial Instruments:

The Company uses foreign currency forward contracts to manage some of its transaction's exposure. The details of derivative financial instruments are as follows:

₹ in Crore (10 Million)

Particulars	As at 31st March 19	As at 31st March 18
Assets:		
Forward Contracts	-	-
Liabilities:		
Forward Contracts	213.32	82.01

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-42 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 19	As at 31st March 18
Opening	3.12	0.35
Deferred during the year	15.34	3.23
Released to profit and loss	1.68	0.46
Closing	16.78	3.12
Current	3.53	0.46
Non-Current	13.25	2.66

Note-43 Income Tax Expense:

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

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Current Tax	27.28	26.12
Adjustments in respect of current income tax of previous year	0.21	3.18
Deferred Tax		
Relating to origination and reversal of temporary difference	(8.01)	11.10
MAT Credit Entitlement	27.29	29.07
Total Deferred tax Assets (net)	19.28	40.17

ii. Deferred Tax recognized in Other Comprehensive Income (OCI)) and Equity:

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Deferred Tax (Gain)/Loss on defined benefit	0.22	(1.16)

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Accounting Profit/(Loss) before income tax	48.83	32.49
At applicable Statutory Income tax rate	34.944%	34.608%
Computed Income Tax Expense/(Income)	17.06	11.24
Increase/(Reduction) in taxes on account of		
Income not taxable	(3.06)	(8.07)
Investment allowance u/s-32AC of Income Tax	-	-
R & D u/s- 35(2AB) of Income Tax	(0.70)	(1.22)
Deferred Tax related to Property, Plant & Equipment & Others	(6.23)	(27.59)
Previous year tax adjustments	-	12.44
Tax on which deduction is not admissible	1.03	1.22
Tax Rate Change	0.11	1.11
Income Tax Expense/(Income) Reported to Profit & Loss	8.21	(10.87)

iv. Reconciliation of deferred tax liabilities (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	73.97	32.67
Deferred Tax recognised in Statement of Profit and Loss	19.35	40.17
Other Comprehensive Income	(0.22)	1.16
Adjusted against Tax Provision	(0.02)	(0.03)
Closing Balance	93.08	73.97

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Deferred Tax Assets Related to:-		
Brought Forward Losses Setoff	10.76	86.11
Disallowances/Allowances Under Income Tax	(0.31)	(6.99)
Others	(0.35)	1.51
MAT Credit Entitlement	27.28	29.07
Total Deferred Tax Assets	37.38	109.70
Deferred Tax Liabilities Related to		
Property, Plant and Equipment	(19.50)	(67.26)
Others	1.24	(1.11)
Total Deferred Tax Liabilities	(18.26)	(68.37)

v. **Deferred Tax: (Continue)**

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Net Total Movement in Statement of Profit & Loss	19.13	41.33
Movement in Profit & Loss	19.35	40.17
Movement in OCI	(0.22)	1.16

Note-44 Dividends

The following dividends were declared and paid by the company during the year:-

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
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
Dividend distribution tax thereon	1.81	1.81
Total	**10.64**	**10.64**

The following dividends were proposed by the board of directors in their meeting held on 22nd May'2019, 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	2018-19	2017-18
For the year ended 31st March'2019 – 15% i.e. ₹ 0.75 per equity share, (31st March'2018 – 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) ₹ 67.10crore (previous year ₹117.10crore).

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	31st March, 2019	31st March, 2018
a) Service Tax	3.51	0.91
b) Sales Tax	137.21	16.77
c) Income Tax	6.09	6.13
d) Renewable Energy Obligation	-	20.21
e) Excise Duty @	1.28	1.28
f) Other matters	16.45	9.20
Total	**164.54**	**54.50**

@ excluding Show Cause Notices of ₹ 148.65 crore (previous year ₹ 148.65 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 had 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. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Company believes that it has a good case but out of abundant caution ₹ 2.00 crore has been provided in the books during financial year 2017-18.

Note-50 Maximum balance due for Commercial Paper issued during the year was ₹ 375.00 crore and the year end balance is nil (previous year Maximum balance ₹ 320.00 crore and at the year end ₹ 250.00 crore).

Note-51 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 for repayment of the principal amount in respect of Sales Tax Exemption, Sales Tax Deferment and Interest thereon. The Principal amount of Sales Tax Exemption and Sales Tax Deferment has since been paid in earlier years. The Rajasthan Tax Board Ajmer in its Order dated 14th March, 2018 has set aside the entire demand of interest upto the period of Demand Notice.

During the year, the department has appealed before Hon'ble High Court of Jodhpur against the Order of Rajasthan Tax Board, Ajmer.

Note-52

a) Sales include own consumption at cost ₹ 2.36 crore (previous years ₹ 1.88 crore).

b) Consumption of Stores and Spares is net of scrap sale ₹ 6.01 crore (previous year ₹ 6.72 crore.)

c) Interest expenses include ₹ 8.62 crore (previous year ₹ 7.25 crore) being interest on entry tax and sales tax deferment.

Note-53

a) Other-Non-Operating Income includes receipts from aircraft flying ₹ 1.44 crore, (previous year ₹ 2.98 crore) net of expenses of ₹ 7.50 crore (previous year ₹ 3.94 crore) and write back of District Mineral Fund amounting to Nil (previous year - ₹10.82 crore) pursuant to Hon'ble Supreme Court decision.

b) Miscellaneous expenses include, Contribution of ₹ 0.50 crore (previous year Nil) made to a Political Party as prescribed u/s 182 of the Companies Act, 2013, CSR expenses amounting to ₹ 1.73 crore (previous year ₹ 1.31 crore) and Foreign exchange fluctuation of gain (net) ₹ 1.33 crore (previous year loss (net) ₹ 2.58 crore).

Note-54

a) Forward contracts of ₹179.02 crore – USD 24.57 Mn (previous year ₹ 55.92crore – USD 8.61 Mn) taken for the purpose of hedging of supplier's credit (previous year Buyer's Credit) and ₹ 34.21 crore -USD 4.70 Mn. and ₹ 0.41 crore GBP 0.04 Mn (previous year ₹ 26.17 crore -USD 4.00 Mn) against letter of credit.

b) Un-hedged (previous year ₹ 55.30 crore – USD 8.50 Mn) against Supplier's Credit and ₹166.57 crore – USD 22.77 Mn and ₹ 34.21 crore- USD 4.70 Mn and GBP 0.04 Mn (previous year ₹ 2.66 crore Euro 0.33 Mn)against letter of credit outstanding as at 31st March, 2019.

Note-55 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 2019 ₹ 6.01 crore (previous year ₹ 3.77 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 2019 Nil (previous year - Nil).

Note-56 Udaipur Cement Works Limited (UCWL), a 72.54% Subsidiary of the Company has completed its Revival & Rehabilitation Scheme in March 2017

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 525.00 Crore (Outstanding as on 31st March 2019 is ₹ 455.00 Crore), issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries & Trading Company Limited (HITCL). The proceeds of said 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 of ₹ 525.00 crore (Outstanding as on 31st March 2019 is ₹ 455.00 Crore), raised by HITCL for onward lending to UCWL.

In addition, the Company has given Corporate Guarantee to Banks for collaterally securing

- The Term Loan aggregating to ₹ 70.00 crore (Previous year nil) granted by the Banks to UCWL and
- The Working Capital Facility of ₹ 50.00 crore (Previous year ₹ 50.00 crore) granted by Bank to UCWL.
- The Company has received a Counter Indemnity from UCWL for
  - (i) ₹ 220.00 crore in consideration of the Company having given Corporate Guarantee to Bankers of UCWL for outstanding Term Loan of ₹ 70.00 crore & the balance limit of Corporate Guarantee is yet to be utilized.
  - (ii) ₹ 50.00 crore in consideration of the Company having given Corporate Guarantee to Bank of UCWL for Working Capital Borrowing of ₹ 50.00 crore.

Note-57 During the year the Company has received subsidy of ₹ 0.22 crore (Previous year Nil) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

Note-58 During the year 1,62,04,537 Equity Shares of UCWL of Face Value of ₹ 4 each were allotted to the Company at a price of ₹ 27.77 per Equity Share against the Conversion Option exercised by the Company in respect of 45 Lakh 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of UCWL of Face Value of ₹ 100 each held by the Company as per the Terms of Issue of the said OCCRPS.

The balance 5 Lakh, 6% OCCRPS of Face Value of Rs.100 per share aggregating to ₹ 5 Crore shall continue as Redeemable Preference Shares to be redeemed in three equal installments at the end of 18th Year, 19th Year & 20th Year from the date of allotment of 10th May 2018.

Note-59

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 ₹ 20.01 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 23.34 crore) (Maximum balance due ₹ 23.34 crore, previous year ₹ 26.67 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(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 regulation of listing regulation with Stock Exchanges.

Loan given to Udaipur Cement Works Limited is ₹ 10 crore (previous year ₹ 10 crore). Maximum balance outstanding during the year is ₹ 10 crore.

c) Disclosure of transaction in pursuant to Regulation 34(3) read with Schedule V, part A, clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, with Promoter/Promoter group Companies holding more than 10% of equity share capital of the Company.

Name of Company	Nature of Transaction and amount
Bengal & Assam Co. Ltd	Refer Note 60
Florence Investech Ltd*	Sharing of expenses received ₹ 0.01 crore (Previous year ₹ 0.01 crore)

* Year end balance is Nil (Previous year Nil)

d) With respect to subsidiary UCWL

a) The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of takeover of the cement undertaking from Bajaj Hindustan Limited) will be borne by Bajaj Hindustan Limited.

b) During the year, the Company has received subsidy of ₹ 1.26 crore (Previous year ₹ 1.37 crore) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.

c) Exceptional Items comprises of Profit on Sale of Old & Obsolete Fixed Assets amounting to ₹ 3.70 crore (Previous year ₹ 2.74 crore) which were scrapped due to complete suspension of operation since 2002.

d) No provision for taxation including MAT is considered necessary since the loss is being carried over for taxation purpose (adjusted ₹ 51.24 crore in Capital Reserve, ₹ 67.11 crore in Share Premium Reserve and ₹ 83.87 crore in Capital Reduction reserve pursuant to the Rehabilitation Scheme sanctioned by Hon'ble BIFR for the purpose of accounts in earlier year).

e) Other Operating Revenue includes Sales Tax / Value added Tax / SGST subsidy of ₹10.49 crore (Previous year ₹ 10.41 crore) and others of Nil (Previous year ₹ 0.01 crore).

f) 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.

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

h) 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 2019	As at 31st March 2018
Assets		
Non-Current Assets	708.97	714.64
Current Assets	65.33	65.17
Liabilities		
Non-current Liabilities	562.71	616.71
Current Liabilities	239.26	158.75
Equity	(27.67)	4.35
Percentage of Ownership held by Non-controllingInterest	27.46%	28.97%
Accumulated non controlling Interest	(7.60)	1.26
Revenue	580.45	386.08
Net Profit/(Loss) after tax	(38.39)	(41.01)
Other Comprehensive Income (net of tax)	(0.12)	(0.36)
Total Comprehensive Income	(38.51)	(41.37)
Total Comprehensive Income allocated to Non controlling interests	(10.67)	(11.98)
Net Cash Inflow/(Outflow) from Operating Activities	18.23	6.96
Net Cash Inflow/(Outflow) from Investing Activities	(2.00)	(8.71)
Net Cash Inflow/(Outflow) from Financing Activities	(16.37)	1.93
Net Cash Inflow / (Outflow)	(0.14)	0.18

e) With respect to subsidiary HITCL, in view of inadequacy of profits no Debenture Redemption Reserve (DRR) has been created.

f) With respect to RKPPL, Since the company is developing a building, hence, for the year 2018-19 there is no statement of profit and loss. All cost has been charged to Capital Work in Progress.

g) The summarized aggregate financial information of associates as follows:-

₹ In Crore (10 Million)

Particulars	As at 31st March 2019	As at 31st March 2018
Carrying Amount of Interest in Associates	10.81	9.72-
Share in Profit	(0.04)	(0.04)
- Share in Total Comprehensive Income	(0.04)	(0.04)
Dividend Received	-	-

h) Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement.

For the FY 2018-19

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.	102.57%	1522.67	154.94%	80.09
Subsidiary Company:-				
Udaipur Cement Works Ltd.	4.02%	59.64	(74.50%)	(38.51)
Hansdeep Industries & Trading Company Ltd.	8.64%	128.34	(1.01%)	(0.52)
Ram Kanta Properties P. Ltd.	7.76%	115.19	-	-
Non Controlling Interest	**0.51%**	**7.60**	**20.64%**	**10.67**
Associates:-				
Dwarkesh Energy Ltd.	(0.01%)	(0.12)	-	(0.04)
Total Elimination	(23.49%)	(348.75)		
Total	**100%**	**1484.57**	**100%**	**51.69**

For the FY 2017-18

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 P. 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%**	**1443.52**	**100%**	**53.17**

Note-60 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	Sr. VP & Company Secretary
Shri B.V. Bhargava	Independent & Non Executive Director
Ms. Bhaswati Mukharjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. 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

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

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

i)

₹ in Crore (10 Million)

Nature of Transactions	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control	Associates	Enterprise which holds more than 20% of Equity Share	Trust under common control
	2018-19			2017-18		
- Sharing of Expenses received	-	0.07	-	-	0.06	-
- Payment of Expenses	-	1.21	-	-	1.16	-
- Sale of Cement	-	-	-	-	0.03	-
- Advances given	-	-	-	-	-	-
- Advances Received back	-	3.33	-	-	3.33	-
- Contribution	-	-	11.03	-	-	8.31
Outstanding as at year end:						
- Receivable / (Payable):	-	20.53	(2.50)	-	23.86	(6.42)

₹ in Crore (10 Million)

ii)	Remuneration Paid to KMPs	2018-19	2017-18
	Short Term Employee benefits	21.54	21.70
	Post Employment benefits*	-	-
	Other Payments	0.78	0.71

*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.

Note-61 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-62 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.

Note-63 Hon'ble Supreme Court has pronounced a judgement in February 2019 making clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Hon'ble Supreme Court seeking additional clarifications and there has been no clarity either from Government or from other Concerned Authorities. In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

Note-64

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.

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
Dr. 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, 2019

₹ In Crore (10 Million)

		2018 - 19		2017- 18	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax and Exceptional Items	45.17		29.79	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	211.02		207.29	
	Interest & Dividend Income	(2.94)		(2.45)	
	Profit on sale of Assets (Net)	(0.56)		(0.33)	
	Profit on sale of Current Investments (net)	(19.94)		(25.64)	
	(Gain) / Loss on Fair Valuation of Current Investment	(13.14)		(17.50)	
	Finance Costs	255.47		263.70	
	Provision for Doubtful Debts	1.07		-	
	Foreign Exchange Difference (net)	0.60		0.05	
	Exceptional Items	3.70		2.74	
	Operating Profit before Working Capital changes	480.45		457.65	
	Adjustments for:				
	Trade and Other Receivables	(23.13)		19.72	
	Inventories	3.38		(34.41)	
	Trade and Other Payables	321.57		89.57	
	Cash generated from Operations	782.27		532.53	
	Income Tax Payments (Net)	(18.46)		(39.33)	
	Net Cash from Operating Activities		763.81		493.20
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, plant and Equipment and Intangible Assets	(210.87)		(174.88)	
	Sale of Property, Plant and Equipment and Intangible Assets	1.87		1.08	
	(Purchase) / Sale of Investments (net)	128.53		101.49	
	Interest Received	2.43		2.16	
	Net Cash from / (used in) Investing Activities		(78.04)		(70.15)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long-term Borrowings	186.16		-	
	Repayment of Long-term Borrowings	(225.82)		(184.28)	
	Short-term borrowings (net)	(357.93)		43.99	
	Interest paid	(270.08)		(270.21)	
	Dividend paid (including Dividend Distribution Tax)	(11.12)		(10.30)	
	Net Cash from / (used in) Financing Activities		(678.79)		(420.80)
D.	Increase / (Decrease) in Cash and Cash Equivalents		6.98		2.25
E.	Cash and Cash Equivalents as at the beginning of the year		12.45		10.20
F.	Cash and Cash Equivalents as at the close of the year (Note 13 & 14)		19.43		12.45

Notes:

1. Cash and Cash Equivalents include:

	19.43		12.45
- Balances with Scheduled Banks	17.65		10.75
- Cash, Cheques in hand and remittances in transit	1.78		1.70

2. 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.

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

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

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

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: 22nd May, 2019

SUDHIR A. BIDKAR
Chief Financial Officer

B.K. DAGA
Sr. Vice President &
Company Secretary

Form-A

Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

1	Name of the Company	**JK Lakshmi Cement Limited**	**JK Lakshmi Cement Limited**
2	Annual Financial Statements for the year ended (Standalone)	**31st MARCH, 2018**	**31st MARCH, 2019**
3	Type of Audit Observation	Un-modified	Un-modified
4	Frequency of Observation	N.A.	N.A.
5	To be signed by : Smt Vinita Singhania Vice Chairman & Managing Director		
	Shri Sudhir A. Bidkar Chief Financial Officer		
	For S.S. Kothari Mehta & Co. Chartered Accountants Firm Registration No. 000756N Sunil Wahal Partner Membership No. 087294		
	Shri N.G. Khaitan Audit Committee Chairman		

Place: New Delhi
Date: 22nd May, 2019

Financial Information of Direct & Indirect Subsidiaries and Associate Companies

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

Part "A": Subsidiaries

(₹ in lacs)

Sl.No	Particulars			
1	Name of Subsidiary	Hansdeep Industries & Trading Company Limited	Ram Kanta Properties Private Limited	Udaipur Cement Works Limited
		Direct Subsidary	Indirect Subsidary	Direct Subsidary
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
3	Reporting Currency	INR	INR	INR
4	Closing Exchange Rate	N.A.	N.A.	N.A.
5	Equity Share Capital	11,605.00	93.40	12,456.39
6	Instrument Entirely Equity in Nature	-	-	-
7	Other Equity	1,228.87	11,425.40	4,327.94
8	Total Assets	62,144.87	11,542.00	88,260.72
9	Total Liabilities	49,311.00	23.20	71,476.39
10	Investments	165.89	250.07	-
11	Turnover	17,665.31	-	58,044.67
12	Profit / (Loss) before taxation	(23.70)	-	(5,785.01)
13	Provision for taxation, DTL/(DTA)	28.69	-	(1,700.00)
14	Profit / (Loss) after taxation	(52.39)	-	(4,085.01)
15	Proposed Dividend	-	-	-
16	% of Shareholding	100	100	72.54

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	31.03.2019
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	0.17
	Considered in Consolidation	0.06
	Not Considered in Consolidation	0.11

Note:-

1 Name of Associates which are yet to commence operations – DEL is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.

2 Name of Associates which have been liquidated or sold during the year – Nil

SUDHIR A. BIDKAR
Chief Financial Officer

B.H. SINGHANIA
Chairman & Managing Director

VINITA SINGHANIA
Vice Chairman & Managing Director

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

B K DAGA
Sr. Vice President & Company Secretary

Place: New Delhi
Date: 22nd May, 2019

JK LAKSHMI CEMENT LIMITED
(CIN: L74999RJ1938PLC019511)
Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi -110 002
Email: jklc.investors@jkmail.com
Website: www.jklakshmicement.com, Phone: 91-11-30179861-863

NOTICE

NOTICE is hereby given that the **79th Annual General Meeting** of the Members of **JK LAKSHMI CEMENT LIMITED** will be held on Saturday, the **31st August 2019 at 12.00 Noon** at the Registered Office of the Company at Jaykaypuram-307 019, Dist. Sirohi, Rajasthan, 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 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Sushil Kumar Wali (DIN:00044890) who retires by rotation and being eligible, has offered himself for re-appointment.
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 2019-20 commencing 1st April 2019, of ₹ 1.75 lakh (Rupees One lakh and Seventy 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 an **Ordinary Resolution**:

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder and Regulation 16 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ambassador Bhaswati Mukherjee (DIN: 07173244) whose appointment on the Board as an Additional Director determines on the date of present Annual General Meeting, be and is hereby appointed as an Independent Woman Director of the Company for a term of 3 (three) consecutive years w.e.f. from 28th March 2019."
6. To consider and if thought fit to pass, the following as a **Special Resolution**:

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16 and 17(1A) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri B. V. Bhargava (DIN:00001823), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for an another term of three consecutive years w.e.f. 31st August 2019."
7. To consider and if thought fit to pass, the following as a **Special Resolution**:

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and

Qualification of Directors) Rules, 2014 and Regulations 16 and 17(1A) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Kashi Nath Memani (DIN:00020696), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company, for an another term of three consecutive years w.e.f. 31st August 2019."

8. To consider and if thought fit to pass, the following as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and other relevant provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri N. G. Khaitan (DIN:00020588), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for an another term of five consecutive years w.e.f. 31st August 2019."

9. To consider and if thought fit to pass, the following as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and other relevant provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Ravi Jhunjhunwala (DIN:00060972), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for an another term of five consecutive years w.e.f. 31st August 2019."

10. To consider and if thought fit to pass, the following as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Schedule V thereto and the Rules made thereunder, and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the re-appointment of Shri Sushil Kumar Wali (DIN: 00044890) as Whole-time Director of the Company for a period of three years w.e.f. 1st August 2019, be and is hereby approved on the terms of remuneration set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Chairman & Managing Director/Vice Chairman & Managing Director of the Company, be and are hereby severally authorised to vary and/or revise the remuneration of the said Whole-time Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

11. To consider and if thought fit to pass, the following as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Schedule V thereto and the Rules made thereunder, and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the re-appointment of Dr. Shailendra Chouksey (DIN:00040282) as Whole-time Director of the Company for a period of three years w.e.f. from 1st August 2019, be and is hereby approved on the terms of remuneration set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Chairman & Managing Director/Vice Chairman & Managing Director of the Company, be and are hereby severally authorised to

vary and/or revise the remuneration of the said Whole-time Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

12. To consider and if thought fit to pass, the following as an **Ordinary Resolution**:

"RESOLVED that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Company's Policy on Related Party Transactions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), to enter into contract(s)/ arrangement(s)/ transaction(s) with Udaipur Cement Works Limited, a subsidiary company (UCWL) and a Related Party within the meaning of the aforesaid provisions of law, upto a limit of ₹ 1500 Crore in the aggregate, on an annual basis in each financial year, from the Financial Year 2019-20 and onwards, in the ordinary course of the Company's business and on arm's length basis and on such other terms and conditions as may be determined by the Board from time to time and mutually agreed to between UCWL and the Company, subject to requisite approval of the Audit Committee of Directors of the Company including on any individual transactions(s), if so required, in the relevant financial year(s).

RESOLVED FURTHER that to give effect to above Resolution, the Board be and is hereby authorized to take all necessary action within the aforesaid limit and to settle any question, difficulty or doubt that may arise, without requiring to secure any further approval of the Members in each financial year and to do all such acts, deeds and things as may be deemed necessary and/or expedient in this regard including to sign and execute necessary deeds, documents and writings on behalf of the Company."

13. To consider and if thought fit to pass, the following as **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture Rules), 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, any other applicable laws, rules and regulations and subject to the provisions of the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any Committee thereof), to create, offer, issue and allot Non-Convertible Debentures upto a limit of ₹ 500 Crores (Rupees Five Hundred Crores only), (hereinafter referred to as the "NCDs"), on a private placement basis, to eligible investor(s),in one or more tranches or series, during the period of one year from the date of passing of this Resolution, subject to the overall borrowing limits of the Company, as approved by the Members and other applicable requirements, from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to determine the terms and conditions of issue of NCDs including but not limited to, the number of NCDs to be offered/issued in each tranche, face value, issue price including premium, if any, tenor, interest rate, security for the NCDs and to settle any questions, difficulties etc. that may arise in this regard, without requiring to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and expedient including delegation of all or any of the above powers to any person(s) on behalf of the Company."

Regd. Office:
Jaykaypuram-307 019
Dist. Sirohi (Rajasthan)

Date: 8th July 2019

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 INSTEAD OF HIMSELF/HERSELF. 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 CARRYING VOTING RIGHTS. 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. 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.

3. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item Nos. 4 to 13 of the Notice, is annexed hereto.

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 24th August 2019 to 31st August 2019 (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 31st August 2019 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 2018-19, the Notice of the 79th 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 2018-19, the Notice of the 79th 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. **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 79th 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 Wednesday, 28th August 2019 (10:00 A.M.) and ends on Friday, 30th August 2019 (5:00 P.M.) During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on Saturday, 24th August 2019 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 e-mail 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 on 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 is 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.

10. 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.

11. 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 of the Company.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013

Item No. 4

The Board at its meeting held on 22nd May 2019, 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 2019-20 commencing 1st April 2019 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 Board recommends the Resolution as set out at Item No. 4 of the Notice for approval of the Members by Means of Special Resolution.

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. 5

The Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee of Directors of the Company has, appointed Ambassador Bhaswati Mukherjee (DIN: 07173244) as an Additional Director of the Company, in the category of Independent Director, to hold office for a term of three (3) consecutive years w.e.f. 28th March 2019, subject to requisite approval of the Members at the ensuing Annual General Meeting (AGM). Brief profile of Ms. Mukherjee, including her background and experience is provided in the Annexure to the Notice.

Pursuant to the provisions of Section 161of the Companies Act, 2013 (the Act), Ms. Mukherjee holds such office up to the date of this AGM and is eligible to be appointed as an Independent Director of the Company. The Company has received requisite Notice under Section 160 of the Act from a Member, proposing her candidature as an Independent Director of the Company.

The Company has also received her consent and declaration of Independence under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Further, requisite declarations of her non disqualification and confirmation that she is not debarred from holding the office of Director by virtue of any SEBI order or order of any other Authority have also been received by the Company. Ms. Bhaswati Mukherjee is independent of the management and possesses appropriate skills, experience and knowledge.

A Copy of the draft letter of appointment of Ms. Bhaswati Mukherjee as an Independent Director setting out the terms and conditions of her appointment is available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto and including the date of AGM and also at the venue of the Meeting.

In the opinion of the Board, she fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Rules made thereunder and the Listing Regulations. Further, keeping in view her qualification, vast experience and knowledge, it will be in the interest of the Company to appoint Ms. Bhaswati Mukherjee as an Independent Director of the Company. The Board recommends the Resolution as set out at Item No. 5 of the Notice for approval of the Members by Means of Special Resolution.

Except Ms. Bhaswati Mukherjee for herself and, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested financially or otherwise in the aforesaid Resolution.

Item Nos. 6, 7, 8 and 9

At the Annual General Meeting of the Company held on 4th September 2014, the Members approved appointment of Shri B.V. Bhargava (DIN: 00001823), Dr. K.N. Memani (DIN:00020696), Shri N.G. Khaitan (DIN: 00020588), and Shri Ravi Jhunjhunwala (DIN: 00060972), as Independent Directors of the Company pursuant to Section 149 of the Act, for a term of five consecutive years from the date of above AGM upto 79th AGM of the Company to be held in the year 2019. Accordingly, their present term as Independent Directors will determine at this AGM. They are eligible for re-appointment as Independent Directors of the Company for an another term of upto a maximum of five consecutive years on passing of a Special Resolution by the Company. Pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is required to also take approval of Members by means of a Special Resolution for re-appointment of Shri B.V. Bhargava, aged 83 years, and Dr. K.N. Memani, aged 80 years. Brief profile of the said Independent Directors including their vast experience and knowledge is provided in the Annexure to the Notice.

The Board, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee of Directors, re-appointed Shri B.V. Bhargava and Dr. K.N. Memani, for an another term of three consecutive years each and Shri N.G. Khaitan, and Shri Ravi Jhunjhunwala for a term of five consecutive years each, as Independent Directors of the Company, subject to requisite approval of the Members.

The Company has received requisite consent from all of them to act as Independent Directors and declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations; and that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. They have also confirmed that they are not disqualified to be re-appointed as Directors in terms of Section 164 of the Act and not debarred from holding the office of Director by virtue of any SEBI order or order of any other Authority.

In the opinion of the Board, these directors fulfill all conditions for re-appointment as Independent Directors as specified in the Act and Listing Regulations and are independent of the management. Further, they possesses

appropriate skills, experience and knowledge and given their background and experience and contributions made by them during their tenure. The Board is of the opinion that their continued association would be in the best interest of the Company.

The Board recommends the Resolutions as set out at Item Nos. 6, 7, 8 and 9 of the Notice for approval of the Members by means of Special Resolutions.

Copies of the draft letters of appointment of Shri B.V. Bhargava, Dr. K.N. Memani, Shri N.G. Khaitan and Shri Ravi Jhunjhunwala setting out the terms and conditions of their appointment are available for inspection by the members at the Registered Office of the Company during normal business hours on all working days upto and including the date of ensuing AGM, and also at the venue of the Meeting.

Except Shri B.V. Bhargava, Dr. K.N. Memani, Shri N.G. Khaitan and Shri Ravi Jhunjhunwala for themselves and through their relatives to the extent of their shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in anyway concerned or interested financially or otherwise in the aforesaid Resolutions.

Item Nos. 10 and 11

As the Members are aware, Shri Sushil Kumar Wali (DIN: 00044890) and Dr. Shailendra Chouksey (DIN: 00040282) were re-appointed as Whole-time Directors of the Company for a period of three years each with effect from 1st August 2016 at the AGM held on 7th September 2016, by means of Special Resolutions passed by the Members at the said AGM. Accordingly, their present tenure will determine on 31st July 2019.

The Board of Directors of the Company has re-appointed Shri S. K. Wali and Dr. Shailendra Chouksey as Whole-time Directors of the Company for a further period of three years each w.e.f. 1st August 2019, pursuant to Sections 196, 197, 198, 203 of the Companies Act, 2013 (the Act) and Schedule V thereto, on the terms and remuneration determined by the Nomination & Remuneration Committee of Directors, set out hereinafter, subject to requisite approval by Members of the Company.

In terms of Schedule V to the Companies Act, 2013, the relevant details are as under:

I. **General Information:**

1. Nature of Industry: Cement.
2. Date or expected date of commencement of commercial production: JK Lakshmi Cement plant of the Company was commissioned in the year 1982.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

Particulars for the Financial Year ended 31st March 2019	₹ in Crore
Net Sales and Other Income	3938. 60
Operating Profit (Before Interest, Depreciation and Tax)	471.26
Profit Before Depreciation	283.82
Profit After Tax	80.10

5. Foreign investments or collaborations, if any: Not Applicable

II. **Information about the Appointees:**

(1) Shri Sushil Kumar Wali, aged 68 years, holds a Bachelor's Degree in Chemical Engineering with distinction. He has over 47 years experience and is presently Whole-time Director of the Company. Mr. Wali is responsible for Cement Division of JK Organisation including Technical, Materials, Administration, HR and other Project expansion activities. Mr. Wali is Chairman of "Knowledge Exchange Platform" which is a joint initiative of Bureau of Energy Efficiency (BEE) and Institute of Industrial Productivity (IIP) for promoting energy efficiency through sharing of best practices in the industries covered under the Perform, Achieve and Trade (PAT) scheme. Mr. Wali was Chairman of Technical Committee, Cement Manufacturers' Association (CMA) for more than one decade, Ex-Member of Governing Body as well as Ex-Chairman of Administration & Finance Committee (AFC) of National Council for Cement & Building Materials. He was also an active member of Asia Pacific Partnership on Clean Development.

Shri Sushil Kumar Wali, has been Whole-time Director of the Company since 2002. He attended all the four Board Meetings of the Company held during the Financial Year ended 31st March 2019. He does not hold any Equity Shares and is not related to any Director/KMP of the Company. Further, Shri Wali is a member of the Company's Corporate Social Responsibility Committee and the Risk Management Committee of Directors of the Company. He is a Director of JKLC Employees' Welfare Association Limited.

(2) Dr. Shailendra Chouksey, aged 68 years, is a Ph.D in Management, Post Graduate in Physics and is a MBA from the Faculty of Management Studies, Delhi University. Dr. Chouksey has over 47 years of corporate experience out of which over 32 years of association has been with JK Lakshmi Cement. He has been an integral part of the Company's Senior management

team. A strong believer in nurturing team spirit, he has led several innovating initiatives such as to becoming India's first ISO 9002 certified cement company, use of colored packing bags, introduction of ERP solution and use of other high end software to improve the processes and improve customer relationship with an eye on continuously improving Company's brand equity. Dr. Chouksey has introduced number of Brands including first Premium Cement Brand in the Northern market besides other brands and products to cater to niche segments. He is passionate about having HR practices which are most conducive to attract and retain talent. JK Lakshmi Cement Ltd. today is the only cement company to be in the list of Best Place to Work. Dr. Chouksey oversees all commercial, financial and marketing activities of the Company and is responsible to lead its large distribution network of over 6000 stockists / dealers, sales promoters and transporters. Dr. Chouksey has spearheaded various delegations to the Government, both at Central and State level. He was President of Cement Manufacturers' Association from July 2016 - December 2018 and has led from the front Industry meets at the level of PMO, Finance Ministry, Environment Ministry, GST Council. He has also headed National Council for Cement and Building Materials as its Chairman for 3 years. He was also nominated by Government of India in 2017 to head Development Council for Cement Industry.

Dr. Chouksey has been Whole-time Director of the Company since 2002. He attended all the four Board Meetings of the Company held during the Financial Year ended 31st March 2019. He does not hold any Equity Shares and is not related to any Director/KMP of the Company. Further, Dr. Chouksey is a member of the Company's Corporate Social Responsibility Committee and Chairman of the Risk Management Committee of Directors of the Company. He is a Director of JKLC Employees' Welfare Association Limited.

(3) **Past Remuneration**: The past remuneration of Shri Sushil Kumar Wali and Dr. Chouksey as approved by the Members of the Company at their Annual General Meeting held on 7th September 2016 is given hereunder:

A. **Salary**:

(i) Shri Sushil Kumar Wali: ₹ 9.50 lakh per month in the salary range of ₹ 8 lakh to ₹ 15 lakh per month;

(ii) Dr. Shailendra Chouksey: ₹ 9.50 lakh per month in the salary range of ₹ 8 lakh to ₹ 15 lakh per month;

with such increments as may be decided by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company, from time to time.

B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car (s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman & Managing Director/Vice Chairman & Managing Director of the Company.

C. Performance linked incentive.

D. Commission: Upto 1% of the net profits computed under Section 198 of the Companies Act, 2013 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary. Items C & D above will be as may be determined by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company from time to time.

E. Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company.

F. Gratuity at the rate of 15 days Salary for each completed year of Service.

G. Encashment of unavailed leave as per Rules of the Company.

H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.

I. In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any financial year or years, the Whole-time Directors shall be entitled to such remuneration as they may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.

(4) **Recognition or awards**:

The Company has won several prestigious awards in the fields of Environment, Safety and Energy etc. including One of India's Top 10 Best Workplace in Manufacturing, 2018 from Great Place to Work Institute, India; International Safety Award-2017 for Demonstrating a strong commitment to good health and safety Management during 2016; IEI Safety

Innovation Award – 2017 for Implementing Innovative Safety Management System; CCQC- 2017 Gold Medal for Quality Circle from Rajsamand Chapter Convention on Quality Circle, Udaipur; IBM 5 Star Rating Award 2017 for Sustainable Mining; National Safety Award- 2016 for Safety Performance; QCFI- National Energy Excellence Award- 2018- 2nd Prize for Energy Excellence; QCFI- National Water Excellence Award- 2018- 2nd Prize for Water Excellence; QCFI- National Safety Excellence Award- 2018 for Safety Excellence ; CII "Energy Efficient Unit" Award- 2018 for Energy Excellence; CII "Energy Efficient Unit" Award- 2017 for Excellence in Energy Management; National Safety Award- 2016 (Runner- Up) for Safety from Directorate General Factory Advice Services and Labour Institute (Ministry of Labour and Employment- Govt. of India); The Safety Innovation Award- 2018 for Safety from The Institution of Engineers (India); Rajasthan Government CSR Excellence Award 2018 in the Health Care Category for CSR Excellence.

(5) **Job Profile and their suitability:** The Whole-time Directors are vested with powers of management subject to the control, direction and superintendence of the Board of Directors, Chairman & Managing Director and Vice Chairman & Managing Director of the Company. The Company has grown manifold and the responsibilities of the managerial personnel have increased substantially over the years. The Board has therefore considered that it will be in the interest of the Company to re-appoint them for a further period of three years each.

Shri Sushil Kumar Wali, has been responsible for various aspects of operations of the Company including technical, materials, administrative and Corporate Governance matters. Shri Sushil Kumar Wali has handled finalization and implementation of the Company's Cement Project in consultation with World Bank, U.S.A. Shri Wali played a stupendous role in setting up of various expansion Projects including setting up of New Greenfield Cement Plant in Eastern India & Grinding Units. Under his guidance, the Company has also achieved high efficiency parameters in the areas of energy consumption, use of alternate fuels, establishing of green power etc., thereby affected substantial savings in costs and improved productivity. Shri Sushil Kumar Wali is the Occupier of Companies Cement factories under the Factories Act, 1948 and confirms compliances of all applicable laws and timely payment of the statutory dues to the Board at each meeting.

Dr. Shailendra Chouksey, has been responsible for various aspects of the working of the Company including commercial and marketing activities and to lead Company's large distribution network of nearly 3000 channel partners for achieving objectives of higher sales realization and growth. Dr. Chouksey played a key role in making JK Lakshmi Cement the first cement unit to have got ISO 9002, certification in North India in 1994. He introduced the concept of coloured packing for cement for the first time in the industry and getting requisite approval from BIS, etc. He has been instrumental in making JK Lakshmi Cement a formidable Brand in all its markets, enjoying a respectable brand position. Dr. Chouksey led Company's foray into value added businesses i.e. RMC, POP, AAC Blocks, Cement Mortars and Plasters leveraging its strong brand equity and network. Besides handling Competition issues and administrative matters, Dr. Chouksey also looks after critical legal cases pertaining to sales tax and entry tax etc. He is also the Occupier of the 12 RMC Plants of the Company.

(6) **Remuneration proposed:** The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 22nd May 2019, have approved the following terms of remuneration of Shri Sushil Kumar Wali and Dr. Shailendra Chouksey for a tenure of three years each w.e.f. 1st August 2019:

Shri Sushil Kumar Wali and Dr. Shailendra Chouksey, Whole-time Directors

A. Salary:

(i) **Shri Sushil Kumar Wali:** ₹ 12.50 lakh per month in the salary range of ₹8 lakh to ₹ 17 lakh per month;

(ii) **Dr. Shailendra Chouksey:** ₹ 12.50 lakh per month in the salary range of ₹ 8 lakh to ₹ 17 lakh per month;

with such increments as may be decided by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company, from time to time.

B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car (s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman & Managing Director/Vice Chairman & Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman &

Managing Director/Vice Chairman & Managing Director of the Company.

C. Performance linked incentive.

D. Commission: Upto 1% of the net profits computed under Section 198 of the Companies Act, 2013 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.

Items C & D above will be as may be determined by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company from time to time.

E. Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company.

F. Gratuity at the rate of 15 days Salary for each completed year of Service.

G. Encashment of unavailed leave as per Rules of the Company.

H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.

I. In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any financial year or years, the Whole-time Directors shall be entitled to such remuneration as they may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.

(7) **Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person:** The executive remuneration in the Industry is on the rise. The Nomination and Remuneration Committee of Directors of the Company constituted by the Board in terms of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri S.K. Wali and Dr. Chouksey, Whole-time Directors, and other relevant factors while determining their remuneration as proposed herein above.

(8) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri Sushil Kumar Wali and Dr. Shailendra Chouksey, does not have any other pecuniary relationship with the Company.

Shri Sushil Kumar Wali and Dr. Shailendra Chouksey, are not related to any other Director and Key Managerial Personnel of the Company, within the meaning of the Act.

III. **Other Information:**

(1) **Reasons of loss or inadequate profits :**

Excess Supply and Low Demand Growth: Cement industry is passing through an unduly long cyclical phase of mismatch in demand and supply. Though the pace of new capacity additions has slowed down, yet at the aggregate level the capacity utilization of the Industry was at about 70% during FY 2018-19 while the Company maintained a higher capacity utilization (Cement 77% and Clinker 98%). Although, Indian economy has started looking up with India's GDP growth at 7.1% in 2016-17, cement consumption in the Country presently has not reflected this positive trend and cement demand growth remained sluggish at around 5% in 2017-18. As a result, the prices remained under tremendous pressure and the margins got eroded across the Industry and the Company was no exception.

Rising Power & Fuel Cost, Freight & Distribution Cost, etc.: The cement industry and the Company had to also face the challenge of steep rise in cost of major inputs and other expenses especially increased diesel prices and all time high Pet Coke prices. Over the last one year, the Pet Coke prices have shot-up by over 27% and diesel prices by 9%. The Company meets 80% of its fuel requirement through Pet Coke and its price increase had a hard hit on the bottom line in terms of increase in cost of manufacturing. Similarly, the Freight & Distribution Costs constitute approximately 30% of the cost of Cement and increased diesel price impacted the distribution cost considerably during the Year. Royalty on lime stone also got increased on account of District Mineral Fund. However, due to Demand Supply mismatch the Company was not able to pass on any of the above cost increases in the cement prices and therefore Company's margins got further eroded.

GST Implementation: While the implementation of GST was positive for the overall economy of the industry, the cement industry suffered as the lower excise duty, which was applicable on industrial and institutional sales (normally termed as Non – Trade sales) was replaced by GST of 28%. This change impacted the Non – Trade part of business that in our case was around 50%. In the initial phase of GST implementation, the demand of cement from the traders also got hit, though temporarily, which again led to lowered demand and increased surplus.

Company's Durg Plant had to meet the challenge of lowering of cement prices by the competition and later the State Government imposed an uncalled fixation of price capping in Chhattisgarh market. Thus, not only

the prices fell from the time of commissioning of plant to the time of its full stabilization by ₹ 30-40 per bag, but also the prices were kept at very un-remunerative levels in Chhattisgarh market against all logic of free economy. However, the Company with a view to control the logistic cost, had to sell over 55% in Chhattisgarh market despite substantially lower prices.

(2) **Steps taken for improvement and expected increase in productivity and profits in measurable terms:**

The Company has taken various initiatives to improve market share and financial performance. It has completed all major growth related capital investments, as planned, during the Financial Year 2018-19. The 1.35 Million Tonnes per annum Grinding Unit at Surat, Gujarat has been commissioned and is in the process of stabilization. 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 during second quarter of Financial Year 2019-20. This will make the Company multi – locational, operating in different regions. 7.50 MW Waste Heat Recovery Project at Durg has been successfully commissioned in December 2017 and is generating power at rated capacity. The Company has enhanced it's Cement Capacity at Durg Plant from 1.80 Million Tonnes to 2.70 Million Tonnes at a normal Capital Expenditure of ₹ 50 Crore only. The Company also has plans to gradually expand its geographical footprints across the country.

The Company has also strategically planned to address the issue of productivity and has taken measures to further reduce cost and improve the bottom line: The Company's operational efficiency parameters of power & fuel consumption are one of the best in the Industry. The Company achieved a further reduction in power consumption as compared to previous Financial Year. Fuel consumption at Sirohi Plant has reached as low as 697 K.Cal/kg. To overcome high power cost in Durg Plant, the Company has recently commissioned Waste Heat Recovery Power Plant of 7.50 MW, and achieved a saving of about ₹100 - ₹120 per Tonne in power cost. A 20 MW Thermal Power Plant Project is expected to be commissioned by July 2019 which shall bring down the Power cost at Durg Plant. The Company has also proactively obtained Coal Linkage upto 30% of the fuel requirement in Chhattisgarh.

Lower Logistic Cost: Various initiatives have been taken to lower logistic cost e.g. increase in direct dispatches, enhancing the dispatches from Grinding Units, optimization of dumps and focus to increase market share in nearby markets that will result in lowering logistic cost by about ₹ 50 to ₹60 per tonne.

Strengthening Sales & Marketing: JK Lakshmi Cement is among the leading Brands in Northern market with its reputed Brand "JK Lakshmi". To increase its connect with customers, it has recently launched some more Brands: JK Lakshmi Pro +, Platinum Heavy Duty, Steel-Guard, JK Sixer, to cater to larger market and meet the specific needs of customers. These brands also include our premium products that too are eventually growing continuously. Premium products not just provide better value to customers but also adds better contribution to profitability of the Company. Moreover, these new brands are helping us to shift the less beneficial Non Trade sales to more profitable Trade markets. Further, the Company is also expanding its value added products/brands basket to have more satisfied customers.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding Financial Year.

Copies of the draft Contract/Memorandum setting out the terms and conditions of the re-appointments of Shri Sushil Kumar Wali and Dr. Shailendra Chouksey as Whole-time Directors of the Company, would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board recommends the Resolutions as set out at Item Nos. 10 & 11 of the Notice for approval of the Members by means of Special Resolutions.

Shri Sushil Kumar Wali and Dr. Shailendra Chouksey for themselves and through their relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolutions at Sl. Nos. 10 &11, respectively. None of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolutions.

Item No. 12

During the financial year 2019-20, the Company's proposed transactions with Udaipur Cement Works Limited (UCWL), a subsidiary company and a related party within the meaning of the Act, for which the Audit Committee has given its omnibus approval, may exceed ten percent of the annual consolidated turnover of the Company for the financial year 2018-19.

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Material Related Party Transactions shall require approval of the Members through resolution. Transaction with a related party shall be considered 'Material' if the transaction(s) to be entered into individually or taken together with previous

transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

It is therefore considered desirable to obtain omnibus approval of the Members for the Related Party Transactions to be entered into with UCWL upto a limit of ₹1500 Crore, in the aggregate, on an annual basis in each financial year, from the financial year 2019-20, in the ordinary course of the Company's business and on arm's length basis, subject to requisite approval of the Audit Committee of Directors of the Company.

The Board recommends the Resolution as set out at Item No. 12 of the Notice for approval of the Members by means of Special Resolution.

Smt. Vinita Singhania, Vice Chairman & Managing Director of the Company who is also Chairperson of UCWL and her relatives may be deemed to be concerned or interested, financially or otherwise, in the said Resolution. None of the other Directors or Key Managerial Personnel or their relatives is, in anyway, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 13

At the last Annual General Meeting of the Company held on 7th September 2018, Members authorized the Board of Directors to issue Securities both convertible into Equity Shares and/or Non- Convertible Securities, upto an amount not exceeding ₹ 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 during a period of one year from the said date. However, no Securities have been issued by the Company pursuant to the above Resolution.

SEBI vide its Circular No. SEBI/HO/DDHS/CIR/P/2018/44 dated 26th November 2018, has mandated that all large corporates/listed entities, as defined therein, shall raise not less than 25% of their incremental borrowings, during any financial year, by way of issuance of debt securities, as defined under SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Based on the criteria specified in the SEBI Circular, the Company shall be required to raise not less than 25% of its incremental borrowing, if any, during financial year 2019-20, by issuance of debt security.

As per the provisions of Section 42 of the Companies Act 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain prior approval of the Members by way of a Special Resolution, which can be obtained once in a year for all the offers and invitations to be made for such NCDs during a period of one year from the date of passing of such Resolution. Approval of the Members is accordingly sought to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, within the overall borrowing limits of the Company approved by the Members, with authority to the Board to determine the terms and conditions including the Terms of Issue of the NCDs etc. from time to time.

The Board recommends the Resolution as set out at Item No. 13 of the Notice for approval of the Members by means of Special Resolution.

None of the Directors or 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 except to the extent of NCDs that may be subscribed by them, their relatives or companies/firms in which they are interested.

Regd. Office:
Jaykaypuram-307 019
Dist. Sirohi (Rajasthan)

Date: 8th July 2019

By Order of the Board

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

Annexure

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Name	Ms. Bhaswati Mukherjee	Shri B.V. Bhargava	Dr. K.N Memani
DIN	07173244	00001823	00020696
Age	66	83	80
Qualification	M.A. (History), University of Delhi, Degree (Superior) in French History and Civilization, Sorbonne University, Paris	M.Com., LLB	Chartered Accountant
Experience (including expertise in specific functional area), Please refer to Company's website (www.jklakshmicement.com) for detailed resume	Former Ambassador of India to the Netherlands. Engaged in high level and effective bilateral and multilateral diplomacy on behalf of India visiting Professor in various Indian Universities.	Shri Bhargava has a Distinguished career in development banking and project finance for over three decades. He retired from ICICI in May 1996 as its Vice Chairman and Managing Director.	Dr. Memani was the Chairman & Country Managing Partner of Ernst & Young, India. He specializes in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy etc.
Date of Appointment on the Board	28th March 2019	25th September 1997	25th July 2009
Directorships held in other public companies (as per Section 165 of the Companies Act 2013 and excluding private and other companies)	• Jindal Stainless Ltd. • Sona BLW Precision Forgings Ltd.	• Grasim Industries Ltd. • Supreme Industries Ltd. • Excel Crop Care Ltd. • Aditya Birla Renewables SPV 1 Ltd. • Aditya Birla Renewables Subsidiary Ltd.	• Emami Ltd. • DLF Ltd. • National Engineering Industries Ltd.
Memberships/ Chairmanships of committees of other public companies [includes only Audit Committee (Audit) and Stakeholders' Relationship Committee (SRC) in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	Nil	• Grasim Industries Ltd. Audit - Member SRC - Member • Excel Crop Care Ltd. Audit - Chairman	• National Engineering Industries Ltd Audit - Member
Number of Equity Shares held in the Company	Nil	6,660	Nil
No. of Board Meetings attended during the Financial Year 2018-19	Not Applicable	2/4	4/4
Terms & conditions of appointment / re-appointment	As per special resolution No.5 of this AGM	As per Special Resolution passed by the Members at 74th AGM held on 4th September 2014	As per Special Resolution passed by the Members at 74th AGM on 4th September 2014
Details of remuneration last drawn	Not Applicable	Please refer MGT-9 in Annual Report	Please refer MGT-9 in Annual Report
Remuneration proposed to be paid	Sitting fee for attending Board Meetings and commission on Net Profits, if any	Sitting fee for attending Board and Committee Meetings and commission on Net Profits, if any	Sitting fee for attending Board Meetings and commission on Net Profits, if any
Relationships with other Directors /KMP	Not related to any Director/KMP	Not related to any Director/KMP	Not related to any Director/KMP

Name	Shri N.G Khaitan	Shri Ravi Jhunjhunwala
DIN	00020588	00060972
Age (in years)	68	63
Qualification	B.Com, LLB	MBA from the Centre D'etudes Industrielles (CEI), Geneva (now IMI, Lausanne)
Experience (including expertise in specific functional area) Please refer to Company's website (www.jklakshmicement.com) for detailed resume	Attorney-At-Law, leading Solicitor and practicing Advocate. Shri Khaitan is Senior Partner of Khaitan & Co., Kolkata, and has more than 36 years experience in legal profession.	Shri Ravi Jhunjhunwala is an Industrialist and Managing Director of HEG Ltd. He is the head of LNJ Bhilwara group.
Date of Appointment on the Board	6th August 1994	4th August 2012
Directorships held in other public companies (as per Section 165 of the Companies Act 2013 and excluding private and other companies)	• Mangalam Timber Products Ltd. • Mangalam Cement Ltd. • Reliance Chemotex Industries Ltd. • India Power Corporation Ltd. • HSIL Ltd. • Chase Bright Steel Limited	• RSWM Ltd. • Maral Overseas Ltd. • HEG Ltd. • India Glycols Ltd. • BSL Ltd. • Bhilwara Energy Ltd. • Malana Power Company Ltd. • AD Hydro Power Ltd.
Memberships/ Chairmanships of committees of other public companies [includes only Audit Committee (Audit) and Stakeholders' Relationship Committee (SRC)in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	• Mangalam Timber Products Ltd. Audit – Member • HSIL Ltd., Audit – Member, SRC - Chairman • Reliance Chemotex Industries Ltd. Audit – Member • Mangalam Cement Ltd. Audit – Chairman • India Power Corporation Ltd. Audit – Member	• HEG Ltd., SRC – Member • BSL Ltd., SRC – Member • India Glycols Ltd., Audit – Member • AD Hydro Power Ltd. Audit – Chairman
Number of Equity Shares held in the Company	15948	Nil
No. of Board Meetings attended during the Financial Year 2018-19	4/4	3/4
Terms & conditions of appointment / re-appointment	As per Special Resolution passed by the Members at 74th AGM on 4th September 2014	As per Special Resolution passed by the Members at 74th AGM on 4th September 2014
Details of remuneration last drawn	Please refer MGT-9 in Annual Report	Please refer MGT-9 in Annual Report
Remuneration proposed to be paid	Sitting fee for attending Board and Committee Meetings and commission on Net Profits, if any	Sitting fee for attending Board and Committee Meetings and commission on Net Profits, if any
Relationships with other Directors /KMP	Not related to any Director/KMP	Not related to any Director/KMP

FOR ATTENTION OF THE MEMBERS

1. Members/ Proxies should bring the Attendance Slip enclosed 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. Members having multiple folios are requested to write to the Company / RTA for consolidation of the Folios to save the administrative or servicing cost.
4. **Dividend Warrants**

   As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is mandatory for the Company to print the Bank Account details of the investors on dividend payment instrument. Accordingly, the Members are requested to register/ update their correct bank account details with the Company/RTA/Depository Participant, as the case may be along with MICR/NECS details.
5. 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 Block), 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.
6. **Investor Education and Protection Fund :**

   (a) **Unclaimend Dividends – Transfer to Investor Education and Protection Fund:**

   The unclaimed dividend will be transferred to the Investor Education and Protection Fund on expiry of 7 years from the date the dividend became due for payment as under:-

Dividend	Due date for transfer to the said Fund
Financial Year ended 31.3.2012 - 40% Dividend	10th September 2019
Financial Year ended 31.3.2013 - 50% Dividend	6th September 2020
Financial Year ended 31.3.2014 -40% Dividend	8th October 2021

   Members who have not claimed their dividend for the said Financial Years and subsequent years may write to the Company Secretary for payment at the Secretarial office of the Company at Gulab Bhawan, 3rd Floor (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi-110002.

   (b) 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.

   (c) Pursuant to Section 124(6) of the Act read with the IEPF Rules, as amended, the Company has during FY 2018-19, 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 2019-20, 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.

   (d) 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.
7. **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.
8. **Dematerialisation of Shares and Liquidity:** As per Regulation 40 of Listing Regulations, as amended, shares of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. Members can contact the Company's Registrar and Transfer Agent, MCS Share Transfer Agent Ltd, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA) for assistance in this regard. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN is INE786A01032.
9. 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.
10. This Notice contains Route Map of the AGM Venue which is given hereunder.

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.: 91-11-30179861-863

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules issued thereunder, the Company is permitted to serve various notices/documents under the said Act, through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository.

To support this 'Green Initiative', the Members holding shares in physical form are requested to fill-in the appended form and send back to the Company. Members holding shares in dematerialized form are requested to approach the concerned Depository Participant to record/update in their e-mail address.

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

E-COMMUNICATION REGISTRATION FORM

(For Members holding Equity Shares in physical mode)

Folio No.: .....

Name of the 1st Registered Holder : .....

Name of the Joint Holder(s) : .....

Registered Address : .....

E-mail Id (to be registered) : .....

I/We Member(s) of JK Lakshmi Cement Ltd. agree to receive communication from the Company in electronic mode.

Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date: Signature:

Note: Member(s) are requested to complete this Form and send to the Company Secretary at the Secretarial office of the Company at Gulab Bhawan, 3rd Floor (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi-110002 or send the scanned copy of this Form duly completed at the email id –jklc.investors@jkmail.com.

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.: 91-11-30179861-863

ADMISSION SLIP

Folio No. / DP ID - Client ID #	
No. of Equity Shares held	

I, hereby record my presence at the 79th Annual General Meeting of the Company being held at Jaykaypuram-307 019, Dist. Sirohi, Rajasthan on **Saturday,** the **31st August 2019** at **12.00 Noon.**

Name of the Members (in block letter)
Name of Proxy / Authorised Representative attending* (in block letter)

Signature of the attending Member/Proxy/Authorised Representative*

*Strike out whichever is not applicable

#Applicable for Members holding shares in dematerialised form.

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 on next page.

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

JK LAKSHMI CEMENT Ltd.

PROXY FORM

CIN: L74999RJ1938PLC019511
Regd. Office: Jaykaypuram-307 019, Dist. Sirohi, Rajasthan
Email: jklc.investors@jkmail.com | Website: www.jklakshmicement.com | Ph No.: 91-11-30179861-863

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 79th Annual General Meeting of the Company, to be held on Saturday, the 31st August 2019 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 2019 and the Reports of the Board of Directors and Auditors thereon.
2	Declaration of Dividend
3	Re-appointment of Shri Sushil Kumar Wali (DIN: 00044890), who retires by rotation.
4	Ratification of remuneration of Cost Auditors
5	Appointment of Ms. Bhaswati Mukherjee (DIN: 07173244) as an Independent Director
6	Re-appointment of Shri B.V. Bhargava (DIN:00001823) as an Independent Director
7	Re-appointment of Dr. K.N. Memani (DIN:00020696) as an Independent Director
8	Re-appointment of Shri N.G. Khaitan (DIN:00020588) as an Independent Director
9	Re-appointment of Shri Ravi Jhunjhunwla (DIN:00060972) as an Independent Director
10	Re-appointment of Shri Sushil Kumar Wali as Whole-time Director
11	Re-appointment of Dr. Shailendra Chouksey as Whole-time Director
12	Approval for Material Related Party Transactions with Udaipur Cement Works Limited
13	Issue of Non-Convertible Debentures

Signed this_____ day of _____ 2019.

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, 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.

NOTES

NOTES

A GLIMPSE OF OUR ASSOCIATION IN IPL 2019 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