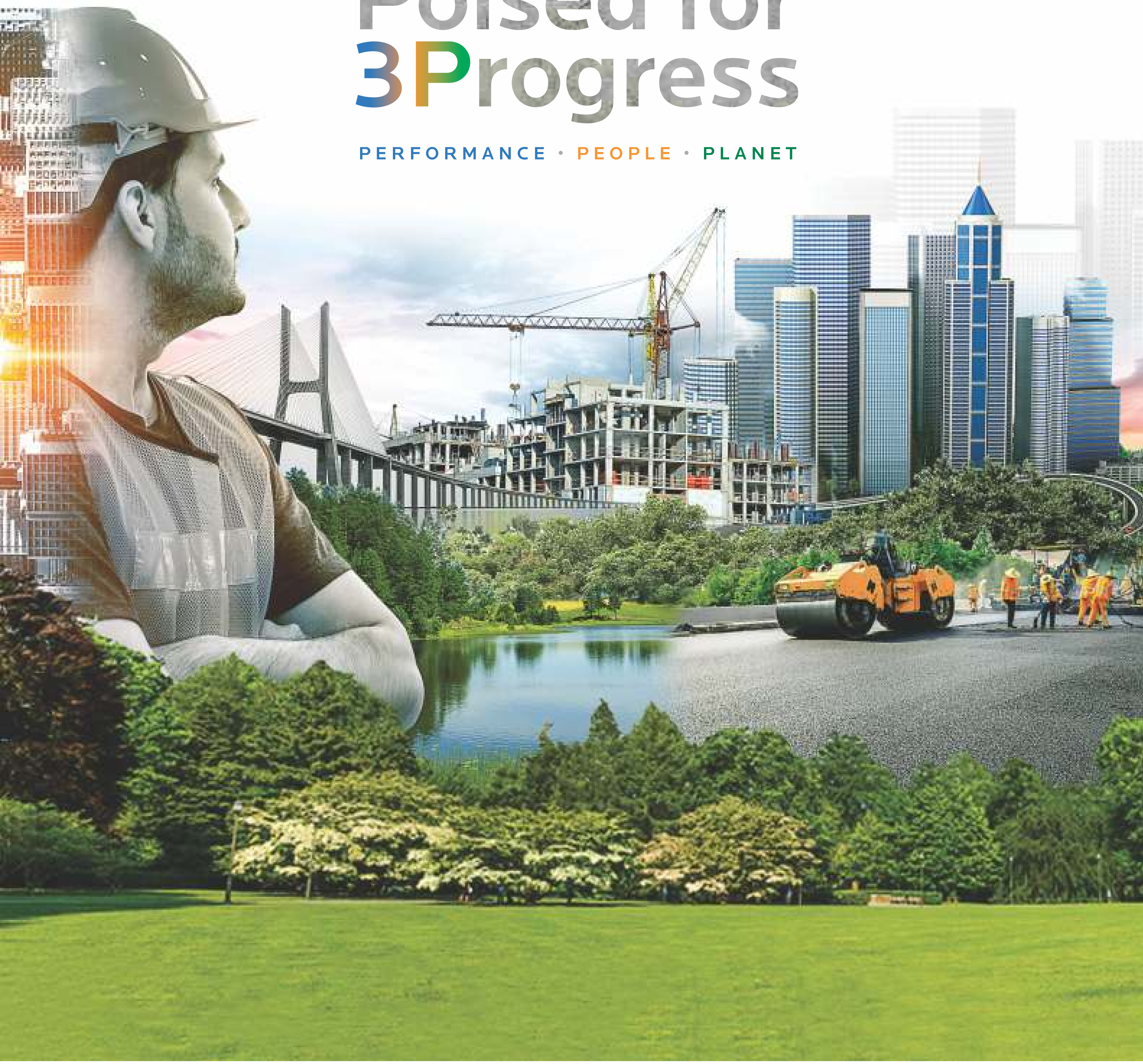
Poised for 3Progress

PERFORMANCE • PEOPLE • PLANET



ANNUAL REPORT **2021-22**

JK LAKSHMI CEMENT Ltd.

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 operations 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 requested to take caution of this aspect. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the JK Lakshmi Cement Limited Annual Report 2021 - 22

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Poised for 3Progress

Performance • People • Planet

Progress is Multidirectional. Multidirectional is Sustainable.

The pursuit of multidirectional progress is a constant at JK Lakshmi Cement. The impact of our growth goes beyond the financial figures and is an act of measuring the success of every financial year in terms of **3P**s of Progress: **Performance | People | Planet.**

Such an approach helps us maximise value for each and every stakeholder of the Company. Gaining faith of every stakeholder involved in the business-chain has enabled us to gain positive long-term traction despite the disruptive times.

We believe in shaping a sustainable future together. India is the second largest producer of cement in the world. The cement industry possesses great potential for development. At the same time, the cement industry holds a large portion of accountability towards ensuring protection of the environment, development of the communities, safety and health of the workforce, etc.

In the financial year, we at JK Lakshmi Cement undertook a slew of strategic measures to usher in a new wave of transformation in the organisation. Existing processes got reviewed and revamped.

New processes, mainly driven through digital interface, got introduced and internalised. Stakeholders were sensitised and team were trained. Ernest efforts were made across functions to align ourselves to one goal – 3Progress.

Vision | Mission | Core Values

> "Progress lies not in enhancing what is, but in advancing toward what WILL be."
>
> \- Khalil Gibran

Vision

To be a profitably growing, innovative & caring Company

To become a significantly relevant player in the mind of consumers

Mission

Achieve Operational Excellence

Be a workplace of choice - Attract, Retain and Grow Talent Pool of change leaders

Achieve growth in Sales & Profit, higher than comparable sized players

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

Corporate Information

BOARD OF DIRECTORS

BHARAT HARI SINGHANIA
CHAIRMAN

VINITA SINGHANIA
VICE CHAIRMAN & MANAGING DIRECTOR

B. V. BHARGAVA
INDEPENDENT DIRECTOR

Dr. RAGHUPATI SINGHANIA
DIRECTOR

N. G. KHAITAN
INDEPENDENT DIRECTOR

Amb. BHASWATI MUKHERJEE
INDEPENDENT DIRECTOR

RAVI JHUNJHUNWALA
INDEPENDENT DIRECTOR

S. R. BANSAL
INDEPENDENT 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

REGISTERED OFFICE
JAYKAYPURAM, DISTRICT SIROHI, RAJASTHAN - 307 019

ADMINISTRATIVE OFFICE
NEHRU HOUSE, 4, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 002

CEMENT PLANTS	
RAJASTHAN	BASANTGARH, JAYKAYPURAM, DISTRICT SIROHI - 307 019
CHHATTISGARH	MALPURI KHURD, AHIWARA, DISTRICT DURG - 491 001
GUJARAT	MOTIBHOYAN, KALOL, DISTRICT GANDHINAGAR - 382 010
GUJARAT	VILLAGE DASTAN, TALUKA PALSANA, DISTRICT SURAT - 394 310
HARYANA	VILLAGE BAJITPUR, P.O. JHAMRI, DISTRICT JHAJJAR - 124 507
ODISHA	RADHASHYAMPUR, PO - KHUNTUNI, DISTRICT CUTTACK - 754 297

AUDITORS
S. S. KOTHARI MEHTA & COMPANY
CHARTERED ACCOUNTANTS

BANKERS
STATE BANK OF INDIA | IDBI BANK LTD.
AXIS BANK LTD. | INDIAN BANK
HDFC BANK LTD.

WEBSITE
www.jklakshmicement.com
CIN:L74999RJ1938PLC019511

Our Journey

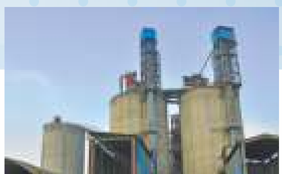
2015

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

2015

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

2012



Jharli GU Commissioned
- 1.3 Mn MT
Total Capacity - 6.0 Mn MT

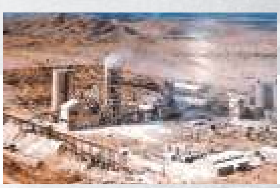
2009

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

2009

Capacity Addition
at Sirohi
Capacity - 4.2 Mn MT

2001



Capacity Augmentation
at Sirohi
Capacity - 2.4 Mn MT

1982

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

2016

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

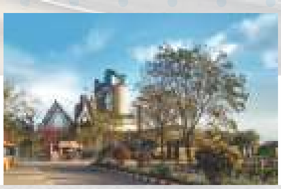
2017

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

2017

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

2017

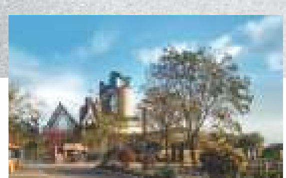


Successfully commissioned integrated plant of 1.6 Mn MT under Company's subsidiary - UCWL
Total Capacity 12.5 Mn MT

2019

Odisha GU Commissioned - 0.8 Mn MT
Total Capacity - 13.30 Mn MT

2021



Capacity at UCWL Plant increased from 1.6 Mn MT to 2.2 Mn MT (June'21)
Total Capacity – Appox. 14 Mn MT

2022

Waste Heat Recovery Capacity at our Power Plant increased from 29 MW to 31 MW
Total Capacity - Approx. 14 Mn MT

Chairman's Message

The year 2022 is of immense significance in the history of Modern and Independent India. This year we shall be celebrating 75th year of independence; rejoicing the achievements and progress made during these years. I would like to begin my address with a quote from the historic address our first Prime Minister of India late Shri Jawahar Lal Nehru delivered on the eve of Independence in 1947

> **"Long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially.**
> **At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom."**

Seventy years ago, when the housing condition census was conducted in 1952 – barely 3% of the rural population and 11% of people living in urban India had 'Pucca Houses'. Those days, clean and potable water supply, electricity, clean fuel for cooking, financial inclusion, and access to sanitation – the basic human needs, were considered luxuries available only to a few. We have since travelled a long distance and made considerable progress. Our progress. particularly during the last 10 years, has been remarkable when the Government undertook focussed programs in a mission mode to deliver these basic necessities.

It is indeed a matter of pride that as we celebrate 75 years of independence; majority of our citizens have housing, sanitation, electricity, clean fuel for cooking and financial inclusion among others. In last 5 years, construction of nearly 4 crore houses under PMAY, provision of more than 8 crore LPG connections under Ujjawala Scheme, electricity to nearly 4 crore households, and opening of over 45 Crore bank accounts and issuing of over 30 crore debit cards are manifestations of the pledge taken by our leaders. Further, India has one of the highest numbers of mobile and internet users; highest growth in internet usage and digital transactions in the world.

Today we are truly living our 'Tryst with Destiny'.

Having achieved these historic milestones in 75 years of progress; next is to notch significant growth in building quality infrastructure that can make this progress pervasive. Today while the pace of road construction at nearly 40 KMs of national highway every day is one of the highest ever; the national infrastructure pipeline of ₹105 lakh crores has various infrastructure projects of strategic importance. These include building of high-speed rail corridors, dedicated freight corridors, mass rapid transit systems (MRTS), inland water ways, high speed communication networks, airports, smart cities, gas grids, etc. Complementing these activities is the 'PM Gati Shakti - National Master Plan (NMP)' launched in October 2021. This holistic infrastructure development programme for multimodal connectivity, I am sure, will bring synergy to create a world-class, seamless inter-connected transport network in India, thereby accelerating the pace of development of economy in a big way and well-being of the people at large.

Development and progress cannot be sustained unless these are built on the solid pillars of environmental sustainability. India is already leading the world in terms of increasing the use of renewable energy in its energy mix. Today, while India globally ranks 4th in use of solar energy and 5th in the use of wind energy; it has set for itself an ambitious target of meeting 50% of its energy requirements from renewable energy sources. India is also aiming to achieve a leadership position in the production and use of green hydrogen by 2030; and emerge as an energy exporter to the world.

Thus, into this 75th year of independence as we continue our relentless journey towards progress and prosperity; my fellow countrymen have also shown remarkable resilience in last two years when we are grappling with one crisis after another. Amidst the repeated waves of global Covid-19 pandemic in a time frame of slightly more than a year; starting from January in 2021 the country has been successful in fully vaccinating its adult population and is on the course of achieving the same for its teenage population. Vaccination is now also made available to children above the age of 5 years and booster dose are being administered to anyone who has already received two doses earlier. This has significantly reduced the risk of pandemic further impacting the economic progress of the country.

Coming to core of our business – cement has always been integral part of the growth story of the country ever since it gained independence in 1947. If it was building of large dams, irrigation projects, canals etc. which made the country self-sufficient in food grain production during initial years of independence between 1950s and 1960s; building of large power plants, nuclear reactors, hydroelectric projects etc. from year 1970 and onwards laid the foundation of industrial development in the country. Deregulating the economy and freeing of markets revolutionised the real estate sector and opened services sector including IT, ITES, BFSI, tourism, etc. in 1990s. Cement shall continue to remain major contributor in the country's development journey in the years ahead.

It gives me immense sense of satisfaction that our own 'tryst with destiny' which began in 1982 has seen a similar remarkable journey of grit, grind and glory; whose foundations are deeply rooted in 'People', 'Planet' and 'Performance'. If this development journey involved building of a team of capable and committed employees, channel partners, suppliers, etc. in the formative years; it also included building the capabilities in use of cleaner technologies in our ongoing march on this path of progress and growth. Beginning with a humble capacity of 0.5 million MTPA in 1982 at a single location; today JK Lakshmi Cement Limited (JKLC) including its subsidiary Udaipur Cement Works Limited (UCWL) has grown nearly 30 times to about 14 million MTPA and is poised to maintain the growth momentum.

Though the current global uncertainties coupled with rising inflation and the last two years of sufferings caused by the pandemic have impacted the pace of economic growth across the world, India though not insulated; remains amongst the fastest growing big economy in the world. Further, the Russia-Ukraine war has cast its shadow on energy markets and, the prices of fuel and energy at present are at all-time high. These have resulted into significant increase in costs and adverse impact on industry profitability; I am, however, hopeful that our country and its people have the resilience to rise above these challenges.

Today, we in JKLC and our subsidiary UCWL, operate 3 integrated cement plants, 4 grinding units, 3 AAC Block plants, and 12 RMC units across 7 states. Our marketing footprint is spread over 11 states covering over 40% of geographical area of the country and over 50% of its population. Further, we have recently acquired 3 limestone mining leases in Gujarat and Rajasthan, which will significantly add to our growth and market presence. Under our 30 x 30 x 30 Vision we intend to take the company to 30 million MTPA cement capacity by the year 2030 and positively influence the lives of at least 30 million people every year, at significantly enhanced competitiveness and profitability.

I began this communique by quoting the historic address of our first Prime Minister on the eve of the independence and as our "Tryst with Destiny" continues and we move on the path of inclusiveness; I am tempted to quote our current Prime Minister as follows

> **Power, Water and Roads... Earlier only these were considered as basic requirements for the poor. But we have added more to it –Education and Health. By giving impetus to these five elements, we are not only creating employment opportunities but also securing their future. And, that is why the mantra of 'Sabka Sath, Sabka Vikas' is resonating across the country.**

With the country rapidly progressing in every sphere of inclusive progress, sustainable development, and prosperity; I see increasingly bright future for the industry and the company. In addition to investing in growth in our core business of cement; we shall also invest in expanding our product portfolio to enhance our offerings to the customers and simultaneously embrace cleaner and greener technologies. It is indeed a matter of pride that your company is already at the forefront in use of greener power and is on path of reaching the milestones of more than 50% of its energy requirements being met by renewable sources by the year 2025 and exceed 80% by 2030.

Therefore, it is the time when we shall redeem our commitment not in part or full measure, but very substantially to successfully chart out a sustainable growth story which is People Centric, Performance Oriented, and Caring for the Planet.

With this firm belief, I look forward to continually receive support of all our stakeholders in our future endeavours. It is a matter of great satisfaction that your company has declared 100% dividend for the year; celebrating the spirit of 75th year of Independence.

Jai Hind and Vande Mataram

BHARAT HARI SINGHANIA
Chairman

VCMD'S Message

The strength of our great Nation resides in ensuring inclusivity. Our philosophy, culture and literature have long remained deep rooted to the values of inclusive growth and to this 75th year of independece it inspires us to accelerate our journey to the choosen sustainable progressive path.

सर्वे भवन्तु सुखिनः । सर्वे सन्तु निरामयाः ।
सर्वे भद्राणि पश्यन्तु । मा कश्चित् दुःख भाग्भवेत् ॥
ॐ शान्तिः शान्तिः शान्तिः॥

May all be happy, May all be healthy, May all be well, May no one suffer any sorrow. May peace reach everyone and everywhere.

The journey of Independent India followed an inclusive growth path, witnessing transformative milestones in achieving social and economic freedom.

In this landmark 75th year of independence, our country stands on the cusp of a transformative future, well poised to become a 5 Trillion Dollar Economy and the fifth-largest in the world by 2027. The infrastructure sector undoubtedly has been and is a key catalyst that helps strengthen both nation's social fabric and economic prosperity. The government has rightly laid continued thrust on strengthening the infrastructure needs of the nation among the other imperative indicators.

Your Company, as one of India's significant cement enterprises, recognises the important role cement plays in bridging the gap between the haves and haves nots. We at JK Lakshmi Cement, have in our humble way taken requisite steps to ensure that our products reach remotest locations and are available to everyone.

While under PMAY both rural and urban, 4 Crore houses have been built in last 5 years, the Union Budget in 2022 has allocated further Rs. 48,000 crore towards the completion of another 80 lac houses in FY 2022-23. With this, India's housing demand shall witness a significant boost. Additionally, the infrastructure projects under the National Infrastructure Pipeline (NIP) are also expected to be recalibrated in the years ahead with the completion of 465 major road projects underway across the country by financial year 2023-24. This gives me hope that the cement demand is poised to grow at a CAGR of 7% for next many years or decades to come.

Performance, People, and Planet – A trilogy of symphony towards success

In our Company, progress is synonymous with excellence in the fields of Performance, People and Planet. We see ourselves as a 'performance driven' organisation and not just a 'profit making' company. We look at 'Performance' as a call of duty with commitment towards betterment of the People and Planet. We firmly believe that if we do what is right, do what is good; and do these correctly; the results including the profits are bound to follow automatically.

In the last few years, your Company has embarked upon the journey of digital transformation. This includes end-to-end digitisation of supply chain, use of data sciences, AI and ML in manufacturing, marketing, and other important areas of operations. We have not just automated our whole demand planning and plants to market allocation, but also the process of order placement, order allocation, prioritisation, tracking and closure of the trip. Automation has immensely contributed to make our processes more transparent, efficient, and performance driven. Further, IT transformation initiatives shall help us perform at our peak potential. With these remarkable initiatives Team JK Lakshmi is all geared up to transform the business to a higher level.

During the concluded financial year 2022, JK Lakshmi Cement's Standalone revenue from operations and net profit registered a growth of 15% and 17% over the previous year respectively. Achieving this performance despite the challenges faced by the Company, including the unabated increase in petcoke, diesel prices and other raw materials is indeed a matter of great satisfaction; thanks to our team's resolute, commitment and efforts in raising the bar by way of operational efficiencies, energy cost, better product mix and higher volume.

India is home to nearly 1.4 billion people; which is the second largest in the world and one out of every six humans on this planet is our fellow countrymen. It is well recognised that our country is home to the world's youngest population and people - power is the foundation of our future progress. We too firmly believe that our people are our core strength and harnessing their potential is a key to growth. Their mutual trust and commitment towards ensuring a better future is manifested in our pursuit of all-round progress. We monitor our progress through multiple parameters of Performance, People and Planet. Our people oriented practices have been duly validated in the Company being chosen amongst the Top 25 Coolest Workplaces in India by the leading magazine 'Business Today' and getting repeated recognitions as a 'Great Place to Work'. Besides providing a great work-life balance, JK Lakshmi Cement has always focused on employees' welfare and workers' safety & health; which in turn has led to building of a healthy and productive organisation.

We continue to strengthen meaningful relationships with our stakeholders by contributing a fair share of value and undertaking industry leading developmental programmes. A few glimpses of our endeavours are as follows:

- Our CSR initiatives have directly impacted more than 2.25 lac lives in the states of Rajasthan, Haryana, Chhattisgarh, Gujarat and Odisha;
- We regularly interact with all our eligible employees, their families and communities;
- Under 'JK CARES', a comprehensive covid assistance, relief and support initiative, the dependent families of deceased employees during the waves of covid menace received assistance which includes continuance of salary, other perquisites, education support for children and medical insurance for their families.

It is our continuous endeavour that initiatives of providing safe, comfortable, and hygienic facilities even to the transporters and drivers who serve our customers; are given as much importance as it is given for our employees or to the communities near to our plants' locations.

With focus on Planet and Sustainability, the Company's utilization of renewable energy has touched 30% of the total consumption; and we are on firm footing to reach above 50% by 2025, with our vision at 80% and above by 2030. It is heartening to note that all Company's operational sites are water positive, and, zero solid and liquid waste discharging units.

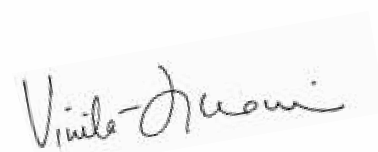
In our product offerings, in addition to our commitment to quality; we regularly upgrade our technologies to reduce emissions and maximise use of alternative materials while continuously reducing the use of fossil fuels. Nearly a decade ago, JK Lakshmi Cement took the lead in introducing Autoclaved Aerated Concrete (AAC) Blocks for building construction with an aim to replace conventional clay bricks that consumed a lot of top fertile soil and fossil fuels. Company's AAC Blocks are certified as Green Product by Green Pro, Green Products & Services Council; which help the customers earn Green Points. Our blended cements are also certified as Green by CII – Green Products & Services Council. In addition, our R & D and product innovation teams are working on next generation products that would significantly reduce the carbon footprint of our products.

Environment conservation, safety culture, and quality consciousness are universal concerns and JK Lakshmi Cement is committed to enhance excellence in operation consistently by making efforts, big or small. We firmly believe that actions of tomorrow lay in the foundations of today. As our country is committed towards inclusive growth and sustainable development, JK Lakshmi Cement is well-aligned to the infrastructure and sustainability needs of the nation.

India this year, shall be celebrating 75th year of its independence. It has been an exciting journey towards progress of the country and in our last 40 years we too have had the moments of joy and anxieties with the latter having made us stronger and determined to collectively put our energies towards a brighter future. I take this opportunity to congratulate all my employees, business associates, service providers, and everyone who are connected with us in this celebration of independence, progress and prosperity.

We remain committed to create value and share the same among all our stakeholders and look to the future with promise. I am confident that we shall scale further to newer heights and milestones of performance and prosperity.

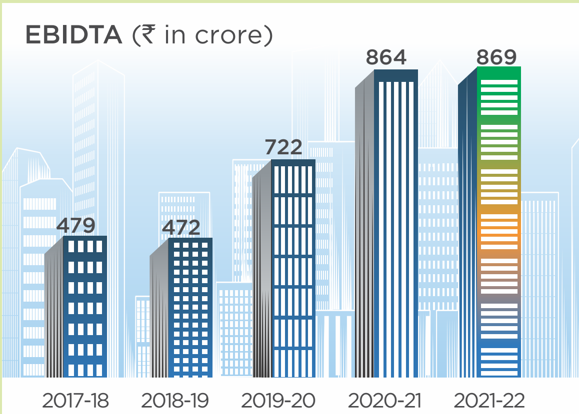
Jai Hind.

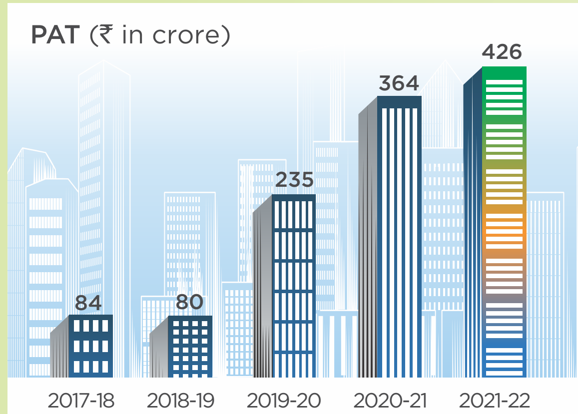


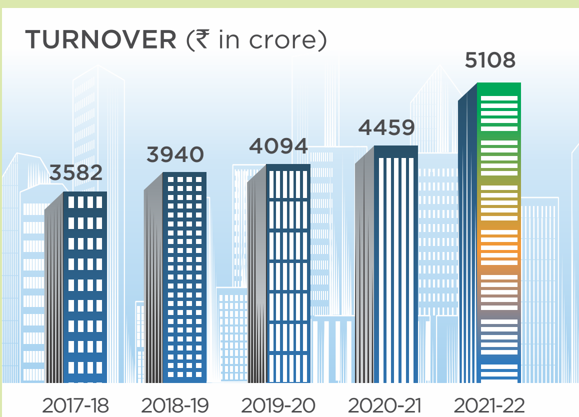
VINITA SINGHANIA

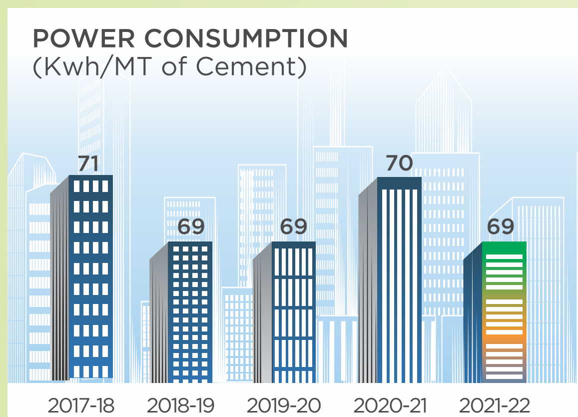
Vice Chairman & Managing Director

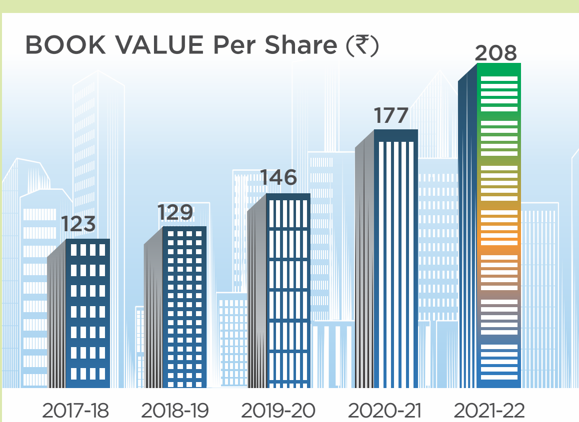
Financial Highlights

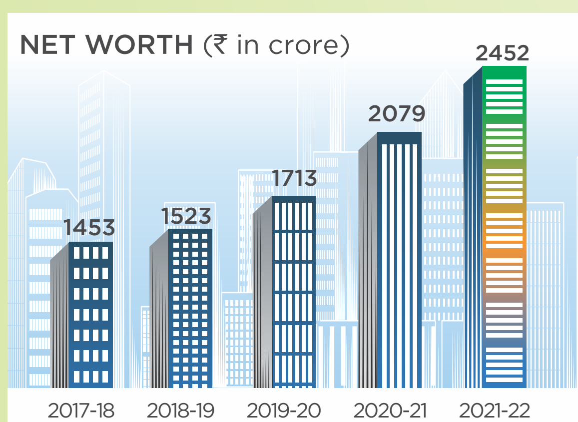




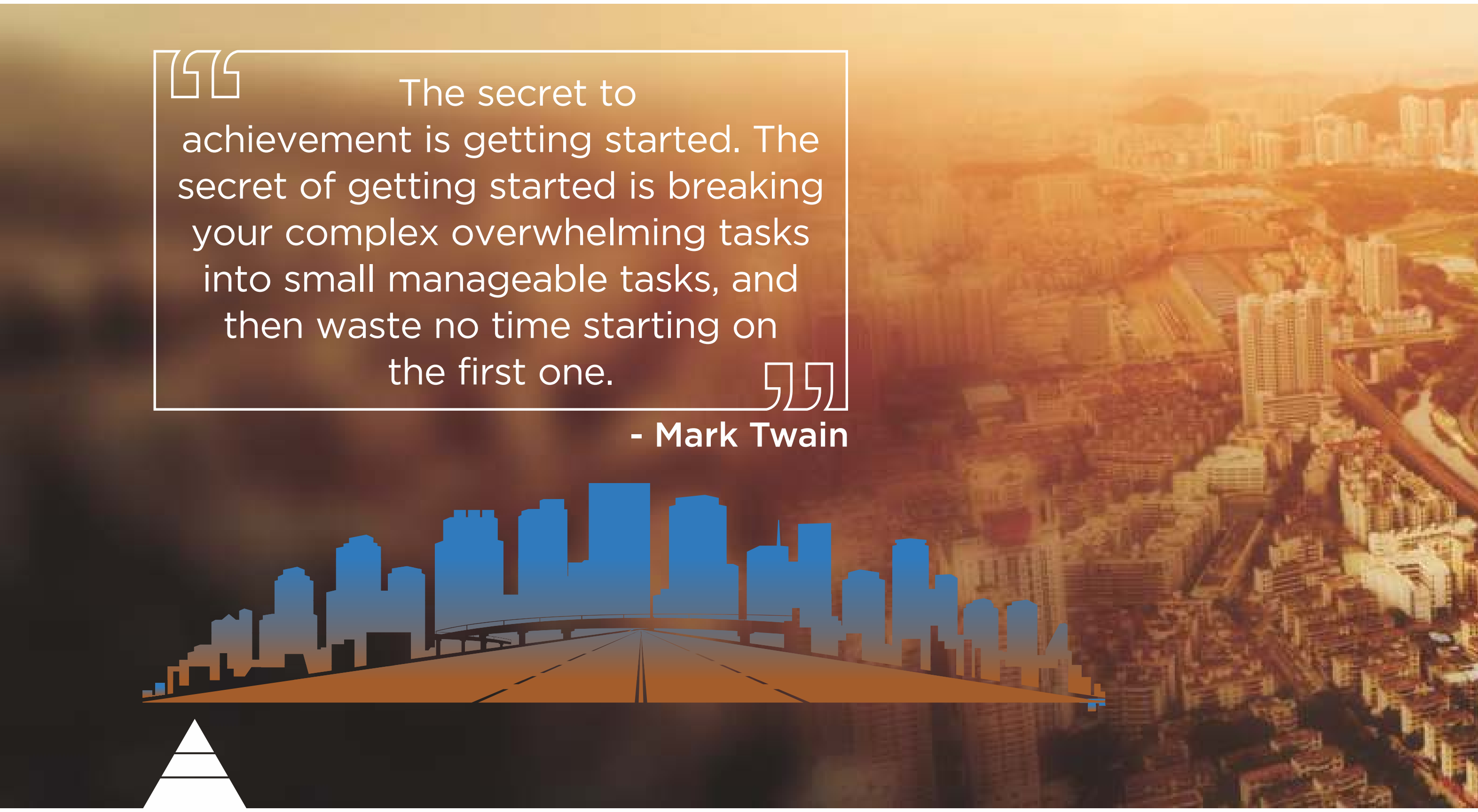








PERFORMANCE



India is the second largest producer of cement in the world. It accounts for more than 7% of the global installed capacity. India has a lot of potential for development in the infrastructure and construction sector, and the cement sector is expected to largely benefit from it. Some of the initiatives, such as increased focus on roads, ports, freight corridors, development of smart cities, increased urbanisation, PMAY – Rural, etc. are expected to provide a major boost to the sector. Consequently, the prospects for demand growth even in the long-term are good. While globally many cement companies have delayed investment plans due to the ongoing Covid pandemic, in India there is a surge of activity for CAPEX projects.

The Cement Manufacturing Association (CMA) currently estimates that India had an installed cement capacity of 545 Mn MT per annum in FY21 and has increased to 567 Mn MT per annum by the end of FY22. A report by CRISIL Ratings claims that as much as 80 million tonnes of additional cement capacity is planned to come on-stream in the next two to three years. Demand growth is expected to remain steady at 7-8 %.

However at the same time, surplus capacity on installed capacity will hover at around 35% for some years to come. This will pose significant challenges to the cement industry and only those companies who tick all the boxes of performance right will be able to achieve good results for themselves in the long-run.

Ticking all the boxes through the end-to-end value chain of an organisation is an extremely difficult and challenging task. We, at JK Lakshmi Cement have strived to achieve excellence in each sphere of operations and meet the targets of sales, profitability and stakeholders' satisfaction at all levels.

Right from mining, to raw materials, to storage, to production, to logistics, to distribution, to marketing and the last-mile sales, we at JK Lakshmi Cement have been prudent, proactive and forward-looking in our decision making.

Businesses universally are upgrading themselves at a never seen pace due to the unrelenting fight to garner customers and increasingly provide them with higher value for money. These upgradations have been helped in no small measures by the simultaneous progress in digital technologies and their ability to permeate every sphere of the business. Clearly therefore, there is a need for any company which is fighting this battle, to have a group of people who can step out of the purview of traditional functions and work on ideas that can give long-term competitive edge to the business, drawing heavily on the bedrock of latest technologies.

At JK Lakshmi Cement, the performance starts at the front-end where our brand is sold and then logically supported at the back-end of sourcing, production, processes, logistics, technology, sound financials and so forth.

The key highlights of actions and achievements over the last year are as follows:

- Marked improvement in company performance with higher volumes and EBITDA
- Higher asset utilisation
- Enhancement in channel capability through dealer enrollment and achieving higher dealer reach and extraction
- Effective price management
- Product mix optimisation
- Geo-mix optimisation

Ensuing pages will take you through the stories of JK Lakshmi Cement's performance at the front-end first, i.e. the brand first and then various aspects supporting the built up of this great cement brand.

Brand JK Lakshmi Cement:

Since its inception, JK Lakshmi Cement has been a formidable brand name in the Indian cement sector. We have relentlessly worked to make strong brand equity in the minds of customers through our performance-oriented brand building efforts and today, enjoy a premium position in the market. FY22 saw some major initiatives in this direction.

Brand Architecture Restructuring:

Over the years, JK Lakshmi Cement had added regional sub-brands in its stable; which were tactical in nature and fitting in the overall brand portfolio at a particular point in time. However, we revisited the brand architecture to bring synergy in our communication and focus on high-performing brands. Few low contributing regional sub-brands were discontinued, which in turn resulted in lean brand portfolio and consequently leading to effective resource allocation. It has also resulted in consistency in communication in different territories and much improved performance of our marketing efforts. This led to brand extension of Platinum brand, wherein Platinum Supremo Cement was launched as a premium offering in North and East regions.

Platinum Supremo Cement:

Platinum Supremo Cement brand was launched during FY22 and is positioned as Roof Specialist with a brand promise- “Ab Har Roof Bane Zabardast Strong”. The brand was built around the five supreme pillars for a longer-lasting roof i.e. strength, fineness, bonding, service and packaging. This premium cement was launched in the first phase in Odisha with a flag-off ceremony at Cuttack grinding unit and later in the city of Bhuvaneshwar in presence of India’s renowned boxer Vijender Singh who is a natural brand fit and the proud brand ambassador of brand Platinum. Subsequently it was also launched in Chhattisgarh, Maharashtra, Madhya Pradesh and entire North Zone, and it has been received very well in the market.

Value-added Products Portfolio:

In order to provide value-added construction solutions to our customers, JK Lakshmi Cement offers a wide basket of products such as Ready-mix Concrete (RMC), Autoclaved Aerated Blocks (AAC blocks), Gypsum Plaster (generic name - Plaster of Paris), White Cement-based Wall Putty, etc. We have expanded the footprint of these products in newer geographical areas and also added product variants in each category to offer superior and smart product options to our customers. Although small in size, these products continue to grow and in FY22, all these products have witnessed double digit growth in both turnover and profitability. With a scope of further penetration and adoption of these products in the Indian market and our subsequent expansion plans, we foresee a continuous growth in our value-added products portfolio.

Measuring Performance through Feedback:

During FY22, we conducted Brand Health Study and Dealer Satisfaction Index Study through an external agency. The surveys were conducted in 9 states, covering 45 districts with 2740 respondents in 5 customer segments (individual house builders, dealers, masons, contractors and architects) across all our markets. Brand Health Study was conducted for the first time and the brand achieved a satisfactory Brand Index; which is a direct reflection of brand loyalty and its stickiness. Improvement in various parameters of the Dealer Satisfaction Index led to increase in overall score (6.2 on a scale of 7); a clear indication of acknowledgement of our Company's efforts done towards serving its customers. A high NPS (Net Promoter Score) of 74 also reflects the high propensity to recommend the brand.

Reaching Customers through Mass Media:

Our customers in various segments are exposed to a slew of integrated marketing programs. To make sure that our brand stays on the top of the mind of our customers, a well-balanced approach towards the brand building has been adopted by JK Lakshmi Cement. Mass media campaigns and high-impact sponsorship association with SunRisers Hyderabad Indian Premier League (IPL) Team have resulted in high brand preference and equity. During the last financial year, we have taken prominent efforts in ensuring that we reach out to maximum households across our operating markets via effective campaigns on television media. Burst campaigns on special occasions like budget, state elections and Rath Yatra led to high brand recall.

An innovative campaign was scheduled on DTH platforms where logo property on channel flipping was taken during peak hours in IPL and on UP state election results' day. This non-skippable advertising was highly noticeable and was appreciated across our markets.

Another successful campaign was the launch of JKLC Sixer Cement and Super Sixer Weather Guard Cement television commercial in the regions of Gujarat and Rajasthan; which strengthened the brand position even further in these markets.

A full-fledged print campaign on the launch of Platinum Supremo Cement in the East region also resulted in instant recognition of the brand and a spike in sale of this premium product.

Customer-connect through Digital Media:

Our endeavours to connect with the younger generation and digital savvy customers have increased in last few years. During the pandemic, we adapted to shift most of our marketing communication focus on the digital platforms.

During the IPL Season 14, as title sponsor of SunRisers Hyderabad, we connected with our target audience on various social media platforms. Some of the initiatives that we took and their impactful results generating huge engagement value are mentioned below:

- 10 million+ impressions across all social media platforms
- Creation of a 'Fan Anthem' that was based on our TV Campaign " Aa Strength Dikha"; generating over 6.5 million views
- Anthem-based campaign in collaboration with 22 social media influencers through Instagram Reels
- JK Lakshmi Cement's GIPHY account with 42 interesting GIFs has more than 21 million+ views; which makes JK Lakshmi Cement the first Indian cement company to have such an account
- Micro-site with 3 cricket-based games with over 4,000 sessions
- 2 Facebook Live sessions with SunRisers Hyderabad players for fans with 0.3 million impressions

In addition to our initiatives during IPL, our other significant milestones on digital media are mentioned below:

- Maintained 4th position on Facebook for being among the top liked cement companies in the country with 3.61 lakhs fan-base
- Created Facebook pages of JKLC Sixer Cement and Platinum Heavy Duty Cement that engaged with 31,000 followers and 28,000 followers respectively
- YouTube campaign for brand film of JK Lakshmi Cement had 4 million views
- YouTube campaigns for JKLC Sixer Cement and Super Sixer Weather Guard Cement had 3.8 million views
- Created buzz through topical brand film on the occasion of Independence Day, which gained more than 1.4 million views on YouTube and Facebook

Engaging Key Audiences:

During the pandemic, when physical interaction and engagement was not possible, we conceptualised a whole new series of virtual events branded as 'JK Lakshmi Samvaad'. By engaging through virtual events, we ensured that our extended family stays up-to-date and safe during the turbulent times.

These virtual events were organised to impart education on various Covid related topics of health, child-care, yoga and mental health. Each virtual event was attended by over 1,000 channel partners and was much appreciated by them.

In earlier seasons of IPL, our dealers enjoyed watching the matches in stadium and also meeting with their favourite players in person. However, IPL Season 14 happened without any spectators in the stadium, Team JKLC however conceptualised daily run of engagement activities for our dealers throughout the IPL, so that our dealers do not loose out on going to stadium personally, We created WhatsApp groups for running daily engagement activities throughout the IPL. There were 13 WhatsApp groups with more than 2,000 dealers participating in daily activities / contest in 4 languages. This engagement is probably a first in the Indian cement industry and ran for 70 days with 39 winners daily and end-of-season grand prize winners. The interest shown by the associates resulted in creating stronger bonds. In addition to this, we organised meet and greet session with SRH players in virtual modes for our channel partners and key customers.

The Company also conducted various physical engagement events with our channel partners with all Covid safety protocols in place. Platinum Supremo Cement launch events at Bhubaneshwar and Goa and Annual dealer conferences for JKLC Sixer in Udaipur were attended by our dealers with full fervour. Company also organised events for our channel partners and their family members to enthuse motivation and celebratory zeal across all its operational markets.

For masons and contractors, we ran a mobile App-based loyalty programs for our brands with over 60,000 influencers as registered members. Apart from motivating the masons to recommend our products to end-users, we constantly looked for ways to engage with them. Company organised a number of quiz programmes for masons / contractors in 'JK Lakshmi Vishwas' App to enhance their technical knowledge, improve their workmanship and to make a strong connect with them.

A fresh approach was undertaken in order to make our loyalty programmes even more effective and add to the delight of the dealers. 'JK Lakshmi SKY' programme was re-launched with multiple objectives and new features. These objectives were to increase product lifting, motivation, engagement and aspiration value. New exciting ways of earning bonus points for program members and new soft touch points were added. Categories of dealers were renamed as Royal, Elite, Aristocrat and Classic Clubs. This increased the dealers' participation and engagement in the club and over 90%, sale of JK Lakshmi Cement is now done by the loyalty program members.

As a regular practice, JK Lakshmi Cement organises training and meetings of contractors through our efficient team of engineers under the Technical Services Cell. These interactions are used as a tool of skill development among the influencer groups in order to understand new construction techniques. During the pandemic, these sessions were organised through Virtual Technical Services (VTS) initiatives. With the decline of Covid, onsite events were resumed with proper safety protocols. These mason / contractor meets were attended by a large number of participants corroborating the fact that JK Lakshmi Cement has always been at the forefront of providing fundamental assistance in the skill development of the influencer groups.

Our Technical Services Cell visits various construction sites to meet the site-owners and also provide value-added services like slab supervision, knowledge on best construction practices and onsite solutions. These efforts have yielded extremely positive results in the direction of demand generation and over 21,000 site-owners have converted to our brands from the competition brands.

To recognise and appreciate the efforts of architects and engineers in making the JK Lakshmi Cement brand a household name, a rewards programme 'JK Lakshmi SAMMAN' was launched. In a short span of time, over 1,600 architects and engineers became members of the programme. In addition to it, a series of 'Knowledge Sharing Session (KSS)' for architects and engineers were also organised at various locations across India.

A large number of Mobile Concrete Labs (MCL) are also running in our all major markets facilitating numerous technical services for customers at their construction sites.

Awards

JK Lakshmi Cement - Fastest Growing Cement Company (Medium Category) by Indian Cement Review

Mrs Vinita Singhania- FLO Awards of Excellence 2022 by FICCI (for remarkable contribution in entrepreneurship)

JK Lakshmi Cement - Most Iconic Brand Award 2021 by The Economic Times

Accelerating Business Competencies

Centre of Excellence (CoE) was formed to bring about systematic improvement in the processes of JK Lakshmi Cement as well as to work on innovative ideas. The team has worked on these lines in the past year with primary focus on cement sales, customer service and logistics functions. The team CoE continuously interacts with various functions and stakeholders, sensitises them on the advantages of bringing about changes in the existing processes; in-short also working as change agents.

Team CoE is on a mission to build on this foundation and leverage technologies to implement ground-breaking ideas. It works as an enabler by creating differentiation to give competitive advantage to our organisation and achieve targets.

Key Achievements:

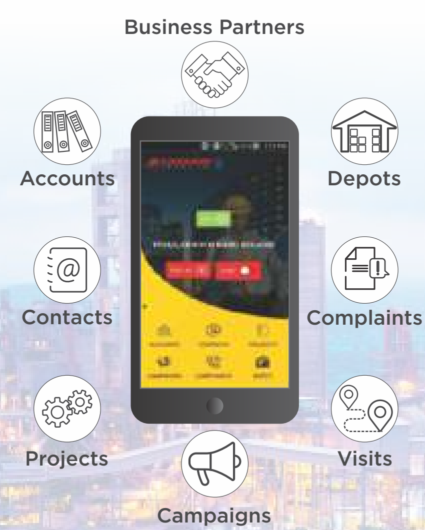
- Taking visibility on outbound logistics from 40% level to 75% within a year; and designing robust processes around preventing value loss and recapturing lost value
- Building entire mechanism around digital lead management, for onboarding of new dealers and retailers during national lockdown, thereby contributing to additional revenues
- Leading development and roll-out of mobile Apps for internal and external stakeholders as part of multiplying our digital reach through salesforce
- Spearheading multiple strategic workshops across all brands and zones, involving 300+ stakeholders in total
- Designing real-time performance measurement tool across all hierarchies for the sales team

Application Developments:

New employee App was rolled out with enhanced features. The current adoption of the same is 100%. This App has features like visits with real-time check-in and check-out with geo-location, flexible PJP plan, counter-wise target planning, market intelligence, auto-generated conveyance bills based on employee's market visits, customer targets / actuals, market mapping with geo-fencing, site orders, projects, campaigns / meetings, reports, etc.

New dealer App was rolled out pan-India with features like order status tracking, visibility of outstanding amount, credit details, target v/s actual achievement, downloading of important reports like ledger, invoice, credit note, debit note, pending orders, raise query / various types of requests, digital confirmations like EPOD / balance, etc. The current adoption of the App is 30%.

More so, dealers could monitor their loyalty points due to loyalty App integration with the dealer App. Real-time tracking of vehicles was also enabled in the dealer App and had a feature of customer territory auto-updation based on latitude-longitude integration with Arcgis platform.



Salient Features of our Mobile Apps

- GPS tracking
- Save and edit functionality
- Pending Order Quantity and Outstanding Data updated on demand
- Registering visits for complaints and campaigns
- Prices of other brands at various locations and counters
- App enables the user to access data of the customers and punch in the visit related information on the fly
- Accessible in rural areas without network

Optimizing Supply Chain by going Digital:

Logistics and supply chain is one of the most important values generating lever in cement industry and the same goes with JK Lakshmi Cement as well.

Digitisation of the processes is must to contain cost but still improve the logistics services for the customers. We at JK Lakshmi Cement started our digital transformation journey in supply chain and distribution area couple of years back. We did not just automate our demand planning, plant to market allocation, but also automated the process of dealer order placement, prioritisation, tracking and closure of the trip, etc.

To bring transparency in the transporters management, we have implemented standard TMS (Transport Management System) across our plants. The system will help transporters to see all the trips details starting till payment on one single page. For successful implementation of TMS, we also invested in building ecosystem of RFID/GPS/sensors etc. for complete tracking of trucks.

Team also worked towards finding out solutions for unsolved problems that are existing in the industry i.e. EPOD implementation system & identification of back unloading cases with full accuracy.

EPOD system:

In cement industry, our dealers at times avoid giving E-Proof of delivery . We used multiple technologies like IVR, invoice linked SMS, SIM tracking based system etc. to make the POD process flawless and very user-friendly. System will bring in more transparency, save unnecessary paperwork and generate value for all stakeholders.

Identification of back unloading cases with full accuracy:

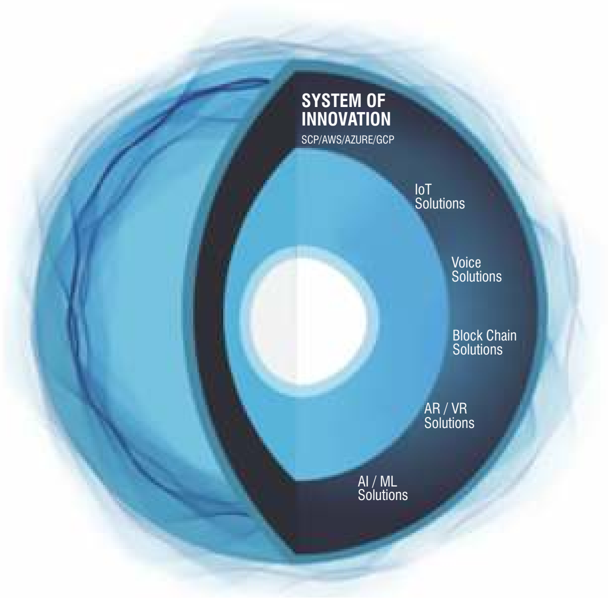
Back unloading and bag movement across state borders from low price to high price state are known malpractices in the cement industry. This malpractice goes unchallenged as cement bags appear same and erring dealers could go undetected. Hence, we made certain corrections in our packing plant and started getting customer code printed on the bags and now we can easily backtrack the customer involved into malpractice and take corrective actions immediately.

As a responsible industry player, we are passionately working towards bringing in more & more environment-friendly practices. We have started adding green trucks (CNG/LNG/Electric) to our fleets gradually to reduce the carbon footprint. Along with user-friendly digitalised processes Company has also invested towards relieving pain areas of our drivers and helpers' community by revamping our yard infrastructure so that the drivers and helpers are comfortable and fresh while going out of our plant with the consignment. We shall continue to invest for the betterment of lives of our drivers/helpers & supervisors' community.

IT, IoT and Automation:

Digital Transformation:

To give momentum to digital transformation, JK Lakshmi Cement has upgraded 'Core of Digital' with S/4 HANA. Migration to S/4 HANA was aimed for making business operations swifter and smarter. This migration of SAP landscape to S/4 HANA suit was done with zero downtime. This capability of migrating core of digital to a new technology without any business interruption has given confidence that all digital transformations can be done without brining interruption to existing business.

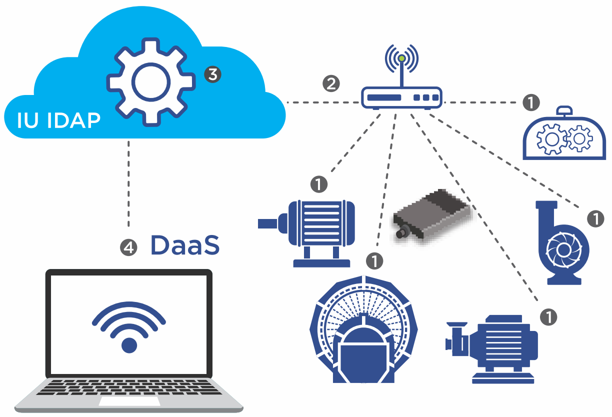


JK Lakshmi Cement is giving high importance to usage experience of digital solutions either be it for internal users or for external users. Best in class UI technologies like Fiori, Angular and React is getting used for development of applications.

Continuous strive is there from Business teams for process re-engineered and automation across all business functions by using contemporary and emerging technologies.

Industry 4.0 Initiatives:

Condition based maintenance of machineries and equipment's are culture of asset management across all manufacturing locations. Predictive capabilities are getting used for cement mills, kiln, pre-heaters, etc. to minimize downtime.



Data Protection and Cyber Security:

JK Lakshmi Cement's has always been very sensitive towards data protection and keeping IT systems safe from any kind of cyber threats. As cyber threats are kept on evolving, JK Lakshmi Cement is also doing prudent investment to mitigate such risk.

Cloud Strategy:

JK Lakshmi Cement is increasingly adopting more and more cloud to both compute power and application deployments to get more agile and resilient in its requirements of IT Infrastructure.

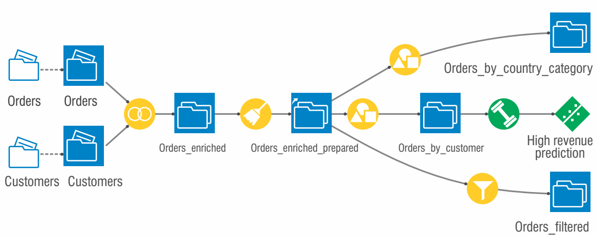
Data Science:

JK Lakshmi had already acquired good amount of maturity on data analytics to use data for internal operations and external operations.

Capabilities of descriptive analytics were already in use to build dashboards for real time visibility of sales, manufacturing, logistics and purchase operations.

New generation Data Science is giving completely different perspective on how data, images and voice can be processed for meeting business needs and for giving differentiable experience to the user community.

JK Lakshmi Cement has onboarded global Data Science player along with Data Science platform to create ecosystem for a swifter and a comprehensive journey on analytics.



Objective to bring data science platform was to empower all business executives to create their own analytics, right from daily reporting to dashboards creation to use of AI/ML for modeling their own business solutions.

A lot of success has been achieved on this and now data generated from sales, marketing, manufacturing, logistic etc., are getting used for enhancing customer experience, making ecosystem more productive, reducing input cost including cost of power and improving service to customers. Use of Data Science has not only empowered business teams for analysing data easily but also have made them more proactive and responsive towards volatile business needs.

This investment in data analytics has helped JK Lakshmi Cement in developing many predictive models for diverse business needs like improving forecasting, predicting dealer churning, creating scientific beat plan, predicting price and fleet availability in the market.

Savings through in-house Innovations:

Optimisation of Armour Ring Angle: To optimise the power consumption of VRM section, we explored some innovative ways to reduce pressure drop. Team of JK Lakshmi Cement took it as a challenge and found that the root cause was internal recirculation of fines in the mill. We have optimised the armour ring angle, which has helped us with improved flow pattern across the mill and separator. This has resulted in improved grinding efficiency of mill and a saving of 64 kW of power consumption.

Before After

Application of Insulating Paint on PH and TAD Area:

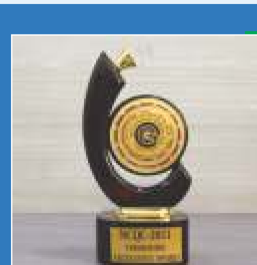
Radiation losses play a vital role in specific fuel consumption of kiln. To reduce radiation losses across PH body, Calciner and TAD, we identified thermal spray coating of aluminum to help reduce surface temperature and thereby resulting in reduction of specific heat consumption. We undertook a trial in both the cyclone-6 and TAD, where the radiation losses are high as compared to other cyclone, and achieved a saving of 0.71 kcal/kg clinker.

Before After

Installation of a Rotary Screen in AAC Plant, Jhajjar:

In AAC block operations, fresh slurry is prepared in pond ash pit by mixing pond ash with water. This slurry is pumped to slurry tank and fed to mixer by pump and dozing valve. Due to roots in pond ash, pump, lines and valves get jammed frequently. Our team installed a rotary screen to separate out the roots. Subsequently, this clean slurry was pumped to tanks. This resulted in elimination of jamming of pump and valves, improvement in cake quality, reduction in breaking of cutting wire and significant savings.

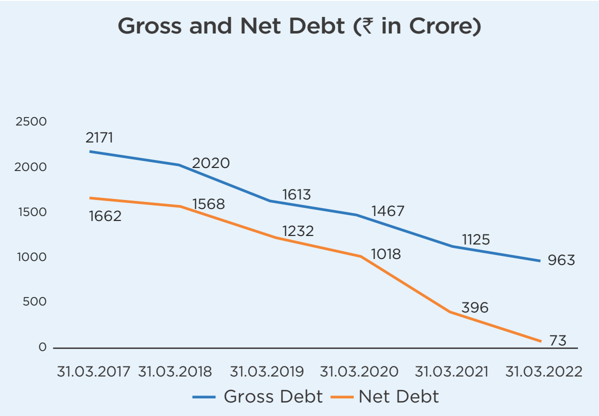
Awards



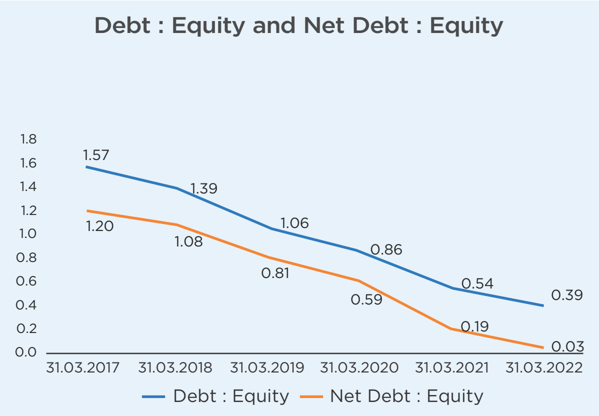
JK Lakshmi Cement Durg won 2 PAR EXCELLENCE & 1 EXCELLENCE Category award in the 35th National Convention on Quality Concepts, NCQC 2021

Moving towards a Debt Free Company:

The Company has continuously been focusing on reducing its Debt over the last several years. It has been able to bring down its Net Debt down from Rs.1662 Crores as of 31st March 2017 to a meagre Rs.73 Crores over a period of 5 years upto 31st March 2022. **The Company expects to be Debt Free on Net Debt basis during the Financial Year 2022-23.**



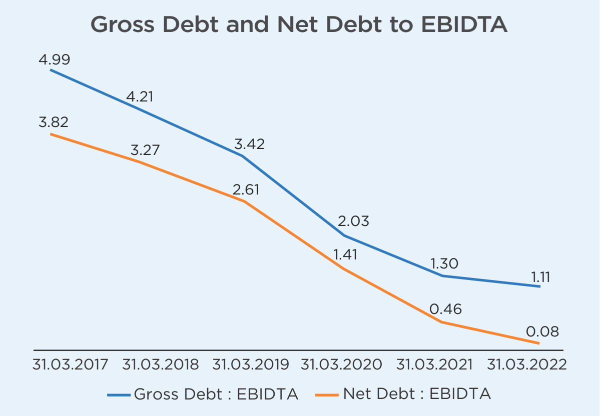
As a result of the Reduction in Debt, the Leveraging of the Company has come down from 1.57 times as of 31st March, 2017 to 0.39 as of 31st March, 2022. Similarly, the Net Debt Equity Ratio of the Company has considerably reduced from 1.20 times as of 31st March, 2017 to 0.03 times of as of 31st March, 2022.



Enhancement in Credit Rating:

Based on the considerable improvement in the Financial Leveraging of the Company, Rating Agencies, CRISIL Ratings Ltd & CARE Ratings Ltd have upgraded the Company's Rating to **AA (Double A)** from AA- (Double A Minus) with a **Stable Outlook**. Upgradation in Rating by the Rating Agencies also takes into account Strong Operational Performance driven by the Company's Robust Volume Growth across Regional markets, Improved Cost Efficiencies and Higher Sales Realization achieved during FY20 and FY21. The Revision in Rating also considers the Improvement in the Operational Risk Profile of UCWL resulting in healthy contribution of Cash Accruals at Consolidated level.

With the improved Operational & Financial performance together with the reduction in Debt has enabled the Company to bring down its Gross debt to EBIDTA Ratio from 4.99 times as of 31st March 2017 to 1.11 times as of 31st March 2022. Similarly, the Net Debt to EBIDTA Ratio has come down from 3.82 times as of 31st March 2017 to a meagre 0.08 times as of 31st March 2022.



The Company continues to enjoy the highest possible Credit Rating of A1+ (A One Plus) for its Short-term Borrowings from CRISIL & CARE.

The Company has a Healthy Treasury Corpus as on 31st March 2022 of Rs. 890 Crores which it continues to deploy judiciously in various Tax-efficient Debt Instruments to garner higher Returns for the Company. This comfortable Liquidity position would not only enable the Company to meet its immediate fund requirements for UCWL Expansion, but to also go for any Organic or Inorganic Growth within the Company.

Presentations on Detailed Analysis of the Company's Operational & Financial Performance is periodically been made to the Investors, Bankers & Other Stakeholders through interactions by way of Quarterly Concalls & Roadshows both in India & Overseas.

CFO addressing the Stakeholders

Awards

TIOL National Taxation Award - 2021 awarded by TIOL Trust

PEOPLE

There are two eternal truths: life is about change, and managing people is never easy. To compound the issue, managers are now facing new challenges. The pandemic has produced a rapidly changing business environment and created a number of new obstacles.

Research shows us that 93% of employees have struggled with their well-being in 2020 mainly because of Covid-19. Workers who have shifted from the office to working remotely, have reported feeling less connected to their colleagues. Job insecurity continues to be another source of stress. Health and safety concerns relating to a possible return to the workplace, have also fueled anxiety amongst many employees.

Other challenges include, keeping a strong company culture alive, which is a key driver of employee engagement and productivity. Add this with onboarding the right talent, supporting diversity and inclusion, managing communication between teams, digitisation and technology, etc. are few other impact areas of any growing and profitable organisation.

On community front, principles of community development are grounded in ethical standards and values. Principles of community development are holistic sustainable community development, development based on local resources and capacities, participation in community development, strengthening social capital and community relations, adhering to human rights and social justice and eliminating inequalities, inclusion, nurturing diversity and a culture of community ownership and autonomy towards the surrounding environment.

However, it is a challenge to pursue these principles in deprived communities. There is a need for comprehensive and continuous approach to address the problems of distressed neighbourhoods, since the problems are complex, interrelated, and take considerable time to reverse. More so, these communities have specific dynamic both within its structures and also with its environment, which makes the implementation of social programmes even more challenging.

In spite of these challenges, we at JK Lakshmi Cement have been at the forefront of workforce and community development, and pride ourselves to be a responsible employer and a corporate citizen.

With the legacy of its founding fathers, JK Lakshmi Cement has committed itself to working towards the betterment of society and the employees.

JK Lakshmi Cement has been at the forefront of recognising people power and has always fostered an environment of continual learning and progression. Despite the challenges thrown upon due to pandemic, we have been able to successfully sail through the journey of work from home to hybrid style of working to inducting everyone back to working from the office environment.

As we always believe, our people are our greatest asset and biggest strength. While we empower them and encourage them to take ownership, we also provide them with equal opportunities to excel in their professional career. At JK Lakshmi Cement, our work culture is grounded in growth mindset. With an enabling infrastructure and best HR practices in place, together we work towards a shared goal and vision.

Also as a moral and ethical responsibility, we have incessantly ensured to build a better society. Contributing towards community services and upliftment of the disadvantaged sections of the society are the paramount goals that we ceaselessly strive for.

JK Lakshmi Cement regularly engages with all its relevant stakeholders to create a positive impact across its value chain, and it has been running multiple programs under its Corporate Social Responsibility (CSR) Programme - Health; Water & Sanitation; Education; Skilling and Livelihoods, and Rural development initiatives to bring transformational changes in the lives of vulnerable and the marginalised sections of society.

> **"Power, Water and Roads... Earlier only these were considered as basic requirements for the poor. But we have added more to it – Education and Health. By giving impetus to these five elements, we are not only creating employment opportunities, but also securing their future. And, that is why the mantra of 'Sabka Sath, Sabka Vikas' is resonating across the country."**

- Shri Bharat Hari Singhania
(Chairman)

These are engaging times when the workforce is coming back to offices and plants for the normal resumption of work post Covid-19. It is imperative that JK Lakshmi Cement provides an engaging work culture along with their safety and well-being.

We have seen to it that in conjunction with our business plans, our work and the business continuity did not suffer. Ensuring a work culture of safety and empowerment, we created an environment where our employees could face the challenges head-on and emerge victorious. We leveraged technology to engage with the employees, customers and stakeholders. Technical and behavioural trainings (internal and external), and employee engagement activities were at the forefront of employee development. Treating them as our biggest assets, we have been able to get the best out of our workforce and tide through the difficult times.

On the CSR front, we have always been committed to inclusive growth and equitable development. The major CSR thrust areas at JK Lakshmi Cement are Health; Water & Sanitation; Education; Skill Development and Livelihood; Environment Sustainability and Community Development.

CSR is the continuing commitment by JK Lakshmi Cement to behave ethically and contribute to economic development, while improving the quality of life of the workforce, their families as well as of the local community and society at large.

Various employee and community development measures undertaken by JK Lakshmi Cement are enlisted in the following pages.

Our Biggest Strength – Our Employees

JK Lakshmi Cement unwaveringly believes in the power of employees. On a continual basis we are committed to the overall development of the employees through talent management, empowerment, equal opportunities, trainings, recognition, culture of self-development and enhancement of knowledge and skills.

It is this commitment towards the well-being of the employees that has made possible for us to achieve 'Zero Production Loss' in last 25 years.

Incident of significant labour strike / plant stoppage due to disagreement in collective bargaining

2019-20	2020-21	2021-22	2022-23
0	0	0	0

Committed to Sustain

Talent Management:

Human talent cannot be emulated as compared to other physical, technological and financial resources. Hence, Talent Management System has been at the centre-stage of JK Lakshmi Cement. We follow best practices in arena of identifying, developing, grooming and retaining talent and it has been accorded highest priority from the leadership. Senior executives, including VCMD and Directors, spend around 40% of their time in the interest of talent management.

Rigorous process is followed for identification of talent through use of scientific processes including Assessment and Development Centres being conducted by world-renowned agencies. Most of the key leadership and teams in new projects of JK Lakshmi Cement has been drawn / manned from its existing operations / plants. 75% of the strategic positions have been filled in through this talent pipeline.

Focus on talent identification, development and retention on the other hand has paid rich dividends to our Company in terms of various class-leading productivity improvements, first-mover initiatives in the industry and executing greenfield and other projects with one of the lowest per MT cost in the industry.

HR Interventions:

To create a culture of intrapreneurship, we have undertaken several HR, training and leadership communication initiatives to improve our employee empowerment, productivity, retention, result-orientation and personal growth. This has resulted in their increased engagement, enthusiasm, participation, teamwork and knowledge. Several such initiatives are listed here:

- **Talent Management Trainings:** Many programmes were organised to strengthen development of talents such as customised training programs in line with business needs like 'First Time Managers', 'Managerial Effectiveness', 'JKO Competency Framework', 'Outbound Training'. etc. These programmes focused on various business related behavioural approach of employees such as innovative thinking, collaborative and entrepreneurial abilities, etc.
- **My Exclusive Time (MET):** This quarterly programme is designed for the employees, wherein HR personnel meets and accompanies employees personally at their work areas for a whole day and tries to understand their pain and pleasure points. It also provides essential inputs to HR in the areas of training / skills, business awareness, network management, work planning / scheduling and their sales / managerial attributes of the employees for leveraging and / or improving result-orientation. Feedback of the meeting then is shared with the HODs and Zonal Head, and consequently action plan is made.
- **Dialogue with President:** Interaction of talents with President on needs, aspirations, goals, opportunities available, readiness for relocation, etc. for ensuring higher engagement in line with our vision, mission and values was introduced.
- **Project Synergy:** This project was undertaken to multi-skill our workforce through real job experiences and assignments.
- **Udaan Competition:** JK Lakshmi Cement initiated a unique new programme that seeks to foster healthy creative competition amongst the employees up to DGM level. Here the employees have to go through the rigour of making a presentation on 'Business Theme' before a jury on pre-determined criteria of conceptual clarity, original inputs, creative content, linkage to practical issues, workable recommendation, action plans, literature survey, data collection including field survey, etc. Three winning teams were felicitated by the Group Chairman.

- **Bandhan:** At JK Lakshmi Cement, our work culture delivers mazbooti with happiness and in line with the same credo, Bandhan – employees connect initiative was conducted every quarter. This platform enabled employees to share their views, suggestions, challenges, support required with all levels of hierarchy. This activity was done in conjunction with other activities of employee engagement like quiz competition, games and role plays, where emphasis was given on ideation, critical analysis, data orientation, interpersonal skills and understanding of cross-functional roles. The winners of the activities were given certificates of appreciation and surprise gifts.
- **Sharing of Success Stories:** In order to boost up morale and motivate the best performers, sharing of success stories was implemented with a view to recognise their extraordinary efforts and thereby, contribute to the learning culture of our organisation.
- **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 difficulties and get their suggestions.

- **Sangam:** An inter-zone quiz competition was organised every quarter to foster a healthy bond between employees from different zones. Employees also shared best practices of their zones with one another.
- **Competitions and Contests:** To give the employees a chance to voice their views and make it a fun experience as well, we organised a précis writing competition. Employees penned their thoughts on the topic - "How working habits have changed during lockdown and adaptation to the new work-style post unlock and resumption of work". A drawing competition was organised to engage the employees in a creative exercise. "e-family milan" and "Family Photo Contest" were another fun ways to engage with the extended JK Lakshmi Cement family.
- **First Work Anniversary Celebration:** To create a positive environment and to encourage employee commitment, we celebrated first work anniversary of employees. Functional / Reporting Managers were requested to share feedback about the employees. In this event even the employees were given opportunity to share feedback of their journey with JK Lakshmi Cement.
- **Congratulation Letters:** After issuing the appointment advice of the selected candidates, we sent a congratulation letter to their parents / spouse, duly signed by Head-HR. This initiative was to make them feel proud about their family member's achievement upon joining one of the 'India's Great Place to Work'.
- **Founder's Day:** With great pride, enthusiasm and a sense of accomplishment we commemorated the 137th birth anniversary of Shri Lala Kamlapat Ji Singhania as the Founder's Day in November 2021. JK Organisation, a dynamic and highly respected conglomerate, continues to be guided by the core values of caring for people, integrity, openness, fairness, trust and commitment to excellence; principles inculcated by our great founder. On this momentous occasion, Shri Bharat Hari Singhania - President, JK Organisation paid rich tributes to the visionary and the great leader. At this event, tributes were also paid to the employees and 40 / 25 years meritorious service awards were given.
- **Shripati Singhania Memorial Cricket Tournament:** The 7th Shripati Singhania Memorial Cricket Tournament 2022 was conducted and it proved to be a great team bonding and enjoyable exercise. Twelve teams and over 150 players contested for this prestigious trophy.
- **Rangoli Competition:** A rangoli competition was held by the HR department in all zones for all the employees. The competition was organised to welcome the festive vibes and offer a joyous ambiance to celebrate Durga Puja, Diwali and Karva Chauth. The competition also became a useful tool for employee engagement and motivation in these turbulent times.

Virtual Connect:

Covid-19 has changed how the world works and eventual advent of new style of working using technology and digitisation has come to the fore. At JK Lakshmi Cement, we have always stayed ahead of the curve, anticipated the challenges and implemented and initiated several virtual, technology and digital initiatives to increase the productivity of the people and the processes.

- Leveraging new age tools and technologies including virtual mode of communication (Zoom, Microsoft Teams, Google Meet, WhatsApp) were effectively used to drive various HR processes such as learning and development, employee connect and engagement activities, talent acquisition, open-house communication meetings, performance and talent management process, etc.
- Customised competency based virtual development programmes were conducted for sales and technical services employees through Zoom / Microsoft Teams for capability enhancement.
- Digitisation of HR processes viz. Individual Development Plan (IDP) Portal, Separation, Recruitment and e-joining Portal were initiated.
- Processes such as internal employee KRAs, targets and back-end IT ecosystem were realigned to meet the expectation of our customers
- Up-skilling was achieved by the team through regular trainings, structured problem solving, as well as data processing and visualisation tools such as Alteryx, Qlik, Tableau, Datalku and ArcGis.

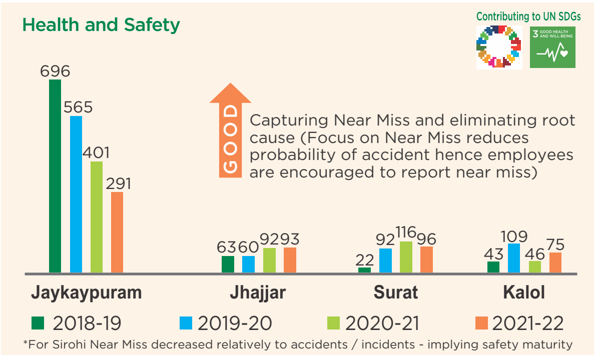
Rewards and Recognition:

Our Company's constant and persistent efforts to ensure best people-practices by striving for higher degree of excellence over the years, have won us accolades. People-first HR policies, exemplary workplace ambiance, our values and culture have helped us bag these prestigious awards:

- We have been recognised as one of the "25 Coolest Workplace" by Business Today (2021) and "Dream Company to Work (Cement Sector 2021)" by ET Now (2021), which exhibits the importance we have placed on our teammates and the way our employees are groomed, nurtured, developed and retained
- We have been awarded Times Ascent 'Dream Companies to Work For' 2021 in the Cement Sector

Our Safety Motto – Employees First

Reporting a near miss incident, helps to reduce an actual incident considerably. At JK Lakshmi Cement the same has been imbibed in our culture and hence we have been successful in providing a safe working environment for all our employees and workforce.



Awards

JK Lakshmi Cement's Durg unit has won the well-deserved "1st Level NSCI Safety Awards - 2021: SARVASHRESHTHA SURAKSHA PURASKAR" - Golden Trophy

"JK Lakshmi Cement Ltd. Surat Unit" awarded with its 1st prestigious "4th Level NSCI Safety Award – "PRASHANSA PATRA - 2021" organised by "National Safety Council of India" for "Implementation of Best Safety Practices and Zero Reportable Accident".

Securing the most prestigious, admired, and top honour award, JK Lakshmi Cement's Durg Plant also won the "Greentech Effective Safety Culture Award 2021" from Greentech Foundation, New Delhi. After stringent screening on various parameters like technology, digitalisation, innovations, coupled with effectively mitigating critical risks at the site, the companies were shortlisted. The next stage involved a technical presentation before jury with special focus on Safety Management Systems implemented to achieve accident free 65 months. Greentech Foundation presents these awards to the finest in the business industry. It is a token of appreciation to celebrate the safety culture that brings the best to the forefront. A selection process that strives to be as fair and transparent as possible, with an emphasis on professional excellence and impact.

JK Lakshmi Cement's Jhajjar unit has been commemorated the prestigious top ranked award - "National Safety Award -2018", constituted by the Director General Factory Advise Services Labour Institute; Ministry Labour Employment, Government of India.

It's a matter of deep pride that these incredible awards reinforce the strength of JK Lakshmi Cement's community comprised of the exalted leadership, management, employees and all the stakeholders. Determined to continue this culture of safety in all the units, these awards recognise outstanding and exemplary initiatives, and practices in areas of developing effective safety culture to reduce incidents and accidents, and save precious human lives at workplaces.

Our Eco-system – Our Community

Our CSR Vision: To strengthen community relationship and to bring sustainable change in quality of life of neighborhood community through innovative solutions in Health, Education, Livelihoods and Rural Development.

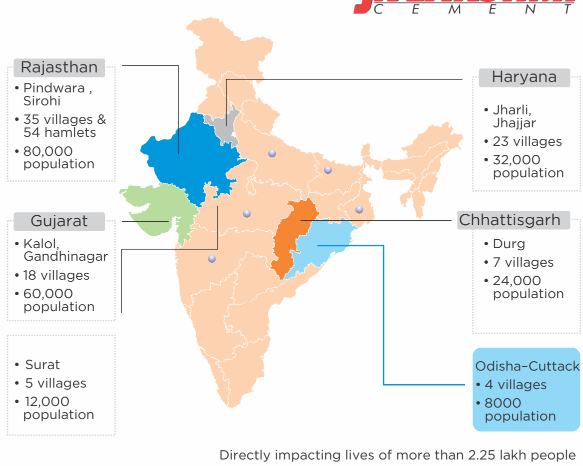
CSR Projects Beneficiaries are pre-dominantly from disadvantaged communities

Disadvantaged
- Below Poverty Line families
- Women & girls
- Scheduled tribe
- Scheduled caste
- Small / Marginal farmers
- Landless labourers
- Unemployed youths
- Others

Vulnerable
- Differently-abled children
- Women-headed families
- Person suffering with diseases like Multi-Drug Resistant TB; Silcosis

Bottom of pyramid stakeholders in product supply chain
- Masons
- Loaders
- Truck drivers
- Small contractors
- Labourers

Our CSR Footprints and Population Coverage



Our CSR initiatives have benefited number of disadvantaged, vulnerable and economically marginalised communities like scheduled castes and scheduled tribes, BPL families, small and marginal farmers, landless groups, women-headed families, special children, person suffering with chronic diseases, and youths with no skills for either employability or resources for small business. They are focused on inclusive growth and equitable development, which are also aligned to United Nations Sustainable Development Goals (SDGs).

The unprecedented Covid time has affected many companies' profitability across the globe. It has automatically caused impact on their CSR budget. Still, the prolonged and unpredictable severity of the outbreak did not stop us from contributing to community development. While the Covid-19 outbreak has brought about mass lockdowns and social distancing, we have continued work to support vulnerable communities.

During the Financial Year 2021-22, JK Lakshmi Cement has spent ₹ 468.78 lakh on its CSR initiatives.

JK Lakshmi Cement generally pursues CSR programs and activities directly. We have in-house teams deployed at different operational locations for the implementation of our CSR activities, which are monitored by Central CSR team at corporate office. On a need basis, NGO/Implementing Agencies are identified for specific expertise and implementation support. We have partnered with academic bodies, government, hospitals, panchayats and Krishi Vigyan Kendra to successfully implement initiatives and undertake more comprehensive awareness creation on critical societal issues in pursuance of United Nations SDG No. 17.

Before initiating any community engagement and welfare program, we consult and organise 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.

We pursue our CSR vision through innovative and participative interventions in Health, Education, Water & Sanitation, Skills Development, Livelihood Promotion, and Rural Development.

Covid-19 Initiatives - Health

As the beginning of Financial Year saw deadly outbreak of Covid-19 Delta variant, the Company responded to the unprecedented oxygen crisis by setting up an Oxygen Plant at Government Community Health Centre, Pindwara in Sirohi district Rajasthan. Several quantities of oxygen concentrators and cylinders, examination gloves, thermometers, oximeters, vaporisers, surgical masks, etc. were provided to district health departments and other agencies. Team JK Lakshmi Cement supported the vaccination drive across locations through creating awareness and mobilising people to the vaccination centres.

JK Lakshmi Aarogya Project – Health

Under Project Aarogya, number of medical camps were organised. While at few locations food kits were provided to Multi-Drug Resistant -TB patients from poor families to improve their nutritional status for speedy recovery.

- Total 600 medical camps were organised, benefitting 25,000 patients
- Fogging were done in nearby villages of Durg
- Daily door-to-door garbage management was carried out in nearby villages of Durg, which has benefitted more than 1000 families
- 288 food kits provided to MDR-TB patients in Surat and Kalol

As a part of special initiative from JK Lakshmi Aarogya Project, Naya Savera continued to focus on providing medical services at the doorstep to reduce maternal and infant's mortality. Naya Savera for maternal and child health organised 4686 household visits and 4781 ANC, PNC and lactating mothers were benefited at Jaykaypuram. Saving lives of mother and infants in most vulnerable tribal communities, awareness sessions on maternal and child health issues, mass immunisation camps and film show on RCH issues were undertaken through the Naya Savera initiative at JK Lakshmi Cement's Sirohi unit. It also included other array of activities like ANC services, support to institutional deliveries, referral services, home-based natal care, etc. Under the same initiative, to improve mother and child health status in communities in villages of Pindwara Block of Sirohi District, Rajasthan, knowledge & skills building exercises for early detection and management of causes leading to neo-natal and infant mortalities were carried out.

Under the Sanjeevani health initiative programmes, JK Lakshmi Cement has a dedicated team of Technical Service Cell which works closely with masons and contractors in the surrounding areas to design and deliver CSR projects focusing on healthcare. Various free health camps were organised across several districts of Rajasthan, focusing on Masons and contractors. These camps provided free health and eye check-ups, Covid vaccinations and free consultation by proficient doctors and health care workers.

On the occasion of World Aids Day on 1st December 2021, JK Lakshmi Cement's CSR Team organised various activities to address the inequalities that drive AIDS and to reach out people who are currently not receiving essential HIV services. Our team organised awareness rallies, group meetings, street plays, distribution of pamphlets and more, for creating awareness on HIV-AIDS among truck drivers, helpers, contract labourers and communities near the plant.

JK Lakshmi Vidya Project - Education

Project Vidya organised bridging and remedial classes to out-of-school and school drop-out children for their mainstreaming into government schools; supported government schools for improvement of physical and classroom infrastructure and facilities; provided various kinds of support to students; and continued its support to school working for special children and their families.

Number of students have been provided scholarships to support their school, college, and technical education like ITI, Polytechnic, Nursing, B.Ed at a time when pandemic had hit their family's income.

JK Lakshmi Cement has also started an initiative - 'Navodaya Coaching' with focus on preparing the students from rural families to be able to get admission in Jawahar Navodaya Schools.

Delta and Omicron surge during the year and government enforced restrictions on meetings, gatherings and mobility had critically impacted the implementation schedule of various CSR projects. Education and skilling projects were the worst hit. Closure of government schools for the extended period had caused non-implementation of planned education activities. Despite these field level challenges, we demonstrated our commitment towards CSR.

- Total 80 drop-out children were enrolled in Government School at Jaykaypuram
- 73 students of standard XI and XII were provided merit scholarships
- Navodaya coaching started with 60 standard V students at Durg
- 35 youths were benefitted through computer training at Surat
- Test papers were provided to standard X students for board exams preparation at Cuttack
- 45 girls were enrolled for X & XII NIOS exam at Kalol
- 3 toilets of Government school were renovated
- Sponsored 2 teachers at Rampura School
- Children were enrolled in schools under Project 'Aarambh'

A total of ₹ 80.90 lakhs in scholarship were disbursed and leveraged during the financial year, which benefitted 892 students.

JK Lakshmi Aajivika Project - Skilling and Livelihood:

Under Project Aajivika, JK Lakshmi Cement undertook multiple on-farm and off-farm activities including small enterprise development and skills training to support youths and families to ensure a sustainable income. Other key initiatives were in the areas of drinking water and community infrastructure development to improve quality of life of the vulnerable communities.

With an aim to provide youth timely and cost-effective information books, space for group learning, data connectivity to access online portal-based tutorials, skill development cum job readiness centre, etc. were set up at the Jaykaypuram unit.

- 54 families were supported for small business at Durg and Jaykaypuram – business included tea-stall, barber shop, kirana stores, tent house, motorcycle and cycle repairing shop; fruit shop, mobile shop, etc.
- 20 families were supported with fish cultivation at Durg
- In collaboration with Haryana State Rural Livelihoods Mission, training on Madhubani painting was provided to 15 women at Jhajjar
- Tailoring training was given to 305 women/girls
- Beautician training was given to 20 women at Kalol
- Encouraging youth livelihoods, a Library-cum-Skill Development Centre was inaugurated at Jaykaypuram on 25th February 2022. It has a sitting capacity of 60 students, Wi-fi facility, books and magazines for competitive exams, online counseling sessions, coaching to name a few.

JK Lakshmi Aajivika Project (Skilling and Livelihood)

From daily wager to small businessman
Restoring dignity to physically challenged Kamlesh

- Kamlesh Kamal Kumar (name changed), from a native village of dist. Sirohi, has six members in his family.
- Despite being physically challenged, he had no choice but to work as daily wager. He earned about ₹ 2000 per month.

Post :-

- Kamal joined mobile repair training classes run by the Company under JK Lakshmi Aajivika Project. The Company also supported him for starting mobile shop.
- Now his income to ₹ 7- 8 K Per Month.

JK Lakshmi Aajivika Project (Women Empowerment through Skill Trainings and Income Generation)

- In Collaboration with Haryana State Rural Livelihoods Mission, training on Madhubani Painting was provided to 15 women at Jhajjar.
- Tailoring – Total 305 women/girls.
- Beautician Training – 20 women at Kalol unit.

JK Lakshmi Aajivika Project (Agriculture and Livestock Development)

Under the agriculture and livestock development initiative, we held number of awareness meetings; made them visit Krishi Vigyan Kendra, veterinary and AI camps and provided them with HYV Seeds and vermin-compost. Apart from this, almost 1000 families were provided with mango and lemon tree saplings at Jaykaypuram.

- Kishan Lal (name changed) is middle-aged farmer hailing from a village in Sirohi district. With a family of six, his earning was not enough for sustenance of his family.
- One day, Kishan Lal called our LSA to examine his cattle who appeared to have some problem with her pregnancy.
- On examination, it was found that the condition of the fetus was critical.
- If he had not received timely help, he would have lost both the cattle and the calf, the only source of his income.

With the timely action and coordination with Government department, our livestock interventions are impacting more than 10,000 cattle on annual basis. That means saving about ₹ 1.25 Cr for these families on an average 50% impact on the mortality.

JK Lakshmi Swajal and Swachchta Project - Water

Under Project Swajal, JK Lakshmi Cement partnered with panchayat under 'PM- Jal Jeevan Mission' to provide tap water to almost 3000 families; leveraging about ₹ 1.52 Cr under the mission.

Impact of CSR Initiatives:

JK Lakshmi Cement is committed towards socially responsible endeavours and has always translated our ethos to build socially sound futures for all the stakeholders and community at large.

In tune with these ethics, the Jaykaypuram unit organised a CSR workshop at the plant to inform multiple stakeholders about various community development initiatives which the plant had been undertaking since 2004 and how these initiatives had brought positive changes in the lives of the local communities. In order to highlight this, a CSR Book - "Transforming Lives and Setting Smiles" - was also released amidst accolades.

During the workshop, many beneficiaries narrated their life stories and how they evolved with the support of JK Lakshmi Cement. The workshop was attended by various district and block level Government officials, Sarpanch from various panchayats, media persons and beneficiaries from the local communities.

All these CSR initiatives have benefited innumerous disadvantaged, vulnerable and economically marginalised communities. We have also strategically endeavoured towards facilitating 'last-mile-connectivity' for the poor to access various State and National Government schemes aimed at poverty alleviation. Company's CSR initiatives have been able to bring qualitative changes in the lives of the communities around its plant locations.

Awards

Sirohi unit received "Outstanding Performance in CSR Excellence Trophy-2021" by The Employers Association of Rajasthan

Durg unit received "Outstanding Achievement in promotion of Healthcare CSR Award 2021". The award was conferred by Greentech Foundation, New Delhi

Durg Unit was conferred an Award for its exemplary contribution in HIV AIDS testing camps, awareness programs and voluntary work.

PLANET

> One of the first conditions of happiness is that the link between man and nature shall not be broken.
>
> **- Leo Tolstoy**

Climate change due to pollution hazards posed by greenhouse gases is now regarded as one of the major global challenge. Continued use of fossil fuels, deforestation, increasing vehicle pollution, etc. are the main contributing factors. As a result the global temperature has risen by 1.1 degree Celsius as compared to pre-industrial levels. This combined with loss of biodiversity, stratospheric ozone depletion, degraded air and water quality, scarcity of fresh water, soil contamination, poor waste management, lack of adequate sensitisation on the support and several other factors have brought our planet on the brink of ecological collapse.

While all of these problems have environmental manifestations, their causes - and their potential solutions - are invariably linked to the human attitudes, beliefs, values, desires and behaviours. Thus the symptoms of the environmental crisis cannot be regarded purely as physical problems requiring solutions by environmental 'specialists'; instead, they are intrinsically everyone's problem; including the corporates and they are intimately related to the question of what it means to be an environmentally-responsible organisation, and how they can contribute to the betterment of the planet.

Cement industry is one of the leading industries considered to be important for sustainable development. At JK Lakshmi Cement, we believe in constructing progress based on the triple bottom line; therefore, the Company has paid maximum attention to optimisation of resource usage besides environment-friendly operation and development of people.

Sustainability is at the core of JK Lakshmi Cement's existence. As one of the leading cement companies in India, the vision of JK Lakshmi Cement mandates developing eco-friendly and sustainable operations. Playing an essential role to accelerate planet's transition towards a more sustainable future, JK Lakshmi Cement has forged ahead of its competition in providing green-building solutions.

As a responsible corporate and global citizen, JK Lakshmi Cement has taken several measures in order to align itself with the environmental goals of the country.

Keeping a check on the greenhouse gases emission and thereby reducing the carbon footprints, we have invested in usage of alternate fuels, renewable energy, waste heat recovery plants and increasing the thermal substitution rate. Apart from this, we are a water positive organisation; which means JK Lakshmi Cement harvests more water than it consumes. This amalgamated with initiatives like zero waste-water discharging units, solid waste management, environment-friendly value-added products, sustainable supply chain management, usage of alternate raw materials, energy saving measures, etc. have placed JK Lakshmi Cement amongst the leading cement companies in India with respect to sustainable development and progress.

We believe that businesses, society, government, and other essential stakeholders together can reverse environmental, socio-environmental, socio-economic degradation and contribute towards a better future.

> Being a responsible corporate, we have mapped our initiatives and are committed to contributing to reducing our emissions through various possible measures, the biggest of which is focus on renewable and utilisation of waste heat.

- Vinita Singhania
(VCMD)

The Covid-19 outbreak has caused companies to focus more on sustainable way of doing business. JK Lakshmi Cement has always been proactive in its commitment to undertake manufacturing aligned with directions and guidelines as per Sustainability and Corporate Environment Policy and other system standards designed to promote cleaner and responsible operations.

JK Lakshmi Cement is steadfast in the promise of protecting environment and also encourages it's subsidiaries, vendors, contractors and dealers to take environment-friendly measures on a regular basis for a sustainable future.

Various sustainability measures undertaken by JK Lakshmi Cement are enlisted in the following pages.

Renewable Energy

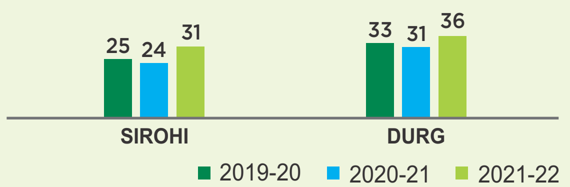
Renewable energy is the future to mitigate the risks poised by the greenhouse gases, especially substituting the thermal energy. At JK Lakshmi Cement, we have embarked on a journey of using renewable energy at all our operational units by installing captive solar power plants and thereby reducing the carbon footprints. Total of 22 MW of energy is produced through our captive solar power plants. The unit-wise production of solar power is as below:

Phalodi	6 MW	Kalol	0.5 MW
Durg	6.5 MW	Jhajiar	0.5 MW
Sirohi	5.6 MW	Cuttack	0.5 MW
Surat	2.4 MW		

More so, the manufacturing units at Kalol and Surat are substituting coal-based power by renewable power through wind power purchase agreement of 4MW capacity; this is in addition to captive solar power plants within the premises.

On an average, 30% of the total electricity consumed by all the units of JK Lakshmi Cement come from renewables like solar, wind and WHR.

Renewables as & of total electricity consumed

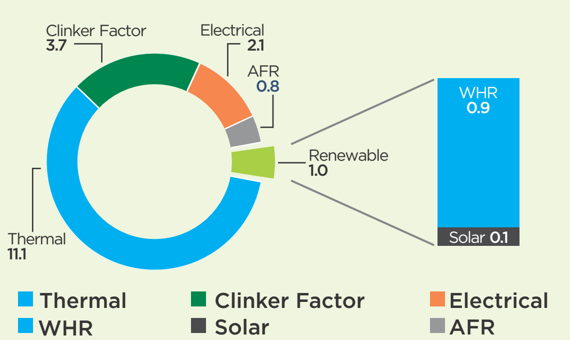


In future JK Lakshmi Cement is targeting 3-fold increase in the total renewable energy capacity portfolio by 2030.

Waste Heat Recovery Power Plants (WHRP)

JK Lakshmi Cement is actively engaged in green energy initiatives like Waste Heat Recovery based power systems; making sustainability an integral part of its operations in order to keep raising the bar for ourselves and the industry. Waste Heat Recovery based power systems of 25 MW and 7.76 MW are currently functional at Sirohi and Durg respectively. Since 1990, WHRP systems have helped JK Lakshmi Cement reduce the CO2 reduction by 0.9 Million Tonnes and thereby contributing towards cleaner air.

CO2 reduction since 1990 (in Million Tonnes)



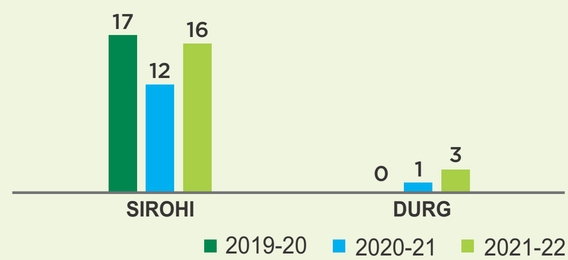
Total CO2 reduction - 18.7 Million Tonnes

Apart from this, all our other emission sources are also equipped with the latest state-of-the-art technology air pollution control equipment like Reverse Air-baghouses, Electrostatic Precipitator, Bag-filters, etc. to ensure compliance with the applicable emission / waste standards / norms.

Alternate Fuels and Raw Materials

A significant portion of the fuel used at our units are alternate fuels. This ensures circular economy of reuse and recycle, reduces carbon footprints, ensures more savings and extended producer responsibility.

Alternative fuel as % of total



SIROHI	DURG
• No. of alt. fuel used: 46 • TSR : 4-5%	• No. of alt. fuel used: 5 • TSR : 1-2%

As many as 38 CNG trucks are catering to the need of Delhi-NCR region with benefits such as:

- Contributing to reducing NO_x and CO_2 emissions
- Lower fuel cost with almost same mileage
- Saving on Green Tax to be paid by diesel vehicles

It is estimated that CNG fuel-based transportation results into 30% less GHG emissions and 95% fewer NOx emissions compared to conventional diesel-based trucks.

JK Lakshmi Cement also has strategies to address the process emissions by increasing the Thermal Substitution Rate (TSR) to 20% by 2030, through utilisation of different kinds of wastes such as municipal waste, industrial waste, etc.

We have also set up a biomass handling unit for substituting coal with alternative fuel in Pyro-Process with renewable fuel like biomass. In addition, all the operational units are utilising waste derived raw materials (flyash, slag, chemical gypsum, etc.) and fuels (biomass, liquid mix waste, municipal waste, etc.)

Waste Management Initiatives

JK Lakshmi Cement's emphasis has always been on sustainability and reducing waste therefore becomes a core responsibility. We are working towards a circular economy to bolster the government's various initiatives / missions in different fields and sectors; including contributing to United Nation's SDGS 12 (Responsible Consumption and Production) - 12.5 (reduce waste generation). The Cement Manufacturing Technology of the Company is based on 100% "Dry Cement Manufacturing" and it also utilises wastes generated from other industries as raw materials.

Some of the major waste management initiatives include:

- 100% of hazardous waste generated from auxiliary process (used oil, used grease, etc.) is recycled through the Central / State Pollution Control Board authorised recyclers.
- Solid organic waste is converted into nutrient-rich compost and vermicompost.
- 100% of domestic wastewater generated is treated in Sewage Treatment Plants (STPs) and the treated water is used for the development of plantation and greenbelt.
- 100% of fly-ash generated as waste from the captive power plants is used in the production of blended cement.

Today, all our operational sites are **"Zero Wastewater Discharging Units"**

Water Management

It is a matter of great pride to state that JK Lakshmi Cement is a 'water positive' company. It means that we harvest more water than what we consume with average Water Positivity Index of 4.0(P). Specific water consumption at Sirohi and Durg sites were at 0.16 and 0.07 / ton of cement, which should rank quite higher compared to competition. In continuation to deliver our water positivity responsibility, we further aim to grow 5 times water positive by 2025.

Value-added Products

JK Lakshmi Cement is passionately working towards making zero-carbon construction and developing a more comprehensive approach towards a sustainable and livable future.

We have been a responsible corporate that promotes the manufacturing of products with the most sustainable design and technology, and have played a significant role over the years in contributing to the country's economic growth.

JK Lakshmi Cement manufactures a wide range of cement such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement, which utilises waste-derived raw materials such as fly-ash, granulated blast furnace and slag; thereby reducing virgin resource consumption and hence reducing environmental risks related to products and operations.

Eco-friendly Value-added Products:

JK Lakshmiplast GypGold - Water-saving, lightweight, gypsum-based plaster suitable for hand or machine application to internal surfaces with brilliant white, smooth and matt finish

JK Lakshmiplast Smart Wall Putty - Environment-friendly product free from lead, oil, or toxic material that provides a solid surface base to prevent flaking

JK SMARTBLOX- Waste-derived Autoclave Aerated Concrete Blocks (AAC Blocks); a CII-GREEN PRO Certified, a green value-added product

JK Lakshmi SMARTSERV - Smart packaging for bulk usage saves tons of packaging material - Polypropylene, and meets quality product responsibility to consumers all the time. The funnel-shaped silo can store up to 5-7 tons of cement.

JK Lakshmi Power Mix - Ready Mix concrete transported directly to sites; replaces site mix concrete for better quality and higher productivity, and reduces air pollution.

JK Smart bond & JK Smart Plaster - Dry Mix Products, Cement Mortar and Cement Plaster; reduces Air Pollution by replacing loosely available alternative products.

Sustainable Sourcing

JK Lakshmi Cement focuses on sustainable sourcing during its procurement practices, which include:

a. Safety and environmental aspects in addition to commercial considerations while finalising the vendors.

b. Raw material sourcing from optimised low lead sources with focus on transportation through Rail Mode (wherever possible) which, in turn, helps us to reduce the carbon footprint.

c. Co-processes various industrial wastes, which directly replace the virgin raw materials / natural resources, which, in turn, helps to mitigate various environmental hazards and risks.

At JK Lakshmi, sustainable sourcing is a continuous process which is evolving by the day and we ensure to upkeep the procurement and sourcing practices in line with such evolutions.

CDM and Verified Carbon Standard (VCS) Projects

JK Lakshmi Cement has further outlined its commitments and targets with respect to the commitments made by the Nation in the COP26 event in 2021. We are registered with various Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) [now Verra] projects with United Nation Framework Convention on Climate Change (UNFCCC); working enthusiastically towards mitigating climate change and global warming.

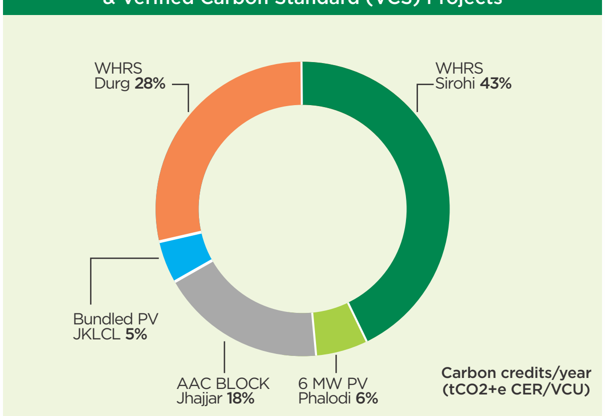
CDM Projects:

- Replacement of fossil fuel by biomass in Pyro-Processing, Rajasthan.
- 15 MW Waste Heat Recovery based power generation, Rajasthan.
- 6 MW Solar PV-based power generation, Rajasthan.

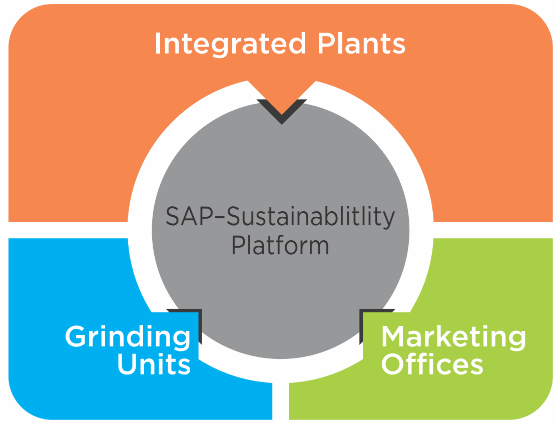
Verra (VCS) Projects:

- Bundled Manufacturing Solar PV based power plants.
- AAC Block.

Clean Development Mechanism (CDM) & Verified Carbon Standard (VCS) Projects



SAP based Integrated – disruptive sustainability platform



JK Laksmi Cement is proud to announce implementation (under progress) of India's 1st Integrated SAP based in-house platform for ESG / sustainability data collection and disclosure. This is a significant step for us since even large companies have 3rd party software based data collection system. This data collection is as per standards of GRI / BRSR / CDP, etc. and other global-ESG related disclosures.

The benefits are multifold:

- Standardisation of reporting (quick response to – Investors / FIs / ESG queries).
- Timely release of ESG and sustainability related reports.
- Prevents delay, errors and other issues of manual data collection.
- Eliminates wastage of time in data mining / collecting, etc.
- Provides opportunity to analyse and draw results and projection from the data in matter of few minutes.

Awards

'FAME NATIONAL AWARD 2021-22' in Platinum Award for 'Environment Excellence' in the Cement Industry

IBM 5 Star Rating Award for Sustainable Mining

'Excellent Energy Efficient Unit Award 2021' to Jaykaypuram Plant for excellence in energy management by the Confederation of Indian Industry (CII)

INDIA,
AB SOCH KARO BULAND.

Dear Members,

The Directors have the pleasure in presenting the 82nd Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2022.

FINANCIAL RESULTS

₹ in Crore

Particulars	2021-22	2020-21
Sales & Other Income	5,108.03	4,459.18
Profit before Interest, Depreciation & Tax (EBIDTA)	868.52	864.22
Profit before Depreciation & Tax (PBDT)	772.21	721.70
Profit after Tax (PAT)	417.56	366.24

DIVIDEND

Yours Directors are pleased to recommend a Dividend of ₹ 5 per Equity Share (100%) for the Financial Year ended 31st March 2022 for approval of the Members at the ensuing Annual General Meeting (AGM). Total Dividend outgo will be ₹ 58.85 Crore. The Dividend pay-out is in accordance with the Dividend Distribution Policy of the Company.

RESERVES AND APPROPRIATIONS

The amount available for appropriation including Surplus for the Year and the Transfer from Debenture Redemption Reserves, stood at ₹ 1,372.60 Crore. The Directors propose this to be appropriated as under:

₹ in Crore

Particulars	2021-22	2020-21
Dividend for 2020-21	44.13	-
Surplus carried to Balance Sheet	1,328.47	917.54
Total	1,372.60	917.54

PERFORMANCE REVIEW

Financial Year 2021-22 witnessed two waves of Covid-19 pandemic, one in the beginning of the financial year and another towards the end. Unfortunately, during the first wave in May-June 2021 there was an unprecedented toll on human lives though disruption in the economic activities was contained to minimum. The Government and Administration across the Country have acted with remarkable agility in handling the crisis.

Despite the setback from Covid, the Company achieved a growth of 4% in its cement production and 5% in its cement sales during FY 2021-22.The combined growth of cement and clinker stood at 7%. The Company's Production and Sales growth could have been higher, but for Cement Transporters' Strike in Chhattisgarh which impacted our Production and Despatches for over a month. The Company improved its Cement capacity utilisation to 74% in FY 2021-22 from 71% in FY 2020-21, while Company achieved 91% capacity utilisation in the last quarter of FY 2021-22.The Grinding Units at Surat, Kalol, Jharli and Cuttack have also shown remarkable resilience in bouncing back to normal. At Udaipur Cement Works Limited, a subsidiary of the Company, Cement production rose by about 15%.

Unprecedented mounting inflation has been rampant world over and the margins are under pressure. The Indian economy is also suffering high inflation. The Company has witnessed a sharp rise in fuel prices (Petcoke and Coal), diesel prices and other input costs which have significantly impacted the profitability. This has increased our freight cost both for outward materials as well as for inputs. As there is considerable overhang of the cement supplies over the demand, we found it hard to pass on the increase in inputs costs to the customers. To reduce the surging cost impact on margins, the Company has been assiduously working on adopting innovative solutions and improving its operational efficiencies at all levels and maximizing its realisation per tonne by optimising the product mix, introduction of new brands and augmenting the distribution network and optimising its distribution cost. The Company could maintain its Net realization despite price corrections being seen in major markets.

The Company has always kept its employees and their well-being as top-most priority; hence along with work, Company ensured that all employees and their family members get fully vaccinated as soon as possible. All required precautions were taken not just in sales offices/HO but also in all the plants, where we have complete workforce along with our employees. The Company also invested in improving the transport yards across all plants to give a hygienic environment to our drivers/helpers.

The Company has always followed the philosophy of sustainable growth. Share of renewable energy at ~30% in our total energy basket is amongst the best in the industry and we have set a target of achieving above 80% share in total energy consumption by FY 2030. Similarly, we are continuously working to increase the use of Alternative Fuels and Raw Materials (AFR); reduce water consumption; and reduce carbon emissions. It may be noted that through various measures taken in this regard, the Company has been able to reduce CO2 emissions by ~19 Million MT since 1990 and Certified Emission Reduction Potential (CERP) of the various measures undertaken by the Company stands at more than 2 Lakh MT of CO_2 reduction per year. On water front our specific water consumption is also one of the lowest in the industry and we aim to become 5 times water positive by the year 2025.

These measures towards sustainable operations shall stand in good stead in time to come and help the Company to raise finances at a lower cost for its future growth plans and ambitions.

The Company registered an EBIDTA of ₹ 868.52 Crore as against ₹ 864.22 Crore in the previous Financial Year, while the Net Profit topped ₹ 417.56 Crore as against ₹ 366.24 Crore in the previous Financial Year.

DE-LEVERAGING AND INTEREST REDUCTION

The Company has continuously been reducing its Debt for the last 3-4 years and has been able to bring down its Debt from over ₹ 2,000 Crore in March 2018 to ₹ 963 Crore as of 31st March 2022. Net Debt has been down from ₹ 1,568 Crore in March 2018 to a negligible level of only ₹ 13 Crore as of 31st March 2022. Correspondingly, the Debt Equity and Net Debt Equity have come down to 0.39 and 0.03 respectively as of 31st March 2022.

As a result of Deleveraging, efficient Working Capital and prudent Financial Management, the Interest Cost of the Company got reduced by 32% from ₹ 143 Crore to ₹ 96 Crore.

CREDIT RATING

Based on the substantial improvement in the Company's Consolidated Financial Leveraging together with strong Operational performance and Robust Volume Growth, the Rating Agencies - CRISIL and CARE have upgraded Company's Rating to AA from AA- during the year. The Company continues to enjoy highest possible Rating of A1+ both from CRISIL and CARE for its Short-Term Borrowings.

KEY HIGHLIGHTS

1. **Turnover crossed ₹ 5,000 Crore**
   - Turnover at ₹ 5,108 Crore increased by 15% during Financial Year 2021-22.
   - Sales Volume increased by 7%.
   - All Grinding Units achieved record Production and Dispatches.
2. **Operating Profit increased marginally despite Covid challenges and higher fuel cost**
   - Capacity Utilization increased to 74%.
   - Aggressive Cost reduction in Fixed Cost.
   - All round improvement in Operational Efficiencies across Integrated Plants and Grinding Units.
   - Prudent and Efficient fuel sourcing.
3. **Efficient Working Capital Management**
   - Reduction in Cash to Cash Cycle.
   - Reduction in Receivables by 37%.
   - Increased Liquidity.
4. **Reduction in Debt**
   - Reduced Borrowings by ₹ 162 Crore.
   - Increased Liquidity.
   - Improved Leveraging and Other Financial Ratios.
5. **Reduction in Interest Cost by 32%**
   - Interest Cost reduced from ₹ 143 Crore to ₹ 96 Crore.
   - Prepayment of Loans.
   - Efficient Working Capital Management.
   - Reduced Borrowings for Working Capital.
6. **Upgradation of Credit Rating – Long Term Rating improved to AA from AA-**
   - Reduced Financial Leverage.
   - Increase in Treasury Corpus.
   - Prepayment of Loans.
   - Improved Operating Efficiencies.
7. **Brand Building**
   - Increased share of premium products.
   - Leveraged Digital media and increased Customer connectivity across segments.
   - Increased Product positioning and Market share in key markets.
8. **Digitalization**
   - Rapid digitalization across functions.
   - Optimization of Systems and Processes.
   - Plant Efficiency improvement.
   - Efficient Capital Working Management.
9. **Focus on Value Added Products (VAP)**
   - VAP recorded 22% growth in Turnover to ₹ 370 Crore.
   - Increased Market Share.
   - Focus of Market Penetration.
10. **Increased ESG Culture**
    - Reduction of CO_2 emission across Plants.
    - Share of Renewable Energy increased to over 35% (consolidated).
    - Increased use of AFR.
    - Reduced Water consumption.

AWARDS AND RECOGNITIONS

JK Lakshmi Cement Ltd. has been bestowed with some of the most prestigious awards on both at national, as well as international level:

- Our Vice Chairman & Managing Director, Smt. Vinita Singhania has been conferred with Ladies FICCI FLO awards of excellence 2022 for excellence in Entrepreneurship and Best Family Business award led by Women by Money Control Pro (Network 18).
- During FY 2022, JK Lakshmi Cement Limited – Jhajjar Unit received the Environment Excellence award instituted by "FAME" (Foundation for Accelerated Mass Empowerment).
- JK Lakshmi Cement Limited – Sirohi plant received Excellence award for co-processing of waste in cement plant from Icon SWM-CE.
- JK Lakshmi Cement Limited – Durg Unit was declared as a winner for outstanding achievement in promotion of healthcare award conferred by Green Tech Foundation.
- Our Platinum Heavy Duty brand has been awarded as Asia's most promising brand by the Economic Times.

PROGRESS OF THE PROJECTS AND EXPANSIONS

During Financial Year 2021-22, the Company successfully commissioned Waste Heat Recovery Project with an annual capacity of 10 MW in Jaykaypuram, Sirohi.

Udaipur Cement Works Ltd; the Expansion Project is progressing satisfactorily and is expected to be completed by March 2024.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Control systems are required for increase in transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

The Company has in place a strong Internal Financial Control System, Policies & Procedures which ensures accuracy & completeness of Accounting Records and helps also in timely preparation of the reliable Financial Statements. These Internal Financial Control Systems are designed for safeguarding the assets of the Company and for the prevention and detection of errors & frauds commensurate with the size, nature & complexities of the Operations of the Company. These Policies and Procedures were found by the Statutory Auditors of the Company to be adequate for smooth, orderly & efficient conduct of the business of the Company.

The Company has in place specific Standard Operating Practices (SOPs) for its various functions. These SOPs are periodically reviewed by the External & Internal Auditors of the Company and exceptions are reported for corrective actions.

The Internal Financial Control Systems are regularly reviewed to ensure their effectiveness, taking into account the essential components of Internal Financial Controls as 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.

CORPORATE SOCIAL RESPONSIBILITY

Since its inception and well before the Corporate Social Responsibility (CSR) Law had come into existence, serving the society towards improving the quality of life of the communities at large has been a priority and commitment for your Company. The concept of socially responsible business is deeply ingrained into our corporate DNA right from the initial years and till date we have pioneered and delivered several CSR projects for needy and vulnerable communities & families. The Company's CSR vision clearly states to strengthen community relationship and to bring sustainable change in the quality of life of neighbourhood community through innovative solutions in Education, Health, Water & Sanitation, Skills Development, Livelihood Promotion and Rural Development.

CSR is the continuing commitment by the Company to behave ethically and contribute to economic development, while improving the quality of life of the work force, their families as well as of the local community and society at large. As the beginning of Financial Year saw deadly outbreak of COVID-19 Delta variant, the Company responded to the unprecedented oxygen crisis by setting up Oxygen plant at Govt. Community Health Centre, Pindwara in Sirohi district of Rajasthan. Oxygen concentrators and cylinders, examination gloves, thermometers, oximeters, vaporizers and surgical masks were provided to district health departments and other agencies. The team supported vaccination drive across locations through creating awareness and mobilising people to the vaccination centres.

Surge in Delta and Omicron variants of Covid-19 Pandemic during the year and government enforced restrictions on meetings, gatherings and mobility had critically impacted implementation schedule of various CSR projects. Education and skilling projects had been the worst casualties. Closure of government schools for the extended period had caused non-implementation of planned education activities.

Despite these field level challenges, the Company demonstrated its commitment towards CSR and implemented several "Ongoing" and "Other than Ongoing Projects" in thrust areas of Health, Water & Sanitation, Education, Skilling & Livelihood and Rural development. Under Project Aarogya, medical camps were organized. Medical services at the doorstep were provided to reduce maternal and infant's mortality, while at few locations, food kits were provided to Multi-Drug Resistant -TB patients from poor families to improve their nutritional status for speedy recovery. Under Project Vidya (Education), we organized bridge and remedial classes for out-of-school and school drop-out children for their mainstreaming into government schools, supported government schools for improvement in physical & classroom infrastructure and facilities, provided various types of support to students and continued our support to school's working for Special children and their families. Students were provided scholarships to support their school, college and technical education like ITI, Polytechnic, Nursing and B.Ed at a time when Pandemic had hit their family's income. Under Education, the Company also initiated innovative "Navodaya Coaching" with focus on preparing the students from rural families to get admission in "Jawahar Navodaya Schools". Under Project Aajivika (Livelihood), the Company undertook multiple on-farm and off-farm activities including small enterprise development and skill trainings to support youth and families to ensure sustainable income. With an aim to provide youth timely and cost-effective Information, books, space for group learning and data connectivity to access online portal-based tutorials, a skill development cum job readiness center was set up at Jaykaypuram Unit. Under Project Swajal (Water), the Company partnered with Panchayat under "PM- Jal Jeevan Mission" to provide tap water to families. Under JK Lakshmi Gramin Vikas Project, the Company supported infrastructure development in the nearby community. Other initiatives include setting up water facilities for domestic use, plantation and recharging of water bodies, among others. These initiatives in the CSR benefited number of disadvantaged, vulnerable and economically marginalized communities like Scheduled Castes and Scheduled Tribes, Below Poverty Line families, small and marginal farmers, landless groups, women-headed families, special children, person suffering with chronic diseases like MDR-TB and youth with no skills for either employability or resources for small business. The Company also strategically endeavoured towards facilitating "last-mile-connectivity" for the poor to access various State and Central Govt. Schemes aimed at poverty alleviation.

Company's CSR initiatives have been able to bring qualitative changes in the lives of the communities around its plant locations. One of the key impact has been empowerment of women due to improvement in their income resulting into their higher familial and societal status.

The Company received number of accolades & awards for its meaningful and life-changing CSR initiatives during the year. JK Lakshmi Cement, Sirohi Unit received "Outstanding Performance in CSR Excellence Trophy-2021" by The Employers Association of Rajasthan. Durg Unit received "Outstanding Achievement in promotion of Health care CSR Award 2021". The award was conferred by Greentech Foundation, New Delhi.

The Company has requisite Corporate Social Responsibility Policy in accordance with the provisions of the Companies Act, 2013 (Act) and Rules made there under, as amended. The CSR Policy is 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 'A'.

RELATED PARTY TRANSACTIONS

During the Financial Year ended 31st March 2022, 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 arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Form AOC-2 containing the details of the material Related Party Transactions entered into during the Financial Year 2021-22 as per the Related Party Transactions Policy is attached as Annexure 'B' to this Report and forms a part of it. The Related Party Transaction Policy as amended and 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 Section 186 of the Act are given in the Notes to Financial Statements.

CONSERVATION OF ENERGY, ETC.

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

AUDITORS

(a) Statutory Auditors

In accordance with the provisions of the Act and Rules made there under, M/s S.S. Kothari Mehta & Company, Chartered Accountants, were re-appointed as Statutory Auditors of the Company for their second term of five consecutive years from the conclusion of the 80th AGM held on 28th August 2020 until the conclusion of the 85th AGM to be held in the year 2025.

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 Act, 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 2021-22.

The Report given by him for the said Financial Year in the prescribed format is annexed to this Report as Annexure 'D'. The Secretarial Audit Report does not contain any qualification, reservation 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 2021 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 Accounts and Records pursuant to Section 148(1) of the Act.

The Audit of the cost records of the Company for the Financial Year ended 31st March 2022 is being conducted by the said firm and the Report will be duly filed.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2021-22 have been prepared in accordance with the 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 AGM held on 4th September 2014, the Company has continued to accept deposits from the public, in accordance with the provisions of the Act and the Rules made thereunder.

The particulars in respect of the deposits covered under Chapter V of the said Act, for the Financial Year ended 31st March 2022 are: (a) Accepted during the year - ₹ 25.17 Crore; (b) Remained unclaimed as at the end of the year – ₹ 0.90 Crore; (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year – Nil and (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act- Nil.

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 Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 thereto, excluding the said Particulars of employees. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company upto the ensuing AGM. Any Member interested in obtaining such particulars may write to the Company Secretary.

ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Act read with Rules made thereunder is available on the website of the Company at https://bit.ly/3RcPmEM

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Act, Dr. Raghupati Singhania (DIN: 00036129) retires by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

As the Members are aware, second Term of office of Shri B.V. Bhargava (DIN: 00001823), as Independent Director, shall determine on 30th August 2022 and he would cease to be a Director of the Company. Shri B.V. Bhargava is also member of Audit Committee and Nomination and Remuneration Committee (NRC). Dr. Kashi Nath Memani (DIN: 00020696), Independent Director, has resigned from the Board of Directors of the Company w.e.f. 26th April 2022, due to personal reasons including health. The Board places on record its deep appreciation of valuable services rendered by them during their tenure as Independent Directors of the Company.

Based on the recommendation of NRC, the Board has appointed Shri Sadhu Ram Bansal (DIN: 06471984) as Additional Director in the category of Independent Director on the Board of Directors of the Company, for a term of three consecutive years w.e.f. 1st July 2022. Shri Bansal shall hold office up to the date of the ensuing AGM. The Company has received requisite Notice under Section 160 of the Act from a Member proposing name of Shri Bansal and declaration from Shri Bansal regarding his independence pursuant to Section 149 of the Act and Regulation 16 of the Listing Regulations. As Independent Director, Shri Sadhu Ram Bansal shall not be liable to retire by rotation. In the opinion of the Board, he possesses requisite expertise, integrity, proficiency and experience. Relevant details are given in the Annexure to the Notice of the AGM. The Board recommends his appointment at the ensuing AGM.

The Members at the AGM held on 31st August 2019, had approved re-appointment of Dr. Shailendra Chouksey (DIN: 00040282) and Shri Sushil Kumar Wali (DIN: 00044890), as Whole-time Directors of the Company for a period of three years w.e.f. 1st August 2019 till 31st July 2022. Accordingly, they shall cease to be Directors w.e.f. 1st August 2022. The Board places on record its deep appreciation of the valuable services rendered by them as Whole-time Directors of the Company.

Based on the recommendation of NRC, the Board has appointed Shri Arun Kumar Shukla (DIN: 09604989) as Additional Director of the Company w.e.f. 1st August 2022 and he shall hold office as Director up to the date of the ensuing AGM. The Board also appointed him as President & Director for a term of three years commencing 1st August 2022, subject to requisite approval of Members of the Company at the ensuing AGM. The Company has received requisite Notice under Section 160 of the Act from a Member proposing his name for appointment as Director at the ensuing AGM. Relevant details are given in the Annexure to the Notice of the AGM. The Board recommends his appointment at the ensuing AGM.

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

The Members at the AGM held on 26th August 2021 had approved re-appointment of Ambassador Bhaswati Mukherjee (DIN: 07173244) as Independent Director for second term of five consecutive years w.e.f. 28th March 2022. The Members also approved continuation of Shri Bharat Hari Singhania (DIN: 00041156), Chairman of the Company, as Non-executive Director, liable to retire by rotation w.e.f. 1st October 2021. Pursuant to Article 113 of the Articles of Association of the Company, the Board of Directors has decided that Smt. Vinita Singhania (DIN: 00042983), Vice Chairman & Managing Director of the Company shall henceforth be a Director not liable to retire by rotation.

There were no other changes in the Directors/Key Managerial Personnel of the Company during the year under review.

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 of the Company.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report of the Company for the Financial Year 2021-22 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.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to the Listing Regulations, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report as Annexure – 'F' & 'G'.

The Corporate Governance Report which forms part of this Report *inter-alia* 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;

(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 Committee;

(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 Act, 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) such 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 and acknowledge their appreciation for the continued support and valuable co-operation received from the Financial Institutions, Banks, Government Authorities, Dealers, Suppliers, Business Associates and Company's valued Customers and the esteemed Members for the faith they continue to repose in the Company.

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

On behalf of the Board of Directors

Place: New Delhi
Date: 18th May 2022

Bharat Hari Singhania
Chairman

ANNEXURE 'A' TO DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH 2022.

1. **Brief outline on CSR Policy of the Company:**

   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 realisation 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 Corporate Social Responsibility Policy (The Policy or the CSR Policy) has been framed in accordance with Section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) as amended from time to time. The Policy shall apply to all CSR Projects and activities to be undertaken by the Company and contains the approach and direction given by the Board of Directors, considering the recommendations of the CSR Committee. The CSR Policy also lays down the guiding principles for selection, implementation, and monitoring of activities as well as formulation of the Annual Action Plan to carry out CSR Projects by the Company.

   The CSR Policy of the Company strongly reflects 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".

   The major CSR thrust areas of the organization are Health; Water & Sanitation; Education; Skill Development and Livelihoods; Environment Sustainability and Community Development.

   The Company's CSR Policy clearly delineates on formulation and implementation of CSR Projects and activities; its approval by the Board; monitoring; documentation; impact assessment and disclosures.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Vinita Singhania	Chairperson/Executive Director	2	2
2	Shri Sushil Kumar Wali	Member/ Executive Director	2	2
3	Dr. Shailendra Chouksey	Member/ Executive Director	2	2
4	Amb. Bhaswati Mukherjee	Member/Independent Director	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://bit.ly/3N8pxCF

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Nil

6. **Average net profit of the company as per section135(5):** ₹ 30,688 Lakh

7. (a) **Two percent of average net profit of the company as per section135(5):** ₹ 613.76 Lakh

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial year:** Nil

   (c) **Amount required to be set off for the financial year, if any:** Nil

   (d) **Total CSR obligation for the financial year (7a+7b- 7c):** ₹ 613.76 Lakh

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹/ Lakh)	Amount Unspent (in ₹ / Lakh)				
	Total Amount transferred to 'Unspent CSR Account' as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
468.78	144.98	28th April 2022	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration (Years)	Amount Allocated for the Project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ / Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation– Through implementing agency	
				State	District		(in ₹ / Lakh)	(in ₹ / Lakh)			Name	CSR Registration number
1	JK Lakshmi Aarogya Project	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	4	61.55	61.55	Nil	Yes	-	-
2	JK Lakshmi Vidya Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	4	57.49	57.49	Nil	Direct/ Implementing Partner	Tata Institute of Social Science	CSR00003475
3	JK Lakshmi Aajivika Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	4	47.93	47.93	Nil	Direct/ Implementing Partner	Ideal Sansthan	CSR00027351
4	JK Lakshmi Kaushal Parshikshan Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh, Odisha, Maharashtra	Sirohi, Jhajjar, Surat, Kalol, Durg, Cuttack, Jalore and others	4	7.50	2.00	5.50	No	Habitat for Humanity India	CSR00000402
5	JK Lakshmi Swajal & Swacchta Project	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Rajasthan, Gujarat and Chhattisgarh	Sirohi, Surat, Kalol and Durg	2	56.17	56.17	Nil	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration (Years)	Amount Allocated for the Project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ / Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation– Through implementing agency	
				State	District		(in ₹ / Lakh)	(in ₹ / Lakh)			Name	CSR Registration number
6	JK Lakshmi Aashray Project	Rural Development Projects	Yes	Odisha	Cuttack and Puri	2	25.00	7.50	17.50	No	Habitat for Humanity India	CSR00000402
7	JK Lakshmi Gramin Vikas Project	Rural Development Projects	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	4	140.77	18.79	121.98	Yes	-	-
	TOTAL						**396.41**	**251.43**	**144.98**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State	District	(in ₹/Lakh)		Name	CSR Registration number
1	Education-Computer Learning, Material in Kind and Support	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Gujarat and Odisha	Kalol, Surat and Cuttack	2.96	Yes	-	-
2	Covid Relief in the Neighborhood activities (Distribution of Food Kits, Mask, Sanitizer, etc.)	Promoting healthcare including preventive Healthcare, Sanitation and Disaster Management read under Ministry's General Circular No. 10/2020 dated 23rd March, 2020.	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	57.73	Yes	-	-
3	Contingency/Disaster Fund to support Govt. and other initiatives	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	103.00	Direct/ Implementing Partner	Shri Mahaveer Guashala Kalyan Sansthan	CSR00013903
4	Community Infrastructure	Rural Development Projects	Yes	Chhattisgarh, Gujarat and Odisha	Durg, Kalol and Cuttack	28.21	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation- Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District	(in ₹/Lakh)		Name	CSR Registration number
5	Need Assessment Survey	Promotion of Sports, Education, Livelihood Enhancement and Rural Development	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	4.25	Yes	-	-
6	Development of CSR Assurance Management including SOPs, Monitoring and Digitalisation, Capacity Building, trainings, documentation, exposure visits, technical support, branding, etc.	Promotion of Sports, Education and Livelihood Enhancement	Yes	Rajasthan, Haryana, Gujarat, Chhattisgarh and Odisha	Sirohi, Jhajjar, Surat, Kalol, Durg and Cuttack	5.16	Yes	-	-
	TOTAL					201.31			

(d) **Amount spent in Administrative Overheads:** ₹16.04 Lakh

(e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 468.78 Lakh

(g) **Excess amount for set off, if any:** Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset – wise detail):** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(2): The major reasons for the shortfall in the budget utilization are mentioned below:**

- During the 1st quarter of FY 2021-22, the Covid-19, particularly the Delta variant, became a huge threat to the society. The pandemic continued to majorly impact both the lives and livelihoods of countless people which has resulted in huge disruption of economic and other activities. Further, during the process of recovery from pandemic, cases of deadly Black Fungus infection started peaking, thus disrupting the planned CSR activities in a big way. This was followed by Omicron surge in December 2021- January 2022. The disruptions caused by those Covid-19 variants had critically retarded pace of CSR projects delivery. In CSR project intervention areas, restrictions on meetings, gatherings and mobility during pandemic made CSR projects delivery difficult. During this period, the CSR projects communities were reluctant to meet CSR Team due to the fear of infections.
- Skilling (Stitching, Beautician and Computer),Livelihoods,Sanitation and Rural development / Gramin Vikas projects have been the worst casualties. Skilling centers had to be closed due to Covid-19 Guidelines.
- For the holistic development of the rural communities/ villages, the Company has taken development of rural infrastructure and facilities around Company's plant locations as a multi-year Ongoing Project. Extending support to weak communities through Panchayat and other local bodies have direct impact on improving the quality of life of the community, in general, and vulnerable and marginalized groups, in particular. With its commitment to transform the lives of these communities, the Company initiated multi-year projects which are work-in-progress. The reported unspent amount of ₹ 144.98 Lakh will be spent on the work-in-progress projects under Training, Livelihoods and Rural Development.

Vinita Singhania
Chairperson, CSR Committee

S.K.Wali
Whole-time Director

Place: New Delhi
Date: 18th May 2022

ANNEXURE 'B' TO DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year ended 31st March 2022 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Transaction Amount (₹ in Crore)
Udaipur Cement Works Ltd. – Subsidiary Company	Clinker Sale, Royalty, Cement & others	June 2013 ongoing	Sale of Clinker/others at Arm's length price	N.A.*	10.48
Udaipur Cement Works Ltd. – Subsidiary Company	Sale of Cement	June 2018 ongoing	Sale of Cement at Arm's length price	N.A.*	196.13
Udaipur Cement Works Ltd. – Subsidiary Company	Sale of Petcoke/Coal etc.	June 2018 ongoing	Sale of Petcoke/Coal at Arm's length price	N.A.*	80.94
Udaipur Cement Works Ltd. – Subsidiary Company	Purchase of Cement & others	August 2018 onwards	Purchase of Cement / other goods at Arm's length price	N.A.*	431.97
Udaipur Cement Works Ltd. – Subsidiary Company	Corporate Guarantee Given	One year upto 15th March 2023	Corporate Guarantee on behalf of Udaipur Cement Works Ltd. to IDBI Trusteeship Services Ltd. (Debenture Trustee)	29th October 2021	350.00

* Not applicable since the contract was entered into in the ordinary course of business and on Arm's length basis, market rate.

Note: All transactions with Udaipur Cement Works Ltd. have been disclosed irrespective of whether they are covered under Section 188 of the Companies Act, 2013 or not. No advance was paid for any transaction noted above.

On behalf of the Board of Directors

Place: New Delhi
Date: 18th May 2022

Bharat Hari Singhania
Chairman

ANNEXURE 'C' 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 the Company 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 2021-22

- Iteca Seal in Kiln to reduce false air ingress through kiln Inlet seal.
- Optimisation of Kiln Cooler.
- Replacement of low efficiency ID fans with high efficiency fans in Waste Heat Recovery System (WHR).
- Replacement of IE0 motors of cement mill with IE3 motors.
- Installation of Waste Heat Recovery System.
- Conversion of CPH coils to Economizer coils in WHR.
- Variable Frequency Drive (VFD) in Bag Filter fan in packing plant for reduction of Power.
- Optimization of Thermal Power Plant on low load by fuel mix and size reduction.
- Installation and commissioning of 500KWp Solar Power plant.
- Replace conventional lights to LED.

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

- Automation of liquid firing system.
- Increase in Alternative Fuel Raw Material (AFR) uses in Kiln.
- Continuous development in the Existing solid AFR for enhance TSR %.
- PPA for renewable power generated from Wind Mill of 1.8 MW capacity which account for CO_2eq reduction.
- PPA for renewable power generation from Hybrid Power (Wind & Solar).
- Uses of Mustered husk up to 16% in place of coal as fuel in AAC boiler.

(III) **Capital Investment on energy conservation equipment**

Sr. No.	Equipment Name	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1	High efficiency ID fans in WHR	96	70
2	Replacement of IE0 motors with IE3 motors in Cement mill 1	30	8.5
3	Installation of WHR	16,200	4,000
4	Installation of Iteca Seal in Kiln-3	40	18
5	In house design and development of Fly ash bin for Slag mill operation.	15	6
6	VFD in Bag Filter and in packing plant	4	4

B. Technology Absorption

(I) **Efforts made towards technology absorption**

- Replacement of old operating control system with new.
- Installation of Flue Gas Desulpurization (FGD) in Thermal Power Plant (TPP).
- Installation of IOT/OMS sensors for real time monitoring of critical equipments to enhance availability.
- Online energy generation monitoring system
- Energy Consumption recording on DCS.

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

- Enhanced output from upgraded packer.
- Improved troubleshooting.
- Avoidance of obsolescence.

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

a. The details of Technology Imported

1. Boiler, for Captive Power Plant (CPP) at Durg
2. Flue Gas Desulpurization (FGD) for Captive Power Plant (CPP) at Sirohi.

b. The year of import

Particulars	Year of Import
Boiler for TPP at Durg	2018-19
FGD for TPP at Durg	2018-19
FGD for TPP at Sirohi	2021-22

c. Whether the technology has been fully absorbed: **Yes**

d. If not fully absorbed, areas where absorption has not taken place and reason thereof: **Not Aplicable**

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

S.No.	Particulars	Amount (₹ in Crore)
1.	Capital Expenditure	-
2.	Revenue Expense	7.65
	Total	**7.65**

C. **Foreign Exchange Earning and Outgo**

S.No.	Particulars	Amount (₹ in Crore)
1.	Foreign Exchange Earnings	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, Capital Goods, Consultancy Charges, Know-How Fee, etc.)	488.02

On behalf of the Board of Directors

Place: New Delhi
Date: 18th May 2022

Bharat Hari Singhania
Chairman

ANNEXURE 'D' TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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
District, Sirohi-307019 (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 authorised 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, 2022** (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, 2022, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(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 (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and 2021 - (Not applicable to the Company during the Audit Period),

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (Not applicable to the Company during the Audit Period);

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

(a) Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988

(b) Mines Act, 1952 read with Mines Rules, 1955

(c) Cement Cess Rule, 1993

(d) 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. Shri Bharat Hari Singhania was designated as Non-executive Chairman of the Company w.e.f. 1st October 2021. There was no other change in the composition of the Board of Directors during the period under review.

Adequate Notice is given to all directors to schedule the Board/ Committee 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, no major events have taken place, except the following:

(a) New set of Articles of Association was adopted by the Company at its Annual General Meeting held on 26th August 2021 (in substitution of the existing Articles of Association) so as to make it consistent and align it with the provisions of the Act.

(b) The Last series of privately placed, 1500 Non-Convertible Debentures (NCDs) of ₹ 10 Lakh each were fully redeemed on due date i.e., 6th January 2022 and the NCDs were delisted from BSE w.e.f. 23rd February 2022.

This report is to be read alongwith the following-

1. Maintenance of secretarial records 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.
7. The prevailing circumstances in the country on account of COVID-19 pandemic have impacted, to some extent, my verification of documents and records of the Company.

Place: New Delhi
Date: 10th May 2022
UDIN: F000234D000293516

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

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2021-22 ended 31st March 2022:

A. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year**

Non-Executive Directors: Shri Bharat Hari Singhania, Chairman, 129.88; Shri Nand Gopal Khaitan, 2.47; Shri Ravi Jhunjhunwala, 2.32; Dr. Kashi Nath Memani, 2.03; Dr. Raghupati Singhania, 2.32; Shri B.V. Bhargava, 2.32, and Amb. Bhaswati Mukherjee, 2.09.

Executive Directors: Smt. Vinita Singhania, VC & MD, 280.04; Shri Sushil Kumar Wali, WTD, 60.42 and Dr. Shailendra Chouksey, WTD, 60.34.

B. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year** – (i) Shri Bharat Hari Singhania, Chairman - (26.83%) (ii) Smt. Vinita Singhania, VC & MD - 27.52% (iii) Dr. Shailendra Chouksey, WTD - 5.99% (iv) Shri Sushil Kumar Wali, WTD - 5.99% (v) Dr. Raghupati Singhania - 5.22% (vi) Shri B.V. Bhargava - 5.22% (vii) Amb. Bhaswati Mukherjee - 5.83% (viii) Dr. Kashi Nath Memani - 6.01% (ix) Shri Ravi Jhunjhunwala - 5.22% (x) Shri Nand Gopal Khaitan - 4.90% (xi) Shri S.A. Bidkar, CFO - 8.67% (xii) Shri B.K. Daga, Sr. VP & CS - 9.25%.

C. **The percentage increase in the median remuneration of employees is 8.64%.**

D. **The number of permanent employees on the rolls of Company - 1,680.**

E. **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** – During the Financial Year 2021-22 on an average, employee received an annual increment of 9% with individual increment varying from 0 to 20%. There was an increase of 2.66% in managerial remuneration during the current financial year. Such increase was mainly attributable to increase in profits for the year by 14.01%, resulting in payment of commission to Executive Directors (EDs) during Financial Year 2021-22.

F. **Affirmation that the remuneration is as per the remuneration policy:** We affirm that the remuneration paid during the Financial Year 2021-22 is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: 18th May 2022

Bharat Hari Singhania
Chairman

ANNEXURE 'F' TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK FOR INDIAN ECONOMY, INDUSTRY STRUCTURE & DEVELOPMENTS

Financial Year 2021-22 witnessed resurgence in Covid cases due to second wave of Covid-19 (Delta variant) resulting in frequent lockdowns and huge disruption of economic and general activities, which impacted both the lives and livelihoods of countless people. The Government and Administration across the Country have acted with remarkable agility in handling the crisis.

Cement demand recovered very smartly during the current financial year, registering a growth of about 12% and volumes of ~330 Million MT in FY 22. This becomes significant in the backdrop of pandemic financial year 2021 and the turmoil faced in the first quarter of financial year 22 due to the second wave of the pandemic. However, the journey in these two years have been fairly volatile with the demand registering a staggering drop of more than 80% in the first quarter of FY 21and then gradually recovering in subsequent quarters to close the year with a drop of about 9% to 10% against the forecast of about 15% drop over FY 20. FY 22 began on a cautious note and for the first two quarters the cement demand struggled to claw back to pre-pandemic levels of FY 20. However last two quarters of recently concluded FY 22 have shown excellent traction on demand front and the year eventually has closed on an optimistic note and more importantly the monthly cement sales are directionally inching towards 30-35 Million MT mark.

When everything was looking on up-swing; we are faced with the global challenges of potentially large scale conflicts and continued pandemic uncertainties; resulting into unprecedented rise in the cost of fuel & energy which further is leading to high inflation and rising cost of financing. India may remain relatively less impacted due to possibility of importing oil at relatively cheaper rates but in absolute terms the cost of fuel and power have risen and are likely to rise sharply in short to medium term. Rising commodity prices including the price of steel and other construction material would possibly act as a damper on the economy specially the capital asset formation as also the construction indices.

Notwithstanding these headwinds, India still retains its place amongst the fastest growing large economies with focus on manufacturing and infrastructure development. Both IMF as well as the Economist in its latest issue has concluded that India is likely to be world's fastest growing Big Economy this year. Some of the arguments advanced in this regard are:

GDP – In 2014, when Shri Narendra Modi began his first term as prime minister, India was world's tenth-largest economy. In the following seven years it grew by 40%, of big economies only China did better, with 53% over the same period. Growth this year of 8% will be the highest among big countries, according to IMF. It predicts that by 2027 India will be the world's fifth largest economy, with a GDP of roughly $5 Trillion at market prices.

Market Capitalization – The size of Indian stock market has already reached number 4 spot in the larger economies in the world lagging behind only USA, China & Japan.

Formalization of Economy – The various reforms that government has undertaken in recent years including some painful steps like Demonetization, implementation of GST etc. have started yielding positive returns as are reflected in the number of business using modern banking and paying taxes. Payments via UPI have risen from the equivalent of 13% of monthly GDP in January 2020 to 50% in April 2022. Receipts from GST reached the equivalent of 8% of monthly GDP in April, apparently tax evasion is getting harder.

Infrastructure – The national highway network is over 50% longer than it was in 2014, (now using digital tolling system – fastag). The number of domestic air passengers has doubled, air-freight volumes are up by 44%. There are more than three times as many mobile phone base stations, supporting 783 million broadband subscribers. Wall Street private equity firms are competing to create networks of warehouses across India. Next few years would see operationalization of mega infrastructure development initiatives such as Dedicated Freight Corridors, High Speed Rail Corridors, focus on Metro Rail Networks in many Tier II cities, road projects of national importance such as Bharatmala etc. This would result in great improvements in Supply Chain efficiencies and hence lowering of costs and increasing of competitiveness in manufacturing.

The government of the day is committed to easing of regulations and transparency in governance; thereby significantly enhancing the Ease of Doing Business and attract FDI in all sectors. India is expected to see an FDI of US $ 100 Billion in FY 23; which puts India amongst the top 5 globally. A large FDI in manufacturing and services would trigger expansion in many other sectors of economy and thereby having a positive influence on construction and demand for cement.

Going forward while FY 23 appears to be a year full of opportunities as well as uncertainties and challenges; however, we remain optimistic for the outlook for the cement sector which according to us would firmly remain on a long-term trajectory of sustainable annual growth ranging from 6% to 8%.

FINANCIAL PERFORMANCE

During the Financial Year 2021-22, the Company's Cement Production was higher by 4% at 86.16 lac tonnes as against

82.97 lac tonnes achieved during the last Financial Year. The Company's Sales during the Financial Year ended 31st March 2022 were up by 7% at 105.77 lac tonnes against 98.89 lac tonnes logged in the last Financial Year.

The Turnover of the Company during the Financial Year 2021-22 increased by 15% from ₹ 4,459 Crore in Financial Year 2020-21 to ₹ 5,108 Crore in Financial Year 2021-22. EBIDTA increased marginally from ₹ 864 Crore in Financial Year 2020-21 to ₹ 869 Crore in Financial Year 2021-22 and the PAT jumped from ₹ 366 Crore in Financial Year 2020-21 to ₹ 418 Crore in Financial Year 2021-22.

KEY CHANGES IN FINANCIAL INDICATORS

The various Financial Ratios for the year under review as compared to the same of the previous Financial Year are given hereunder:

S. No.	Particulars	Unit	2021-22	2020-21	Comments
1	Operating Profit Margin	%	16	18	Unprecedented increase in Power & Fuel Cost.
2	Net Profit Margin	%	8.28	8.35	Increased Operating Cost & Reduction in Interest.
3	Return on Net-Worth	%	18.43	19.32	Increased Operating Cost & higher Net Worth.
4	Interest Coverage Ratio	Times	9.02	6.06	Substantial reduction in Interest Cost.
5	Debt Service Coverage Ratio	Times	2.01	1.83	Substantial reduction in Interest Cost.
6	Current Ratio	Times	1.34	1.00	Improved Liquidity position & better Working Capital Management.
7	Debt Equity Ratio	Times	0.39	0.54	Reduced Leverage through Debt Repayment / Prepayment.
8	Net Debt Equity Ratio	Times	0.03	0.19	Reduced Leverage & higher Liquidity.
9	Net Debt to EBIDTA	Times	0.08	0.46	Reduced Leverage & higher Liquidity.
10	Inventory Turnover	Times	12	12	Better Working Capital Management.
11	Debtors Turnover	Times	146	79	Reduction in Debtors by over 37%.

OPPORTUNITIES AND THREATS

The Indian economy is passing through tough phase of unprecedent inflation on account of ongoing geopolitical tension between Russia and Ukraine. During the FY 2021-22, the metal and coal prices have moved very sharply. Hypothetically, this level of cost spike, if it sustains, without any price adjustment in the cement sector then its profitability would be reduced to marginal levels.

Continuously increasing diesel prices is also impacting logistics cost of the industry. Industry is also looking forward towards CNG/LNG vehicles launch in the market that will bring efficiency as well as some cost relief for road transportation. It will also drastically reduce the carbon footprint.

Prevailing cement prices are almost at all time high and have sustained but any further increase in near term is ruled out due to lack of demand and there is reasonably understandable inability to pass on the magnitude of cost spike being seen currently. However, one should focus on long term fundamentals i.e., cost spike can be temporary as geopolitical situation eases.

Housing and infrastructure are two key segments that account for more than 80% of total cement consumption in the country. In Financial Year 2022-23, the Cement production in India is expected to increase by ~12% YOY, driven by rural housing demand and government's strong focus on infrastructure development. Further, the Indian cement industry is likely to add ~ 80 million tonnes capacity by Financial Year 2024, the highest since the last 10 years, driven by increasing spending on housing and infrastructure activities. In October 2021, Hon'ble Prime Minister, Shri Narendra Modi, launched the 'PM Gati Shakti' – National Master Plan for multimodel connectivity. Gati Shakti will bring synergy to create a world-class, seamless multimodal transport network in India. This will boost the demand for cement in the future. Indian cement companies are amongst the world greenest cement manufacturers. With high allocation under the Union Budget 2022-23 for infrastructure, affordable housing schemes and road projects to fuel the economy, the domestic cement industry is poised for large surge. In 2021, as 'Work From Home' is being adopted at a faster pace amidst the Pandemic, the demand for affordable housing, with ticket size of ₹ 40-50 Lakh, is expected to rise in Tier II and Tier III cities leading to an increase in demand for cement.

RISKS AND CONCERNS

The COVID-19 Pandemic has had devastating health and economic consequences, with unprecedented disruption to people's lives, the global economy and world trade. The International Monetary Fund, World Bank Group, World Health Organization and World Trade Organization have joined forces to accelerate access to COVID-19 vaccines, therapeutics and diagnostics by leveraging multilateral finance and trade solutions, particularly for low and middle-income countries. The aim is to vaccinate at least 60% world population by mid-2022.

Construction and real estate sectors have also been adversely impacted in tandem. Companies are facing subdued demand of Cement. Pace of highway construction fell to a four year low. In addition, the Industry is suffering from the rising fuel and input costs. Supply chains cutting across all industries are also likely to remain adversely impacted over a long time and may result in further loss of GDP to a quick rebound to a gradual and slow recovery over the next few years. The emerging scenario would need a different kind of response from all quarters. One of the concern and the expectations in industry has is when each time, the 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. Like always, the industry prefers to be positive and keep its hope alive for a favourable outcome. The Company has a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. Our commitment to strong ethical values and high levels of personal and organisational integrity adds a further layer of risk mitigation to our operations. With resilience and agility, your Company is confident to sail through this difficult time.

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 Statutory & Internal Auditors of the Company and are found to be effective and adequate. These Internal Control Systems were found to be operating effectively during the year.

The Company has an Independent In-house Internal Audit Department which is manned by Experienced Professionals. This Internal Audit Department carries out the Internal Audit based on a Systematic Audit Plan covering all key functions and aspects of the Business. This Audit Plan is approved by the Audit Committee at the start of the Financial Year. The Company has also engaged services of certain 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 the actions 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 Whole-time Directors, President and 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 the 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 Statutes at its different locations.

HUMAN RESOURCE - "OUR PEOPLE, OUR BIGGEST STRENGTH"

Our people are our biggest strength – The words we live by at JK Lakshmi Cement Ltd., we have always believed and will continue to believe in 'Our people are our greatest assets'.

Like in many other businesses across the industry, the COVID-19 pandemic disaster brought out challenges of many kinds in the year under report. Aside the economic impact and business disruptions, family members of our employees, their near & dear ones, our customers, dealers, business partners, neighbourhoods etc. all faced health emergencies. Lockdowns took a firm grip on everyone's lives and restrictions were imposed in the early part of the financial year.

In the spirit of not letting the crisis go to waste, our leadership supported by HR teams rose to the occasion with robust planning and incessant communication with our employees at all levels, customers and stakeholders leveraging the technology, in keeping them engaged and aligned with business requirements with health & safety on top priority even while working remotely. To mention few initiatives are VCMD Communication Meeting across all locations with all levels particularly frontline employees, Virtual Connectivity of the Top Leaders with the team members and other work groups, Technical & Behavioural trainings (Internal & External), Physical & Mental Well Being sessions with

Company doctors, Safety & health and family-oriented subjects with employees as well as Dealers/ channel partners including their family members, E Learning/Book Reading & Competition on quiz, games, Painting & Poem Competition on topics related to COVID-19, Corona Warriors, Nature & mother earth, Well-being, e-Family Milan, Collaboration with Government & Local authorities etc.

COVID-19 warriors were trained and made aware of the pre-requisites in combating any emergency situation. Voluntary links were created to assist our employees, stakeholders and their families in need through social media like Whatsapp, Telegram etc. Measures such as tie-ups with local hospitals & authorities were established on daily basis to provide special assistance, telemedicine facility and other COVID-19 related assistance.

Continuing with the Vision & Mission focused on Human Capital, Customers, Innovation, World-class facilities, the Company actively benchmarks itself for a competitive landscape. 'Grow Your Own Timber' is a unique approach followed for employee's growth and development to leadership roles from within the Company by rewarding the deserving and providing a well-defined growth path. Youth population of the Company is encouraged, equipped and empowered to handle larger chunk of areas and markets. Such a synergistic policy, which is aligned with gauging expectations of young generation and incorporating in the culture/HR strategy especially career growth strategies, Recognition & Reward strategy to keep up with aspirations of employees/new age workforce, Enhanced focus on technology savviness while hiring talent etc. has created a win-win work environment.

Tactfully ascertaining changing aspiration of nearby community through HR & CSR partnership to prepare effectively for future along with a tacit commitment for a prolonged mutually beneficial association, has resulted into its high level of retention of talents and harmonious industrial relations for last 25+ years.

Your Company has persistently pursued Assessment and Development Centers in association with world leaders across the levels with post assessment support through Certified Experts for talent management. Some of the key initiatives taken are SANGAM - Interzone Quiz competition to create feeling of One Team One Family, Skip – Level meetings, BANDHAN – an employee connect initiative, UDAAN Competition, Sham Ki Mulakat, Online courses, Leadership & Personality Development etc. extensively using digital platform. The Company has been able to implement & sustain e-Joining Portal at all locations for its Management Cadre employees, IDP, e-Learning etc. under its digitization journey.

The results of sustained people practices have been instrumental in JK Lakshmi Cement being chosen Dream Companies to Work for Manufacturing – Cement 2021-22 in CNBC TV18 & World HRD Congress Awards for demonstrating company-wise best values and culture, business & people practices that make a huge difference in creating a dream environment for its employees.

CAUTIONARY STATEMENT

The Management Discussion and Analysis report 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 and 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.

ANNEXURE 'G' TO THE DIRECTORS' REPORT
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 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 2022, the Board of Directors of the Company consists of Ten Directors comprising of three Executive Directors and seven Non-executive Directors (NED) out of which five are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2021-22 ended 31st March 2022 i.e.,on 20th May 2021, 29th July 2021, 29th October 2021 and 2nd February 2022. Attendance and other details of the Directors for the Financial Year ended 31st March 2022 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (26.8.2021)	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies		
					Directorships $	Committee Memberships @	Committee Chairmanships @
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Shri Bharat Hari Singhania, Chairman#	00041156	NED	4	Yes	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	4	Yes	5	-	-
Shri B.V. Bhargava	00001823	IND	4	Yes	3	4	1
Dr. Kashi Nath Memani ^	00020696	IND	4	Yes	2	1	-
Shri Nand Gopal Khaitan	00020588	IND	4	Yes	6	7	2
Dr. Raghupati Singhania	00036129	NED	4	Yes	7	2	1
Shri Ravi Jhunjhunwala	00060972	IND	4	Yes	8	5	2
Dr. Shailendra Chouksey, Whole-time Director	00040282	Executive	4	Yes	1	-	-
Shri Sushil Kumar Wali, Whole-time Director	00044890	Executive	4	Yes	2	1	-
Amb. Bhaswati Mukherjee	07173244	IND	4	Yes	3	1	-

\# Shri Bharat Hari Singhania, became Non-executive Chairman of the Company w.e.f. 1st October 2021.

$ Excluding private companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (Act). Independent directorships held by the Directors are in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

^ Dr. Kashi Nath Memani has resigned as Director from the Board of Directors of the Company w.e.f. 26th April 2022, before expiry of his term in August 2022.

Other Listed companies where Directors of the Company are Directors and their category of directorship (as on 31st March 2022)

Sl.No	Name of Directors	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	Non- 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	Sumitomo Chemical India Limited	Independent
4	Dr. Kashi Nath Memani	Emami Limited	Independent
5	Shri Nand Gopal Khaitan	Mangalam Cement Limited	Independent
		Reliance Chemotex Industries Limited	Non- Executive
		India Power Corporation Limited	Independent
		HSIL Limited	Independent
		Chase Bright Steel Limited	Independent
		Somany Home Innovation Limited	Independent
6	Dr. Raghupati Singhania	JK Agri Genetics Limited	Non-Executive
		Radico Khaitan Limited	Independent
		JK Tyre & Industries Limited	Executive
		Bengal & Assam Company Limited	Non-Executive
7	Shri Ravi Jhunjhunwala	HEG Limited	Executive
		RSWM Limited	Non-Executive
		Maral Overseas Limited	Non-Executive
		BSL Limited	Non-Executive
		India Glycols Limited	Independent
8	Amb. Bhaswati Mukherjee	Jindal Stainless Limited	Independent
		Udaipur Cement Works Limited	Independent
		Petronet LNG 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 the Board Members possess above skills collectively that enable them to make effective contribution to the Board and its Committees. The core skills of individual Directors are: (a) the Executive Directors of the Company; namely- Smt. Vinita Singhania is an Industrialist & Entrepreneur with long diversified Industry experience including Cement & Paper, etc.; Shri Sushil Kumar Wali - Professional having technical knowledge pertaining to cement industry and Quality, Safety, Risk governance, sustainability and community service; and Dr. Shailendra Chouksey – Professional having vast knowledge pertaining to cement industry with experience in Commercial, Marketing, Quality, Safety and Risk governance (b) the Non-executive Directors of the Company; namely- Shri Bharat Hari Singhania, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala are eminent Industrialists and Entrepreneurs with long diversified Industry experience, Shri B.V. Bhargava – retired from ICICI in 1996, as its VC & MD, having wide financial & accounting knowledge with specialization in development Banking and Project Financing; Dr. Kashi Nath Memani – Ex-Chairman & Country Managing Partner of Ernst & Young, India, having extensive Financial and Accounting knowledge with specialization in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy, etc.; Shri Nand Gopal Khaitan – Attorney -At-Law having Corporate Governance Expertise and experience in Corporate and Arbitration matters, Commercial and Civil litigation, Merger & Acquisitions and Joint Ventures coupled with Financial and Accounting Knowledge; and Amb. Bhaswati Mukherjee – former Ambassador of India to Netherlands, Educationist and a prolific Writer having rich experience on International Relations, Human Rights and Community Service.

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 has 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 the Act.

The number of Equity Shares of ₹ 5/- each held by the Non-executive Directors as on 31st March 2022 are: Shri Bharat Hari Singhania – 2,06,872 shares (includes 324 shares held as Karta of Bharat Hari Singhania [HUF]), Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan – 15,948 shares and Dr. Raghupati Singhania – 4,43,348 shares [includes 1,30,316 shares held as Karta of Raghupati Singhania (HUF)].

Dr. Kashi Nath Memani, Amb. 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 Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 2nd February 2022. 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.

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 and the web link is https://tinyurl.com/27rf7scn

5. PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Act 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 (including Independent 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 carried out evaluation of the performance of individual Directors (including Independent 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 was 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 Act 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 (IND) and one is Non-executive Director (NED). Four meetings of the Audit Committee were held during the Financial Year ended 31st March 2022.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
20th May 2021	4
29th July 2021	4
29th October 2021	4
2nd February 2022	4

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

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

The Audit Committee Meetings were attended by the Chief Financial Officer, the Head of Internal Audit, Company Secretary and the Statutory Auditors. 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, comprising of two Non-Executive Directors (NED), one Independent Director (ID) and one Executive Director (ED). The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
29th July 2021	4
29th October 2021	4
2nd February 2022	4

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

Name	Status	No. of Meetings attended
Dr. Raghupati Singhania	Chairman, NED	3
Shri Nand Gopal Khaitan	IND	3
Shri Bharat Hari Singhania	NED	3
Dr. Shailendra Chouksey	ED	3

Shri B.K. Daga, Sr. Vice President & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transfer/transmission of shares, non-receipt of balance sheet and dividends etc. During the financial year ended 31st March 2022, the Company received 10 complaints from the investors and the same have since been resolved to the satisfaction of investors.

The Board of Directors has delegated the power of transfer/ transmission of shares and related matters to 'Share Transfer Committee'. The share transfer/ transmission formalities are attended as required. All valid requests for transfer/ transmission of shares in physical form were processed in time and there were no pending transfers/ transmission of shares. During the financial year ended 31st March 2022, 11 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, including three Independent Directors (IND) and one Non-executive Director (NED). The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations as amended from time to time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
20th May 2021	4
29th July 2021	4

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

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman, IND	2
Shri B.V. Bhargava	IND	2
Shri Ravi Jhunjhunwala	IND	2
Shri Bharat Hari Singhania	NED	2

9. NOMINATION AND REMUNERATION POLICY

The Company's Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company *inter-alia* specifies the role and the 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 https://www.jklakshmicement.com/wp-content/uploads/2022/05/NRC_Policy.pdf. The salient features of the policy are as follows:

(i) The role of the Nomination and Remuneration Committee of Directors (the Committee) shall, include formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the nomination and remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; recommendation to the Board of Directors of all remuneration, in whatever form, payable to senior management and for every appointment of an Independent Director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.

(ii) The Committee shall take into consideration the following criteria for recommending to the Board appointment of any 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/she 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 applicable Laws.

(iii) The Committee will recommend to the Board appropriate compensation to be paid 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 relevant factors. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iv) The Board will review the performance of the Board of Directors, its Committees and individual Director as per the parameters and manner of performance evaluation specified by the Committee from time to time.

(v) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the

Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.

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

10. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of seven Members, comprising of four Directors including three Executive Directors (ED), one Independent Director (ID) and three Senior Executives (SE) of the Company. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Regulation 21 of the Listing Regulations, which broadly include: Formulation of Risk Management Policy (Policy) covering identification of major internal and external risks, particularly the financial, operational, sectoral, sustainability (ESG related risks), information, cyber security risks, Business Continuity Plan and measures to monitor and review risk management and mitigation plan of the Company; oversee implementation and review of the Policy and inform Board on the effectiveness of the risk management frameworks, etc.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
29th July 2021	7
21st January 2022	7

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

Name	Status	No. of Meetings attended
Smt. Vinita Singhania	Chairperson, ED	2
Shri Nand Gopal Khaitan	IND	2
Dr. Shailendra Chouksey	ED	2
Shri Sushil Kumar Wali	ED	2
Shri Arun Kumar Shukla	SE	2
Shri S.A. Bidkar	SE	2
Shri S. Ramesh	SE	2

In addition, the Company has an Internal Risk Management Committee since 2005, comprising of Whole-time Directors and Senior Executives which meets on a quarterly basis and evaluates the efficacy of the framework relating to risk identification and its mitigation and keep the Board informed.

11. REMUNERATION PAID TO DIRECTORS

(i) Executive Directors:

(₹ in Crore)

Sl. No	Name of Directors	Particulars of Remuneration				
		Salary	Perquisites etc.	Others (mainly contribution to Provident Fund)	Commission payable	Total
1.	Shri Bharat Hari Singhania Chairman & Managing Director (upto 30th September 2021)	1.56	0.84	0.05	8.00	10.45
2.	Smt. Vinita Singhania Vice Chairman & Managing Director	7.04	2.19	0.08	15.00	24.31
3.	Dr. Shailendra Chouksey Whole-time Director	1.74	2.43	0.07	1.00	5.24
4.	Shri Sushil Kumar Wali Whole-time Director	1.74	2.43	0.07	1.00	5.24

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. Further, the Company does not have Sweat Equity/Scheme for stock option.

(ii) Non-executive Directors:

During the financial year 2021-22, the Company paid sitting fees aggregating to ₹ 30.85 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 ₹ 140 Lakh; Shri Bharat Hari Singhania, Chairman (NED w.e.f. 1st October 2021) - ₹ 50 Lakh and ₹ 15 Lakh each to Shri B.V. Bhargava, Dr. Kashi Nath Memani, Shri Nand Gopal Khaitan, Amb. Bhaswati Mukherjee, Dr. Raghupati Singhania and Shri Ravi Jhinjhunwala. 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.

12. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2018-19	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	31st August 2019	12.00 Noon
2019-20	Video Conferencing/Other Audio Visual Means	28th August 2020	2.30 P.M.
2020-21	Video Conferencing/Other Audio Visual Means	26th August 2021	2.30 P.M.

Details of Special Resolutions passed in the previous three AGMs: Special Resolutions for: (1)(a) Issue of Non-Convertible debentures of upto ₹ 500 Crore; (b) Re-appointment of Independent Directors namely; Shri B.V. Bhargava and Dr. Kashi Nath Memani for second term of three consecutive years each; Shri Nand Gopal Khaitan and Shri Ravi Jhunjhunwala for second term for five consecutive years each and re-appointment of Whole-time Directors namely Shri Sushil Kumar Wali and Dr. Shailendra Chouksey for three years each, were passed in the AGM held on 31st August 2019. (2) Borrowing of monies of upto ₹ 3,500 Crore and creation of security/charge over the borrowed funds of upto ₹ 3,500 Crore, were passed in the AGM held on 28th August 2020. (3) (a) Re-appointment of Smt. Vinita Singhania as Managing Director for a period of five years w.e.f. 1st August 2021; (b) Continuation of directorship of Dr. Raghupati Singhania, as a Non-executive, Non-Independent Director liable to retire by rotation; (c) Adoption of new set of Articles of Association of the Company; (d) Re-appointment of Amb. Bhaswati Mukherjee as an Independent Director for a second term of five consecutive years w.e.f., 28th March 2022; (e) Continuation of Shri Bharat Hari Singhania, Chairman, as Non-executive, Non Independent Director, liable to retire by rotation and (f) Payment of remuneration by way of commission or otherwise to Non-executive Directors (including Independent Directors) not exceeding three percent of the annual net profits of the Company for each financial year, were passed in the AGM held on 26th August 2021.

No Special Resolution passed last year through postal ballot. There is no immediate proposal for passing any special resolution through postal ballot.

13. 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 Act 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 https://tinyurl.com/yck4usr3

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

(iii) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 25th July 2014 had 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 behavior, 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. During the year, no concerns or any fraud were reported. Further, it is affirmed that no personnel has been denied access to the Audit Committee.

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

During the year, there was no complaint filed with ICC and no complaint pending as on 31st March 2022.

(v) **Disclosure of commodity price risks and commodity hedging activities:** As a part of Risk Management Policy, 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 2021-22, 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 Company to commodities: ₹ 857 Crore.

(b) Exposure of the Company to various commodities:

Commodity Name	Exposure in ₹ 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	
Petcoke	516 Crore	4.06 Lakh MT	Nil	Nil	Nil	Nil	Not Applicable
Coal	341 Crore	5.65 Lakh MT	Nil	Nil	Nil	Nil	Not Applicable

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

(vi) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** During the Financial Year ended 31st March 2022; the Company has not raised any funds through preferential Allotment or through Qualified Institutions Placement.

(vii) **Certificate:** The Company has received a certificate dated 10th May 2022 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS No: 234, CP No. 3331) 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.

(viii) **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.

Udaipur Cement Works Limited, is a material subsidiary as defined in Regulation 16 of the Listing Regulations and the relevant 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 www.jklakshmicement.com/companys-policy-pdf/Policy-for-Material-Subsidiary.pdf.

(ix) **Credit Ratings**

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

Sl. No.	Facility	Rated Amount (₹ Crore)	Outstanding as on 31.3.2022 (₹ Crore)	Rating Agency	Rating Assigned
A	**Long Term Bank Facilities**				
1	Long Term Bank facilities	1,309.56	1,143.43	CARE Ratings Ltd.	CARE AA; Stable (Double A; Outlook Stable)
2	Long Term Bank facilities	1,219.65	1,143.43	CRISIL Ltd.	CRISIL AA; Stable (Double A; Outlook Stable)
3	Fixed Deposits	100.00	69.22	CARE Ratings Ltd.	CARE AA (FD); Stable (Double A [Fixed Deposits]; Outlook Stable)
4	Fixed Deposits	100.00	69.22	CRISIL Ltd.	CRISIL FAA+; Stable (F Double A : Outlook Stable)
B	**Short Term Bank Facilities**				
1	Short Term Bank Facilities	850.00	-	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
2	Short Term Bank Facilities	850.00	-	CRISIL Ltd.	CRISIL A1(+) (A One Plus)
3	Commercial Paper	175.00	-	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
4	Commercial Paper	175.00	-	CRISIL Ltd.	CRISIL A1(+) (A One Plus)

During the year under review, CARE Ratings Ltd. has upgraded the Credit Rating in respect of Company's :

1. Long Term Banking Facilities from CARE AA-; Stable (Double A Minus); Outlook: Stable to CARE AA : Stable (Double A : Outlook Stable).
2. Fixed Deposits from CARE AA- (FD); Stable (Double A Minus; [Fixed Deposits]; Outlook Stable) to CARE AA (FD); Stable (Double A; [Fixed Deposits]; Outlook Stable).

CARE Ratings Ltd. has maintained the Credit Rating in respect of Short Term Banking Facilities & Commercial Paper at CARE A1(+) (A One Plus).

CRISIL has assigned the Credit Rating in respect of Company's Long Term Banking Facilities & Short Term Banking Facilities at CRISIL AA (Double A; Outlook Stable) & CRISIL A1+ (A One Plus) respectively. Further, CRISIL has also assigned the Credit Rating in respect of Company's Fixed Deposits at FAA+/ Stable (F Double A]; Outlook Stable).

CRISIL has maintained the Credit Rating in respect of Commercial Paper at CRISIL A1 (+) (A One Plus).

(x) **Dividend Distribution Policy**: The Company has framed a Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations. The Policy has been posted on the website of the Company and the web-link for the same is https://tinyurl.com/42b8vzkb

xi) 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 2022.

(xii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors 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 50 to the Standalone Financial Statements. No fees has been paid by any of the subsidiaries to the said Statutory Auditors. Further, no fee 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.

14. MEANS OF COMMUNICATION

Quarterly, Half-yearly and Annual final Results are generally published in the leading English newspapers, including, The Economic Times, Financial Express, Business Standard, Hindustan Times, Hindu Business Line, Mint and one regional daily newspaper namely Rajasthan Patrika (Pali), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The 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.

15. GENERAL SHAREHOLDERS' INFORMATION

(i) **Registered Office**
Jaykaypuram- 307 019, Distt. Sirohi, Rajasthan.

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

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

(b) A brief resume and other particulars of the Directors seeking appointment/ re-appointment at the aforesaid AGM is given in the Annexure 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 30.06.2022 • for the half-year ending 30.09.2022 • for the quarter ending 31.12.2022	Within 45 days of the end of the quarter
• for the year ending 31.03.2023 (Audited)	Within 60 days of the end of the financial year.
• Annual General Meeting for the Financial Year ending 2022-23	Between July to September 2023

(v) **Dividend Payment Date:** Within three to four weeks of conclusion of AGM.

(vi) **Date of Book Closure:** Refer: 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 Fees for the financial year 2022-23 has been paid to both the aforesaid Stock Exchanges.

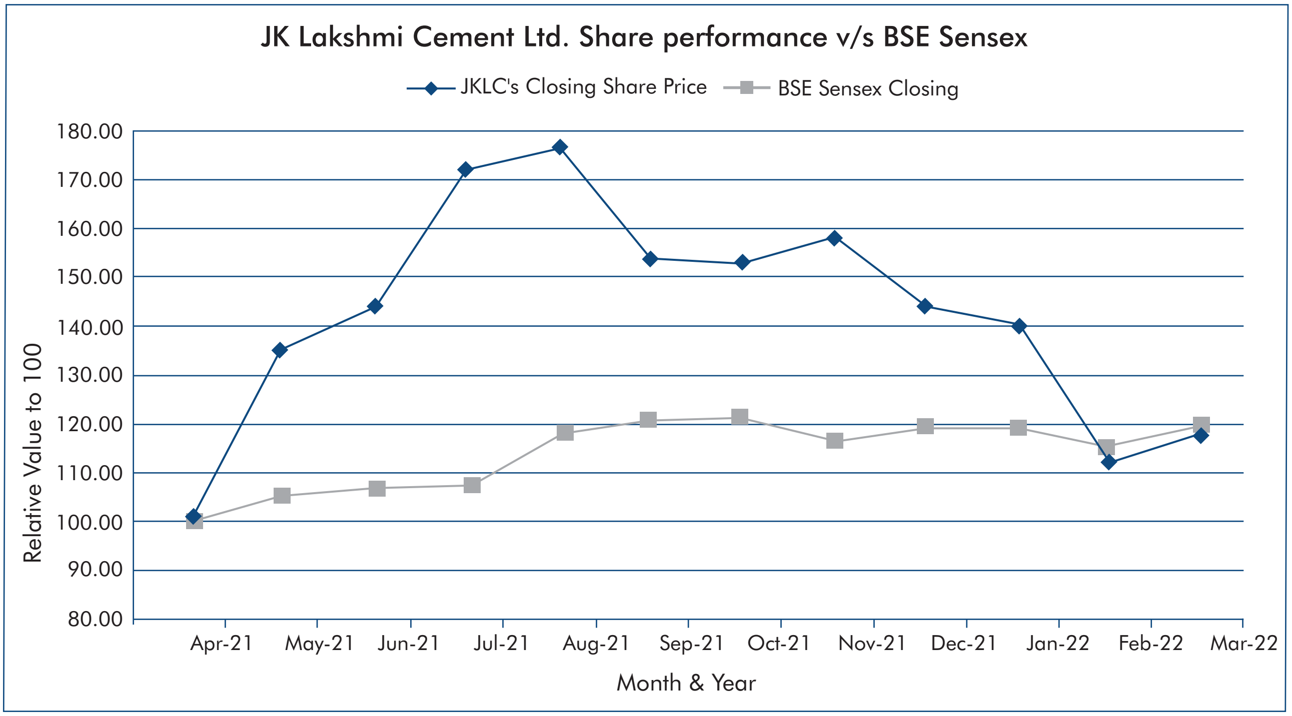
The securities of the Company are never suspended from trading.

(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 (2021-22)	BSE Ltd. (₹)		National Stock Exchange of India Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2021	466.90	386.90	467.00	386.30
May 2021	563.55	399.45	563.90	397.50
June 2021	594.40	532.45	594.70	532.45
July 2021	815.25	568.10	816.00	567.55
August 2021	726.75	632.50	728.90	632.00
September 2021	746.50	612.85	747.60	612.50
October 2021	660.00	562.10	660.00	561.60
November 2021	678.55	570.60	678.60	540.40
December 2021	642.85	529.25	644.90	529.10
January 2022	674.00	559.00	630.10	559.00
February 2022	592.00	424.05	591.30	422.70
March 2022	485.00	388.55	488.00	388.00



(x) **Distribution of Shareholding as on 31st March 2022**

No. of Equity Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	70,71,928	6.01	1,33,228	96.84
501-1,000	18,27,943	1.55	2,456	1.79
1,001-5,000	29,90,109	2.54	1,440	1.05
5,001-10,000	12,77,306	1.09	175	0.13
10,001 & above	10,45,02,780	88.81	263	0.19
TOTAL	**11,76,70,066**	**100.00**	**1,37,562**	**100.00**

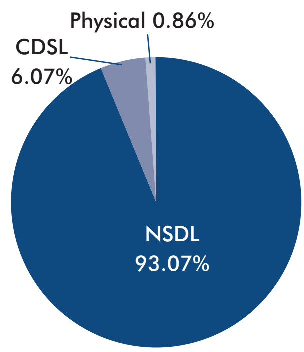
(xi) **Share Transfer System**

Pursuant to the provisions of the Listing Regulations, as amended vide SEBI Notifications dated 30th November 2018 and 24th January 2022, read with SEBI Circular dated 25th January 2022, transfer of shares in physical form is not permitted. Accordingly, transfer of shares shall be processed only in the dematerialised form with a depository. Further, transmission or transposition of shares held in physical or dematerialised form shall also be effected only in dematerialised form. On receipt of any request for duplicate issue/renewal/exchange/endorsement/sub-division/splitting/consolidation/transmission/transposition of share certificate by the Company our RTA will issue a "Letter of Confirmation" in the prescribed format to effect issuance of shares in dematerialised form.

(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 physical shares, 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 2022, 99.14% 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 Particulars and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.

Shares Held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2022



(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31st March 2022– NIL.

(xiv) **Commodity price risk or Foreign Exchange risk and hedging activities:** During the Financial Year ended 31st March 2022, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contracts.

(xv) **Plant Locations:**

(1) **JK Lakshmi Cement**
Jaykaypuram,
Dist. Sirohi - 307 019 (Rajasthan)

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

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

(4) **JK Lakshmi Cement**
& Autoclaved Aerated Concrete (AAC) Block Unit
Village Bajitpur, P.O. Jhamri,
District Jhajjar-124507 (Haryana)

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

(6) **JK Lakshmi Cement**
Village Ghantikhal, Radhashyampur,
P. O. Khuntuni, District Cuttack-754 029 (Odhisha)

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

(1) **JK Lakshmi Cement Limited**
Secretarial Department,
Gulab Bhawan, 3rd Floor (Rear Block),
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002
Ph:(011) 6820 1862
Contact Person: Shri B.K. Daga
(E-mail: jklc.investors@jkmail.com)

(2) **Registrar & Share Transfer Agent (RTA) – MCS Share Transfer Agent Ltd.**
F-65, First Floor, Okhla Industrial Area,
Phase – I, New Delhi – 110 020,
Ph. (011) 41406149-50,
Fax No. (011) 41709881
E-mail: admin@mcsregistrars.com
Contact Person: Shri Ajay Dalal
E-mail: ajay.dalal@mcsregistrars.com

(xvii) This Corporate Governance Report of the Company for the Financial Year ended 31st March 2022 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xviii) Adoption of discretionary requirements specified in Part E of Schedule II to the Listing Regulations- (a) The Board: The Chairman of the Company is Non-executive w.e.f. 1st October 2021.The Members at the Annual General Meeting held on 26th August 2021 have approved maintenance of Chairman's Office pursuant to Regulation 27(1) of the Listing Regulations; (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 has a regime of financial statements with unmodified opinion of Auditors; (d) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit Report to the Audit Committee on quarterly basis.

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

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

In accordance with the Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPFA Rules), the Company has transferred 52,175 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:

Eight Equity Shares in respect of one Shareholder lying in the Company's Unclaimed Suspense Account were transferred to the demat account of IEPF Authority during the Financial Year ended 31st March 2022.

16. DECLARATION

This is to confirm that for the Financial Year ended 31st March 2022, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Vinita Singhania
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JK Lakshmi Cement Limited

We have examined the compliance of conditions of Corporate Governance by JK Lakshmi Cement Limited ("the Company"), as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para 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") for the financial year ended March 31, 2022.

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Regulations. This certificate 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.

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2022.

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

Restriction on use

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

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN - 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 18th May 2022
UDIN: 22087294AJEESY6460

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

JK Lakshmi Cement Limited (Company) is among the leaders in India with respect to providing innovative and sustainable building solutions. The Cement Industry is one of the leading Industries that is considered the backbone for sustainable development. We believe in constructing progress based on the triple bottom line; therefore, the Company has generated maximum economic benefits from its resources and contributed to social development and environmental safety.

The Company is passionately working to build a sustainable nation by driving the circular economy across its business operations, making zero-carbon construction, and developing a more comprehensive approach to reducing environmental emissions and incorporating environmental protection rules. Walking on a sustainability path, the Company also ensures to thrive on diversity, values, human rights, community development for all the stakeholders and deploy digital technologies to make business more elegant while providing affordable housing solutions.

In an unprecedented time like the COVID-19 pandemic, the Company has stepped up to support local communities and migrant workers through different CSR projects. We believe in working together to pursue the common goal of solving our world's global challenges.

The Company is engaged in green energy initiatives, Waste Heat Recovery based Power Systems, Water Management, and other Value-Added Products (VAPs), making sustainability an integral part of its operations to keep raising the bar for themselves and the industry. We believe that businesses, society, government, and other essential stakeholders together can reverse environmental, socio-environmental, socio-economic issues and contribute towards a better future.

This Business Responsibility Report ('BRR') conforms the requirements contained in Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'). The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. 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 2021 to 31st March 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and Value added Product Manufacturing **Group** | **Class** | **Sub Class** | **Description** 239 | 2394 | 23941 23942 | Manufacture of Clinker and Cement
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. PPC, OPC, Slag Cement and Composite Cement ii. Ready-Mix-Concrete iii. Autoclaved Aerated Concrete(AAC) Blocks
9.	Total number of locations where business activity is undertaken by the Company	**No. of National Locations: 19** • **Two Integrated Cement Plants:** Sirohi (Rajasthan) and Durg (Chhattisgarh) • **Four Grinding Units**: Gandhinagar (Gujarat); Jhajjar (Haryana); Surat (Gujarat), and Cuttack (Odisha) • **Twelve RMC Plants:** Ahmedabad, Vadodara, Greater Noida, Jaipur, Surat, Jodhpur, Alwar, Kota, Mohali, Ahmedabad, and Udaipur • **One AAC Block Unit:** Jhajjar (Haryana) **International Location: None**
10.	Markets served by the Company	India (North, East, West and Central)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Disclosures	Information/Reference Sections
1.	Paid-up Capital	₹ 58.85 Crore
2.	Total Turnover	₹ 5,108.03 Crore
3.	Total Profits after Taxes	₹ 417.56 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	During the Financial Year 2021-22, the Company spent ₹ 468.78 Lakh on CSR activities. This represents 1.53% of the Average Net Profit after Tax. The unspent amount of ₹ 144.98 Lakh was deposited with Bank for the various ongoing Projects.
5.	List of activities in which expenditure in 4 above has been incurred	• Healthcare and family welfare • Education, training, etc. • Women Empowerment • Livelihood & Skills Development • Water and Sanitation • Rural Development • Environment protection and plantation • Disaster Management, Covid-19 relief, etc.

SECTION C: OTHER DETAILS

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

   Yes, the Company has two subsidiary companies:

   1. Hansdeep Industries & Trading Company Limited

   2. 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 Parent Company. Udaipur Cement Works Limited (UCWL), Subsidiary, has been publishing its BRR since F.Y 2019-20 as integral part of its Annual Report.

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%]:**

   The other entities e.g., suppliers, distributors, etc., of the Company 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

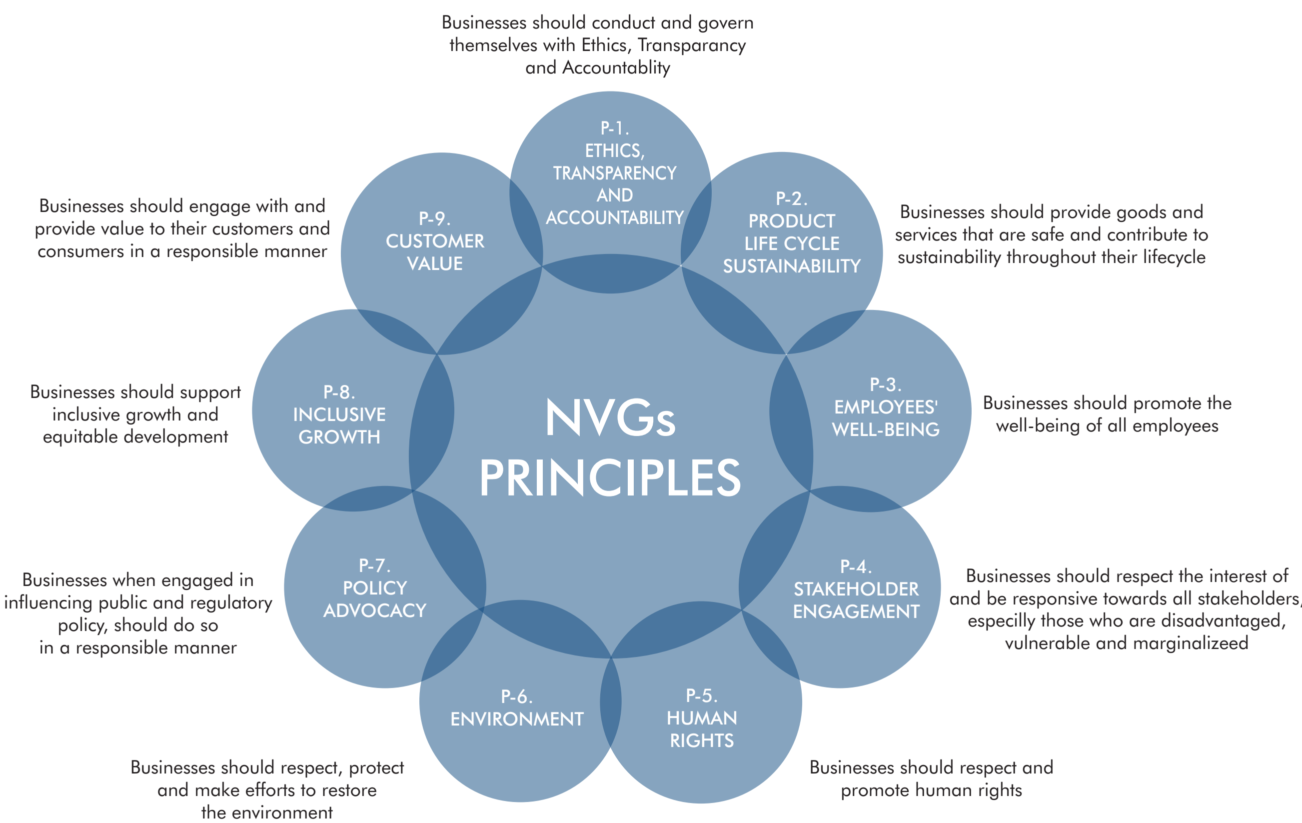
1.	DIN Number	00044890
2.	Name	Shri Sushil Kumar Wali
3.	Designation	Whole-time Director

   (b) Details of the BR Head

1.	DIN Number (if applicable)	08152305
2.	Name	Shri Naveen Kumar Sharma
3.	Designation	Head BRR
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:



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

Sr. 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: • ISO 9001:2015 for Quality Management System • ISO 14001:2015 for Environment Management System • ISO 50001:2018 for Energy Management System • ISO 45001:2018 for Occupational Health & Safety Management System • ISO/IEC 17025:2017 General Requirements for the competence of testing and Calibration Laboratories								
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?	It has been the Company's practice to upload all the policies on the intranet for the information and implementation by internal stakeholders. The Code of Conduct for Board Members and Senior Management and other relevant policies are available on the website of the Company- https://www.jklakshmicement.com/code-of-conduct/ and https://www.jklakshmicement.com/company-policies/								
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.								

(b) If the answer to the question at Sr. No. 1 against any principle is 'No,' please explain why: (Tick up to 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 assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

Business Review Meetings chaired by the CEO are held every month. The Board and the Board's Audit Committee also review business performance every quarter. Further, the CSR Committee also reviews the implementation of Corporate Social Responsibility (CSR) activities/projects twice a year.

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

Yes. As required under the SEBI LODR, the Company has been publishing BRR from the F.Y 2016-17 onwards as an integral part of the Annual Report.

Annual Report FY 2020-21 can be viewed at:
https://www.jklakshmicement.com/wp-content/uploads/2021/08/Annual-Report-2021.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's Policy on ethics, bribery and corruption includes all the employees, vendors, customers and Directors on the Board. Across the Company's business value chain, the Company has a "Code of Corporate Ethics and Conduct" since 2002, and all the employees sign this Code during their joining. The Board Members and Senior Management substantiate compliance with the "Code of Conduct for Board Members and Senior Management", which is affirmed every year by them.

   Underlying the view of executing business ethically, the Company also has a Vigil Mechanism (Whistle Blower Policy) that covers all the employees and the Directors. The COVID-19 crisis is causing financial distress for many companies. However, we shield our workforce from such impacts, and we choose to keep and pay our employees during the suspension of their activities. The Company's above Codes and Policies further extends to the Suppliers / Contractors / NGOs / Others as applicable and any other event which would adversely affect the interests of the business of the Company. Therefore, the Company encourages its suppliers/ contractors / NGOs / others to practice to the same extent.

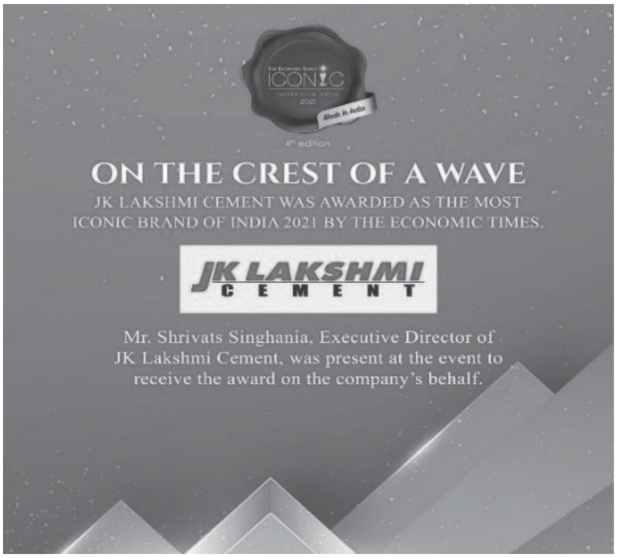
2. **How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year, the Company generally has not received any major Stakeholders Complaints.

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.**

   As pandemic is almost going towards endemic, significant changes are occurring in the construction technologies and practices. The Company has been a responsible corporate that promotes the manufacturing of products with the best sustainable design and technology and has played a significant role over the years in contributing to the country's economic growth. These changes are expected to bring exponential demand growth for ready-to-use value-added construction products.



The Company also manufactures a wide range of cement such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), and Composite Cement (COC) which utilizes waste-derived raw materials such as Flyash, Granulated Blast Furnace, and Slag, thereby reducing virgin resource consumption hence reducing environmental risks related to products and operations.

Value-added products:

- **JK Lakshmiplast Gypsum Plaster:** For the interior designing
- **JK Lakshmiplast GypGold:** It is a water-saving, lightweight, gypsum-based plaster suitable for hand or machine application to internal surfaces with brilliant white, smooth & matt finish
- **JK Lakshmiplast Smart Wall Putty:** It is an eco-friendly product free from lead, oil, or toxic material that provides a solid surface base to prevent flaking.
- **JK Lakshmi Power Mix:** It is made of High-end concrete technology with the perfect blend of aesthetic qualities that result in a high standard of constructions that were complex to create before.

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

- **Gaining Energy Efficiency in buildings:** It provides a very high degree of thermal insulation compared to any other wall construction material such as burnt clay bricks, thus resulting in less energy consumption required for cooling /heating of buildings.
- **Long Resistance to Fire:** The product offers three 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.
- **Resource Efficient:** The Product uses fly ash (waste generated in abundance by thermal power plants) and thus provides 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:** The product consumes fewer fossil fuels during manufacturing and consumes less energy in transportation due to its lighter weight. Also, due to shape uniformity, it is easier to transport.

JK Lakshmi "SMARTSERV": Smart packaging for bulk usage saves tons of packaging material- Polypropylene and meets quality product responsibility to consumers all the time. The funnel-shaped silo can store up to 5-7 tons of cement. It's a unique service that fulfills new age construction needs at no extra cost and is equipped with the latest technology-enabled features like GPS tracker, Quantity Check Sensor, Anti-theft Lock, and many more benefits. The Company has installed state-of-the-art technology equipment and has progressively implemented various innovations, process modifications, optimizations, etc., to gain the best resource and environmental efficiency. Extending product responsibility, the Company has also made available Material Safety Data Sheet (MSDS) for its consumers.

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

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

Consumption per unit of Product	FY 2021-22	FY 2020-21
Electrical Energy (Kwh/Tons of Cement)	69	73
Thermal Energy (Kcal/Kg of Clinker)	700	701

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

   The Company manufactures various cement products for multiple consumers; hence it is not practicable to measure their energy and water usage data. Also, concrete products are durable as they can resist weathering action, chemical attack, and abrasion while maintaining their desired properties. However, our products are sustainable, which requires a lesser amount of water and energy usage. But the 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.**

   Yes, the Company focuses on sustainable sourcing during its procurement practices, which includes –

   a. Considering Safety & environmental aspects in addition to commercials considerations while finalizing the vendors.

   b. Ensure Raw Material sourcing from optimized low lead sources with focuses on transportation through Rail Mode (wherever possible) which, in turn, helps us to reduce the carbon footprint.

   c. Company co-processes various industrial wastes which directly replaces the virgin raw materials / natural resources, which, in turn, helps to mitigate various environmental hazards and risks.

   Sustainable sourcing is a continuous process which is evolving day by day & Company ensure to upkeep it's procurement & sourcing practices in line with such evolutions.

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 the capacity and capability of local and small vendors?**

   The Company has developed local purchase offices at each of its operational location & ensures to procure goods and services from local suppliers including communities nearby. Preferences is being given to local vendors for materials that are locally available based on meeting quality, design parameters and delivery time etc. This helps us to reduce our material and its transportation related environmental footprint and further boosts local economy.

   Company also procures various industrial wastes (i.e., ETP Sludge – Chemical Gypsum / AFR etc.) from local MSME and other Industries, for co-processing as fuel in kiln or as an alternative raw material in cement manufacturing process, thereby encouraging concept of circular economy.

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

   The Company's emphasis on sustainability and thus

reducing waste is a core responsibility. The Company is working towards a circular economy to bolster the government's various initiatives/missions in different fields and sectors including contributing to United Nation's SDGS 12 (Responsible Consumption and Production)-12.5 (reduce waste generation). The Cement Manufacturing Technology of the Company is based on 100% "Dry Cement Manufacturing"and it also utilizes wastes generated from other industries as raw materials.

Some of the major waste management initiatives includes:

- 100% of hazardous waste generated from auxiliary process aspects is being recycled through the Central/State Pollution Control Board authorized re-cyclers (used oil, used grease, etc.).

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

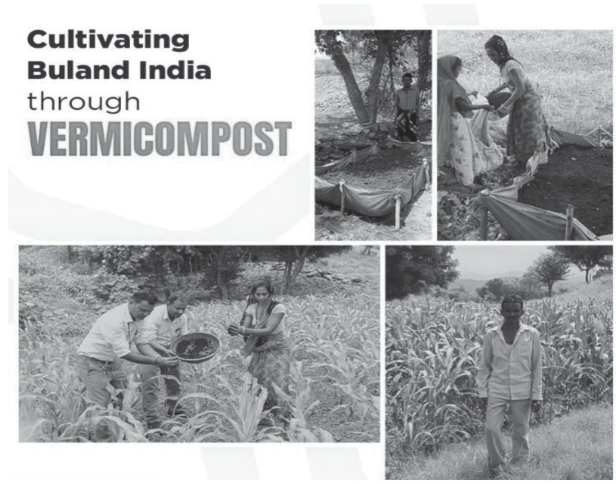
1. **Please indicate the Total number of employees :** 1,680
2. **Please indicate the Total number of employees hired on a temporary/contractual/casual basis:** 2,116
3. **Please indicate the number of permanent women employees:** 20
4. **Please indicate the number of permanent employees with disabilities:** Zero
5. **Do you have an employee association that is recognized by management?**

   There are worker Unions affiliated with the Indian National Trade Union Congress (INTUC), and the Bhartiya Mazdoor Sangh (BMS).
6. **What percentages of your permanent employees are members of this recognized employee association?**

   Around 14 % of our permanent workmen are part of the above-mentioned trade unions.
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as of the end of the financial year.**

- Solid organic waste is converted into nutrient-rich compost and vermicompost, through the process of composting.
- 100% of domestic waste water generated is treated in Sewage Treatment Plants (STPs) and the treated water is used for the development of plantation and greenbelt.
- 100% of Fly ash generated as waste from the captive power plant is used in the production of blended cement.

The Company's operational sites are **"Zero Waste Water Discharging Units"**



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%	88%
Permanent Women employees	100%	91%
Casual/ Temporary/ Contractual employees	92%	74%
Employees with disabilities	Nil	Nil

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

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

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

   Yes. The Company has strong business commitment towards shared value creation for various stakeholders and has accordingly mapped its internal and external stakeholders as a part of the sustainability reporting process for their effective engagements. The Company's key stakeholders are employees, business partners/ suppliers, customers, plant nearby communities, society, competitors, shareholders/ investors, and the government.

   Details are available in the Corporate Sustainability Report for the FYs 2016-18 at the Company website: https://tinyurl.com/yc4avbxk

Coaching classes

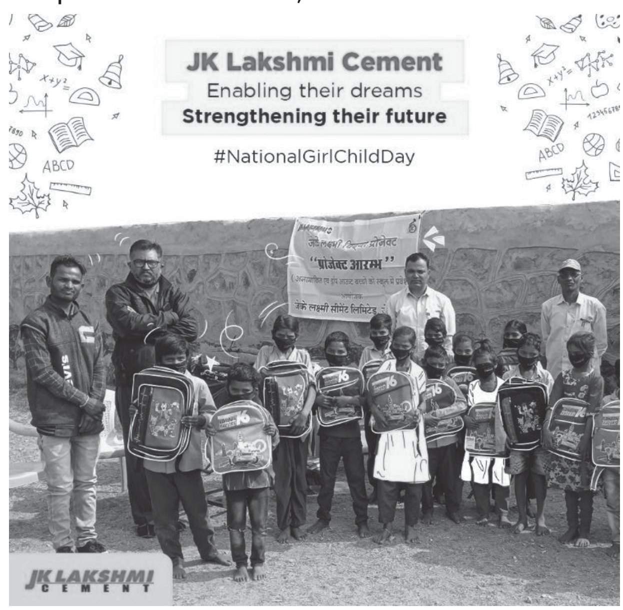
2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. The Company has identified the disadvantaged, vulnerable, and marginalized stakeholders. It includes:

   - Scheduled castes and scheduled tribes
   - Economically weaker groups including Below Poverty Line families, small and marginal farmers, landless groups, women-headed families and special children
   - A person suffering from chronic diseases like HIV-AIDS and MDR-TB
   - Youths with no skills for either employability or resources for small business -communities in the vicinity of the manufacturing plants
   - Contractual workers and their families work in the plants

   During the pandemic, the Company engages with neighboring communities to solve their problems through various CSR initiatives.

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



   The Company regularly engages with all its relevant stakeholders to create a positive impact across its value chain, and it has been running multiple programs under its CSR Health; Water & Sanitation; Education; Skilling & Livelihoods and Rural Development initiatives to bring transformational changes in the lives of vulnerable and the marginalized sections of society. Some of the special initiatives are Naya Savera, forming part of JK Lakshmi Aarogya Project which focus on providing medical services at the doorstep to reduce maternal and infant's mortality; while at few locations food kits were provided to Multi-Drug Resistant -TB patients from poor families to improve their nutritional status for speedy recovery. Project Vidya under education organized bridge and remedial classes to out-of-school and school drop-out children. Special Children were supported under Project Savera School (part of JK Lakshmi Vidya Project). Number of students were provided scholarships to support their school, college, and technical education like ITI, Polytechnic, Nursing, B.Ed at a time when Pandemic had hit their family's income. Under Project Aajivika, the Company undertook multiple on-farm and off-farm activities including small enterprise development and skills trainings to support youths and families to ensure sustainable income. Other key initiatives were in the areas of drinking water and community infrastructure development to improve quality of life of the vulnerable communities.

Principle 5: Businesses should respect and promote human rights

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

   The Company abides by the code of respect and support for human rights and adheres to the fundamental rights in its policies. The Company's operations, employees, investors, customers, contractors, suppliers, supply chain partners are subject to our standpoint on human rights.

   For instance:

   1) All employees are treated equally regardless of nationality, caste, religion, color, or sex.
   2) Healthy and balanced work environment.
   3) No child labor/ forced labor is engaged.
   4) The Company has been specifically looking after the welfare of underprivileged women by undertaking various projects including adult education, prevention of AIDS, medical camps, etc. under its CSR initiatives.
   5) The Company is committed to setting out basic standards and procedures regarding "Health and safety", Freedom of Association, and Right to collective bargaining, Disciplinary Practices, Working Hours, and Remuneration.

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

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

   The Company did not receive any stakeholder's complaint in the Financial Year 2021-22 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 extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

   The Company is committed to protecting and restoring the environment to reduce any adverse effects of its manufacturing operations and activities. It has a well-defined Sustainability and Corporate Environment Policy. The Company encourages its subsidiaries, vendors, contractors, and dealers to take health, safety, and environment-friendly measures on a regular basis for a sustainable future.

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

Yes. The Company emphasizes Green House Gas (GHG) emission reduction, facilitating renewable energy, water conservation, waste management, and a sustainable supply chain. The Covid outbreak has caused companies to focus more on sustainable way of doing business. JK Lakshmi Cement has always been proactive in its commitment to undertake manufacturing aligned with directions and guidelines as per Sustainability and Corporate Environment Policy and other system standards designed to promote cleaner and responsible operations.

The Company has further outlined its commitments and targets with respect to the commitments made by the Nation in the COP26 event in 2021.

The Company targets 3-fold increase in its total renewable energy capacity portfolio by 2025. Also, the Company has strategies to address its process emissions by increasing the thermal substitution rate (TSR) to 20% by 2030, through utilization of different kinds of wastes such as municipal waste, industrial waste, etc. The Company in view of delivering its water responsibility, further aims to grow 5 times water positive by 2025. i.e. crediting more water than consuming.

The Company has also registered various Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) [now Verra] projects with United Nation Framework Convention on Climate Change (UNFCCC), working enthusiastically towards climate change and global warming. For more details, please refer to https://www.jklakshmicement.com/the-sustainability-report/

JK LAKSHMI CEMENT

Sustainability Policy

JK Lakshmi Cement Ltd. is committed to maintain and innovate our operations and processes to remain in harmony with Nature, Society and Economy. We are focused on responsible governance that integrates various dimensions of sustainability, towards betterment of stakeholders and nurtures the legacy of future generation.

We are committed to:

- Safeguarding the values of Environmental, Social and Corporate integrity ingrained in the working practices.
- Adopting resource efficient technology, identifying processes, equipment & systems to reduce consumption of fuel, raw materials, energy, water, etc.
- Working towards Climate Change, monitoring and mitigating our Emissions through innovation and scientific acceptance.
- Promoting use of alternate fuel sources and use of Renewable energy
- Reducing water footprint through effective implementation of conservation strategies, efficient waste water management system and creating awareness within the organization and to the society.
- Adopting sustainable mining practices including quarry rehabilitation, biodiversity management and stakeholder interactions.
- Maintaining Transparency in reporting disclosures and integrity in our communications with our stakeholder.
- Implementation of a Sustainable Supply Chain Management system through innovating supply chain systems and logistics.
- Addressing social responsibility towards inclusive growth and welfare of local community through regular involvement and engagement programmes.
- Implementation of OH&S standards and guidelines through providing training, resources and education to employees, workers and visitors.
- Capacity building of our employees and stakeholders for recurring advancement in quality of products, productiveness and profitability.

Dr. S Chouksey
Whole Time Director

S K Wali
Whole Time Director

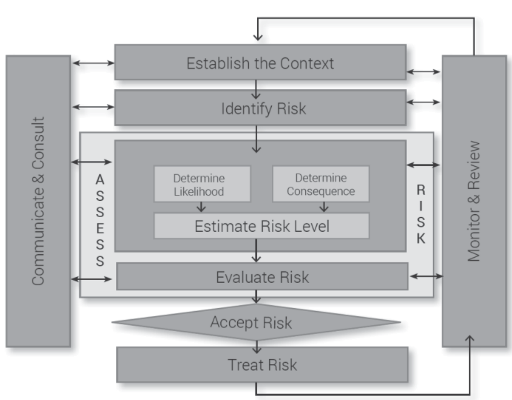
3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes. The Company regularly follows a robust risk management approach to identify and assess potential environmental risks and implements plans and actions for mitigation and resilient adaptation.

All our operations are certified in compliance with the below-mentioned Internationally recognized system standards (ISO).

Certifications	Integrated Unit- Sirohi	Integrated Unit- Durg	Grinding Unit- Kalol	Grinding Unit- Jhajjar	Grinding Unit- Surat	Grinding Unit- Cuttack
ISO 15001: 2015	YES	YES	YES	YES	YES	YES
ISO 14001:2015	YES	YES	YES	YES	YES	YES
ISO 50001:2018	YES	YES	YES	YES	YES	YES
ISO 45001:2018	YES	YES	YES	YES	YES	YES

All the operational units of the Company are also following GHG inventorization and water foot printing in accordance with ISO 14064-1: 2018 and 14046:2015 guidance standards 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 projects related to Clean Development Mechanism (CDM) with United Nations Framework Convention on Climate Change (UNFCCC) and Verified Carbon Standard (VCS) (now Verra). The details are given below:

CDM Projects:

Replacement of fossil fuel by biomass in Pyro-Processing" JK Lakshmi Cement Ltd, Rajasthan:

Reference Number-0852

https://cdm.unfccc.int/Projects/DB/SGS-UKL1168427579.65/view

15 MW Waste Heat Recovery based power generation at JK Lakshmi Cement Ltd, Rajasthan: Reference Number-10115

https://tinyurl.com/48vdxzmj

6 MW Solar PV-based power generation at Phalodi, Rajasthan: CPA 9502-0007; Reference Number – 9502

https://tinyurl.com/3werj8mf

VCS Projects:

Bundled Rooftop Solar PV based power generation by JK Lakshmi Cement Ltd.

Project ID- PL1730
https://registry.verra.org/app/projectDetail/VCS/1730

AAC Block Manufacturing Using Energy Efficient Technology by JK Lakshmi Cement Ltd.

Project ID-1651
https://registry.verra.org/app/projectDetail/VCS/1651

The Company's project of 7.76 MW Waste Heat Recovery based power generation at JK Lakshmi Cement Ltd, Durg is under registration at UNFCCC. There is no requirement of filing any compliance Report.

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

Yes. The Company has embarked on clean technology, energy efficiency and renewable energy at its all-operational plants to achieve an environmentally friendly operation and these are as follows:

1. **Captive Solar Power Plants:**

Phalodi	6 MW
Durg	6.5 MW
Sirohi	5.6 MW
Surat	2.4MW
Kalol	0.5 MW
Jhajjar	0.5 MW
Cuttack	0.5 MW

2. **Power purchase agreement for Renewable wind Power**

The Manufacturing units at Kalol and Surat are substituting coal-based power through Renewable power through RE-WIND Power purchase agreement of capacity 4MW, in addition to captive solar power plants within the premises.

500 KW Solar Power Plant at Kalol, Gujarat

3. **Cleaner Production and Circularity**

- Waste Heat Recovery Systems, 25 MW at Sirohi and 7.76 MW at Durg
- The Company has also set up a biomass handling unit for substituting coal with alternative fuel in Pyro-Process with renewable fuels like Biomass.
- All the operational units are utilizing waste derived raw materials (flyash, slag, chemical gypsum, etc.) and fuels (Biomass, liquid mix waste, Municipal waste, etc.)

Also, our manufacturing units are ISO 50001:2018 certified for Energy Management System and have undertaken various Energy Efficiency measures like installation of VFDs, process modification, optimization of pyro-process, etc.

For further details on these initiatives, please refer to energy efficiency section of this Annual Report.

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

Yes. The Company has emission stacks at all the units equipped with Online Continuous Emission Monitoring systems (OCEMS) which provide real-time emission data directly to Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB), and emissions/Waste generated by the Company are within the permissible limits.

All our emission sources are equipped with the latest art of technology air pollution control equipment like reverse Air-Baghouses, Electrostatic Precipitator, Bag-filters, etc. to ensure compliance with the applicable emission/waste standards/norms.

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

This is to confirm that no show cause/ legal notices received from CPCB/SPCB are pending as of the end of Financial Year 2021-22.

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:**

   Yes. 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

   h) Coal Consumers Association of India

   i) Indian Chamber of Commerce

   j) National Safety Council and Building Materials

   k) Ready Mixed Concrete Manufacturers

   Apart from the 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 addressing issues faced by businesses and encouraging the formulation of an industry-friendly environment through policymakers.

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

   The primary purpose of the above associations is to create a platform for the advancement and advocate public good, and the Company has been broadly using Trade Association/Chambers of Commerce. It has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles, etc.

   Further, in line with United Nations Sustainable Development Goals (SDGs) No. 17 regarding "Partnership for the Goals", Company continuously advocates the use of eco-friendly manufacturing processes and use of alternative fuels, Energy Conservation, Water Conservation, Waste Management, Energy Efficiency Practices, etc. across its values chain through regular presentations, exhibitions, etc. on multiple national and international platforms and conferences organized by various associations.

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

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

   Yes. The Company has always been committed to inclusive growth and equitable development. The various policies including CSR policy of the Company strongly reflects the commitment towards inclusive growth and development. The vision of the Company's CSR is to bring sustainable change in quality of life of neighborhood community through innovative solutions in Education, Health, Livelihood and Community Development. Accordingly, the major CSR thrust areas of the Company are Health; Water & Sanitation; Education; Skill Development and Livelihood; Environment Sustainability and Community Development. CSR programs have defined goals and objectives to pursue inclusive growth and equitable development. The Company implemented several "Ongoing" and "Other than Ongoing Projects" in thrust areas of Health; Water & Sanitation; Education; Skilling & Livelihoods and Rural Development. Under Project Aarogya, number of medical camps were organized. Medical services at the doorstep were provided to reduce maternal and infant's mortality; while at few locations food kits were provided to Multi-Drug Resistant -TB patients from poor families to improve their nutritional status for speedy recovery. Project Vidya under education organized bridge and remedial classes to out-of-school and school drop-out children for their main streaming into government schools; supported government schools for improvement of physical and classroom infrastructure and facilities; provided various kinds of support to students; and continued its support to school working for Special Children and their families. Number of students were provided scholarships to support their school, college, and technical education like ITI, Polytechnic, Nursing, B.Ed at a time when Pandemic had hit their family's income. Under education, the Company also initiated innovative "Navodaya Coaching" with focus on preparing the students from rural families to be able to get admission in "Jawahar Navodaya Schools". On the livelihoods front under Project Aajivika, the Company undertook multiple on-farm and off-farm activities including small enterprise development and skills trainings to support youths and families to ensure sustainable income. With an aim to provide youths timely and cost-effective Information; books; space for group learning; data connectivity to access online portal-based tutorials, a skill development cum job readiness center was set up at Jaykaypuram unit. Under Project Swajal (Water), the Company partnered with Panchayat under "PM- Jal Jeevan Mission" to provide tap water to families. Under JK Lakshmi Gramin Vikas Project, the Company supported infrastructure development in the nearby community. Other initiatives include setting up water facilities for domestic use; plantation; recharging of water bodies, among others. These initiatives in the CSR benefited number of disadvantaged, vulnerable and economically marginalized communities like Scheduled castes and Scheduled tribes, Below Poverty Line families, small and marginal farmers, landless groups, women-headed families, special children, person suffering with chronic diseases like MDR-TB, and youths with no skills for either employability or resources for small business. The Company also strategically endeavored towards facilitating "last-mile-connectivity" for the poor to access various State and National Govt. Schemes aimed at poverty alleviation.

As the beginning of Financial Year saw deadly outbreak of COVID-19 Delta variant, the Company responded to the unprecedented oxygen crisis by setting Oxygen plant at Govt. Community Health Centre, Pindwara in Sirohi district Rajasthan. Number of oxygen concentrators & cylinders; examination gloves; thermometers; oximeters; vaporizers; surgical masks were provided to district health departments and other agencies. The team supported vaccination drive across locations through creating awareness and mobilising people to the vaccination centres.

Our CSR initiatives are focused on inclusive growth and equitable development, which are also aligned to United Nations Sustainable Development Goals (SDGs) Nos. 1, 2, 3, 4, 5, 6, 8 &10.

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

   The Company generally pursue CSR programs and activities directly. The Company has an in-house team deployed at different operational location for the implementation of our CSR activities, which are monitored by Central CSR team at corporate office. On a need basis, NGO/Implementing Agencies are identified for specific expertise and implementation support. We have partnered with academic bodies, government, hospitals, panchayats and Krishi Vigyan Kendra to successfully implement initiatives and undertake more comprehensive awareness creation on critical societal issues in pursuance of United Nations SDG No17.

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

   We undertake an impact assessment of our CSR initiatives to gauge the benefits derived by the identified beneficiaries. The impact assessment also helps us improve the implementation of the initiative or expand its scope as per the requirement of the communities. During the reporting period, the Company undertook evaluation of its Naya Savera Project.

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

   The unprecedented Covid pandemic time has affected many companies' profitability across the globe. It has automatically caused an impact on their CSR budget. Still, the prolonged and unpredictable severity of the outbreak did not stop the Company from contributing to community development.

   The Company's CSR Projects/ Programmes and activities have been given in this Annual Report as Annexure-A to Directors' Report. During the Financial Year 2021-22, the Company has spent ₹ 468.78 Lakh on its CSR initiatives.

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

   The pandemic allows one to rethink how best to engage communities. While the COVID-19 outbreak has brought about mass lockdowns and social distancing, the Company has continued work to support vulnerable communities.

   At JK Lakshmi Cement Ltd., engagement with the community comes with people's full participation and involvement to reap maximum benefits of various CSR community development projects. Before initiating any community engagement and welfare program, 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. The process of continual engagement with the community is an ongoing process. Focus on awareness and capacity building of community groups is at the core of building sustainability of various CSR projects and through this process positive skills and behaviors are adopted which bring qualitative improvement in the lives of people. The Company also focus on building trust, faith, and rapport with local communities/stakeholders as a part of creating "local ownership and participation" into the project planning implementation and evaluation which helps in successful adoption of projects by the 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 of the end of the financial year?**

   We believe excellent customer satisfaction, high customer retention, and prioritizing customer success are essential for growing a business. No customer complaints/consumer cases were pending as of the end of the financial year 2021-22.

   The customers may approach the Company through various mediums such as emails, toll-free nos., website, channel partners and Company's offices, etc.

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

   The Company displays all the required product information on the product label as per the applicable rules and guidelines such as Bureau of Indian Standards (BIS), Metrological Rules, etc.

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 the end of the 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, that participated in a tender including JK Lakshmi Cement for the supply of cement, had colluded to quote higher cement rates. Aggrieved by an adverse judgment 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. The housing sector is the most significant demand driver of cement and accounts for more than 60% of the total consumption. The Company provides a range of products that cater to different customer needs; customer satisfaction plays a leading role by comprehending customers' perceptions and understanding a Company's current position in the cement industry.

   During unprecedented time of change due to the COVID-19 pandemic, the experience and services companies provide to their customers are essential. Customers are the key stakeholders. By cultivating compact integration of material and digital systems, prioritizing automation, and deriving actionable insights, the Company puts lots of effort to understand the need of Customers, their pain areas, and their complaints/feedbacks through Focus Group Discussion or online survey or by making individual calls to our customers or dealers through the call center. Apart from this, a professional structured survey was conducted through an external agency which concluded in interviewing 2740 customers through face to face and telephonic mode in our 5 customer segments (Dealer, Architect, Engineer, Contract & Mason) in 9 states covering 45 districts. A high Customer Satisfaction Index rating of 6.18 out of 7 was achieved in the survey.

   During the last three years, extensive surveys were conducted by our own officers, and more than 1.49 lacs sites were visited in reporting year to get the actual customer feedback. Further, digital surveys were conducted on Facebook to understand the preference of customers & our Brand Positioning. The Company is further expanding its reach with digital media platforms to connect with the far end customers and deliver on their 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, 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flows statement for the year then ended, 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, 2022, its profit including other comprehensive loss, 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 (SAs) specified under section 143(10) of the Act. 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 for the financial year ended March 31, 2022. 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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

	Key Audit Matters	
1	**Revenue recognition - Discounts, incentives, rebates etc.** - Recognition, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No III. (13) of Note 1 of Accounting Policy). - Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales. - Due to the Company's presence different marketing regions within the country and the competitive business	Our procedures included: <u>For recognition of revenue:</u> • 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

	Key Audit Matters	
	- environment, the assessment of the various types of discounts, incentives and rebate schemes, is material and considered to be complex and judgmental. - Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, and rebates. - Given the judgement required to estimate the amount of provisions, this is a key audit matter.	• Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. **For Recognition of discount, incentive and rebate** • Assessing the appropriateness of the Company's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards. • Assessing the design and testing the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, provision and disbursement of discounts, incentives and rebates. • Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes. • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions. • Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items. Based on our audit procedures we have concluded that revenue, discount, incentive and rebates is appropriately recognized, and that there was no evidence of management bias.
2	**Evaluation of uncertain civil and indirect tax any 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.	Our Procedure included: Obtained details of completed tax assessments of earlier years and demands as on March 31, 2022 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.

	Key Audit Matters	
	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 favourable 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 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 2022. • 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.

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 Company's annual report 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 financial statements or our knowledge obtained in the 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 for the year ended March 31, 2022 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, 2020 ("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 flows dealt with by this Report are in agreement with the relevant books of accounts;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to 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, 2022 on its financial position in its standalone financial statements- Refer note 57, 58, 59, 60 and 62.

   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.

   iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv (b) contain any material misstatement.

   v. a) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.

      b) As stated in Note 49 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended March 31, 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 18, 2022
UDIN: 22087294AJEEWM4314

Annexure A to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 18, 2022.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("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)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular program of physical verification of its fixed assets. All fixed asset have been verified by the management according to the program. No material discrepancies were noticed on such verification undertaken during the year.

(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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee)are held in the name of the Company except as stated in noted no. 2 of the standalone financial statements.

Description of Prpoerty	Gross Carrying (Value in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of company
Lease Hold Land	4.02	Bihar Industrial Development Authority (BIADA).	No	July'2015	BIADA has given a notice to the Company on 30.06.2020 that the amount paid by Company is forfeited. Against the Company's appeal the Hon'ble High Court has directed BIADA to relook into allotment of alternative land. BIADA has agreed vide letter dtd- 25.03.2022 for allotment of fresh land elsewhere can be looked into.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No Discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 24 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns of current assets filed by the Company with banks not having material variances with books of account, though company has not utilise limit during the year.

(iii) (a) During the year the Company has provided loans and provided guarantee to companies, firms, Limited Liability Partnerships or any other parties. Details is as follows:

	Amount in crores		
	Guarantees	Security	Loans
Aggregate amount granted/ provided during the year			
- Subsidiaries	350	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	15
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	906.27	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	15

(b) In our opinion and according to the information and explanation given to us, the terms and conditions of the grant of all loans, guarantees provided and investments made are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any security or provided any advances in the nature of loans during the year

(c) In respect of loan(s) and advance in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties, which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies,. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act, wherever applicable, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

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

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable as at March 31, 2022 for a period of more than six months from the date they become payable.

(b) According to the records and information & explanations given to us, certain dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues 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 Statue	Nature of the Dues	Amount	Period	Forum where dispute is pending
Sales Tax Act	Sales Tax	7.83	2006-2014	Rajasthan High Court, Jodhpur
		116.77	2003-09	
		0.43	1992-1994	
		8.08	2005-2006	
		0.42	1995-2000	
		23.83	2015- 2020	
		1.90	2020-2021	Bilaspur High Court
	Total Sales Tax	159.26		
Rajasthan Finance Act, 2006 and Rajasthan Finance Act, 2020	Land Tax on Mining & Non Mining land	10.46	2006 to 2012-13	Hon'ble Supreme Court
		1.75	2019-20	Rajasthan High Court, Jodhpur
		2.01	2020-21	Rajasthan High Court, Jodhpur
	Total Land tax	14.22		

Name of the Statue	Nature of the Dues	Amount	Period	Forum where dispute is pending
Entry Tax Exemption (Entry Tax Act, 1976)	Entry Tax	4.50	2014-2017	Bilaspur High Court
	Total Entry tax	4.50		
Central Excise Act	Excise Duty	1.83	2015-2018	Add Commissioner, Jodhpur
Central Excise Act	Cenvat on Clean Energy Cess	2.71	Apr'16- Jun'17	CESTAT
		1.06	July 2015 to March 2016	CESTAT
		0.29	June'17	Assit. Commissioner, Pali
Central Excise Act	Cess on Mining Dispatches	1.22	1996-97	Rajasthan High Court, Jodhpur
	Total Excise	7.11		
Finance Act , 1994	Service Tax	6.64	2013-2014	Rajasthan High Court, Jodhpur
		2.95	2016-18	CESTAT
	Total Service Tax	9.59		
Income Tax Act	Income Tax	1.67	2009-10	Commissioner of Income Tax, Kolkata
	Total Income Tax	1.67		
Others:				
- The Mines and Minerals (Development and Regulation) Act	National Mineral Exploration Fund	0.80	14/08/15 - 11/05/2016	Revision Application before Revisionary Authority, Ministry of Mines, New Delhi
- Environment and Health Cess (Rajasthan Finance Act, 2008; Rajasthan Environment and Health Cess Rules, 2008)	Cess on Limestone Extraction	35.62	2008 to 2017	Supreme Court
- The Chhatisgarh Gram Panchayat Terminal Tax (Chhattisgarh Panchayat Raj Act, 1993)	road dispatches of clinker	8.30	April 15- Mar 19	Bilaspur High Court
	Total Others	44.72		

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by [cost auditor/ secretarial auditor or by us] in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii)(a) to 3(xii)(c) of the order are not applicable to the Company and hence not commented upon.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) The Group has two Core Investment Company as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year and preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 51 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 64 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 64 to the financial statements

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 18, 2022
UDIN: 22087294AJEEWM4314

Annexure B to the Independent Auditors' Report to the Members of JK Lakshmi Cement Limited dated May 18, 2022 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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 ICAI. 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 18, 2022
UDIN: 22087294AJEEWM4314

JK Lakshmi Cement Limited
Balance Sheet as at 31st March 2022

₹ In Crore (10 Million)

	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	2,719.21	2,658.97
(b) Capital work-in-progress	2A	112.13	227.50
(c) Investment Property	3	0.53	0.44
(d) Intangible Assets	4	4.41	2.54
(e) Financial Assets			
(i) Investments	5	389.91	383.31
(ii) Loans	6	19.71	16.84
(iii) Others	7	33.05	40.61
(f) Other Non-Current Assets	8	26.49	28.06
		3,305.44	3,358.27
(2) Current Assets			
(a) Inventories	9	491.19	315.50
(b) Financial Assets			
(i) Investments	10	548.03	367.33
(ii) Trade Receivables	11	34.48	53.68
(iii) Cash and Cash Equivalents	12	67.13	45.66
(iv) Bank Balance other than (iii)	13	271.70	313.43
(v) Loans	14	23.33	43.33
(vi) Others	15	22.22	25.01
(c) Other Current Assets	16	75.48	139.20
		1,533.56	1,303.14
TOTAL ASSETS		4,839.00	4,661.41
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	58.85	58.85
(b) Other Equity		2,393.50	2,020.07
		2,452.35	2,078.92
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	774.22	776.42
(ii) Lease Liabilities	19	21.05	13.91
(iii) Other Financial Liabilities	20	244.58	229.88
(b) Provisions	21	11.05	13.54
(c) Deferred Tax Liabilities (Net)	22	94.33	64.12
(d) Other Non-Current Liabilities	23	94.27	184.50
		1,239.50	1,282.37
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	188.67	348.30
(ii) Lease Liabilities	25	8.96	4.92
(iii) Trade Payables	26		
Micro and Small Enterprises		8.78	12.62
Others		289.55	366.60
(iii) Other Financial Liabilities	27	352.20	290.50
(b) Other Current Liabilities	28	283.33	270.67
(c) Provisions	29	15.25	5.08
(d) Current Tax Liabilities (Net)	30	0.41	1.43
		1,147.15	1,300.12
TOTAL EQUITY AND LIABILITIES		4,839.00	4,661.41

Significant Accounting Policies — 1

The accompanying notes form an integral part of these financial statement. — 2-76

For and on behalf of the Board

B.H. SINGHANIA Chairman

VINITA SINGHANIA Vice Chairman & Managing Director

As per our report of even date

For S. S. KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration No.: 000756N

SUNIL WAHAL

Partner

Membership No.: 087294

Place: New Delhi

Date: 18th May, 2022

SUDHIR A. BIDKAR

Chief Financial Officer

B.K. DAGA

Sr. Vice President & Company Secretary

B.V. BHARGAVA
BHASWATI MUKHERJEE
N.G. KHAITAN
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 2022

₹ In Crore (10 Million)

		Note No.	For the year ended March 31 2022	For the year ended March 31 2021
I.	Revenue from Operations	31	5,040.78	4,384.71
II.	Other Income	32	67.25	74.47
III.	**Total Income (I+II)**		5,108.03	4,459.18
IV.	**Expenses :-**			
	Cost of Materials Consumed	33	806.97	671.84
	Purchases of Stock-in-Trade	34	478.12	355.61
	Change in inventories of finished goods, work-in-progress and traded goods	35	(46.80)	56.44
	Employee Benefits Expense	36	326.44	326.98
	Power and Fuel	37	1,065.64	779.77
	Transport, Clearing & Forwarding Charges	38	1,042.82	883.16
	Finance Costs	39	96.31	142.52
	Depreciation and Amortization Expense	40	190.52	194.19
	Other Expenses	41	566.32	521.16
	Total Expenses (IV)		4,526.34	3,931.67
V.	**Profit before Exceptional Items and Tax (III-IV)**		581.69	527.51
VI.	Exceptional Items	73	23.39	30.92
VII.	**Profit before tax (V-VI)**		558.30	496.59
VIII.	Tax Expense			
	(1) Current Tax		143.76	90.41
	(2) Deferred Tax		(41.21)	42.36
	(3) Tax Adjustments for Earlier Years		29.53	-
	Total Tax Expense (VIII)		132.08	132.77
IX.	**Profit for the Year**		426.22	363.82
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		(13.32)	3.72
	(2) Income tax effect		4.66	(1.30)
	Total Other Comprehensive Income (X)		(8.66)	2.42
XI	**Total Comprehensive Income For The Year (IX + X)**		417.56	366.24
XII	Earnings per equity share (Face Value of ₹ 5 each)	42		
	Basic Earnings per equity share (₹):		36.22	30.92
	Diluted Earnings per equity share (₹):		36.22	30.92

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-76

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 18th May, 2022

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
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
N.G. KHAITAN
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, 2022

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2020	Change during the year	As at 31st March 2021	Change during the year	As at 31st March 2022
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 Plans	
Balance as at 31st March'2020	**25.64**	**88.65**	**60.40**	**950.74**	**530.71**	**(2.31)**	**1,653.83**
Profit for the Year	-	-	-	-	363.82		363.82
Dividend payment including Dividend Distribution Tax	-	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve	-	-	(22.90)	-	22.90	-	-
Other Comprehensive Income	-	-	-	-	-	2.42	2.42
Balance as at 31st March'2021	**25.64**	**88.65**	**37.50**	**950.74**	**917.43**	**0.11**	**2,020.07**
Profit for the Year	-	-	-	-	426.22	-	426.22
Dividend payment including	-	-	-	-	(44.13)	-	(44.13)
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve	-	-	(37.50)	-	37.50	-	-
Other Comprehensive Income	-	-	-	-	-	(8.66)	(8.66)
Balance as at 31st March'2022	**25.64**	**88.65**	**-**	**950.74**	**1,337.02**	**(8.55)**	**2,393.50**

Significant Accounting Policies 1

The accompanying notes form an integral part of these financial statement. 2-76

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

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
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
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N.G. KHAITAN
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 and Odisha.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 11.70 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 May18, 2022.

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 as amended time to time and relevant provisions of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

(ii) Basis of Preparation

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

(iii) Basis of Measurement

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

(iv) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (As per Ind AS 113) and other Fair Value measurement have been done as per its respective standards.

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 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 Properties

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

Investment properties are depreciated using the Straight Line Method (SLM) over their estimated useful lives. The useful 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 atleast at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

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

Intangible Assets are amortized as follows:

- Computer Software : Over a period of five years

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

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

(4) Research and Development Cost

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

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

(5) Inventories

Inventories are carried in the balance sheet as follows :

a) Raw Materials, Packing Materials, construction Materials, Stores & 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.

Net Realisable Value is the estimated Selling Price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(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 designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

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

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (''EIR'') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

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

2.2 **Loans and Borrowings**

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

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

2.3 Financial Guarantee Contracts

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

2.4 Trade and Other Payables

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

2.5 De-recognition of Financial Liability

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

3. Offsetting of Financial Instruments

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

4. Derivative Financial Instruments

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

(10) Grants

Grants 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.

ii) Contingent Liability

Contingent Liability is disclosed in the case of:

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

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

Provisions, Contingent Liabilities, Contingent Assets and commitments are reviewed at each Balance Sheet date.

iii) Other Litigation Claims

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

iv) 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.

v) Contingent Asset

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(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.

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably

ii) Non-Cash Incentives

The Company provides Non-Cash incentives at Fair Value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

iii) 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.

iv) **Dividend Income**

The Company recognises a Liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders, except in case of interim dividend which is authorised when it is approved by the Board of Directors.

v) **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.

vi) **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.

vii) **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.

viii) **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. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 enchased subject to restriction on the maximum accumulation of Leaves.

v) **Termination Benefits**

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

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

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

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

(15) Borrowing Costs

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

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

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

(3) All other borrowing costs are recognized as expense in the period in which they are incurred.

(16) Leases

The Company assesses at contract inception whether a contract or part of contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-Of-Use Assets

The Company recognises Right-Of-Use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use Assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of Right-Of-Use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use Assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the Assets.

If ownership of the Leased Asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the Asset.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises Lease Liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing weighted average cost of capital (WACC) rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

<u>Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.</u>

i) **Short-Term Leases and Leases of Low-Value Assets**

The Company has elected not to recognise Right-of-Use Assets and Lease Liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

b) **Company as a Lessor**

Lease income from Operating Leases where the Company is a Lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective Leased Assets are included in the Balance Sheet based on their nature.

(17) **Taxes on Income**

a) **Current Tax**

i) Tax on Income for the Current Period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

ii) Current Income Tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred Tax**

Deferred Tax is provided using the Balance Sheet Approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss.

Deferred Tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

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

(18) **Exceptional Items**

On certain non-recurring 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) **Cash dividend**

The Company recognises a Liability to pay dividend to Equity Holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Other Equity. Interim Dividends are recognised as a Liability on the date of declaration by the Company's Board of Directors.

(22) **Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

<u>IND AS 103 – Reference to Conceptual Framework</u>

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS103.The Company does not expect the amendment to have any significant impact in its Financial Statements

<u>IND AS 16 – Proceeds before intended use</u>

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of profit or loss. The Company does not expect the amendments to have any impact in its recognition of its Property, Plant and Equipment in its Financial Statements.

<u>IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets</u>

The amendment specifies that the cost fulfilling a contract comprises the cost that relate directly to the contract Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of Property, Plant and Equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material On 18 June 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The Notification has made amendments to various Ind AS. The Company does not expect the amendments to have any significant impact in its Financial Statements.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land ROU	Leasehold Property ROU	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equip-ments	Vehicles and Locomotives	Railway Siding	Total
Gross Block										
As at 1st April'2020	254.91	56.70	13.76	225.99	3,055.22	4.57	8.29	31.08	11.10	3,661.62
Additions/Adjustments	6.56	0.84	9.17	3.92	29.63	2.04	1.52	2.67	-	56.35
Disposals/Adjustments	0.17	-	-	-	5.80	-	-	4.45	-	10.42
As at 31st March'2021	261.30	57.54	22.93	229.91	3,079.05	6.61	9.81	29.30	11.10	3,707.55
Additions/Adjustments	15.39	11.32	16.86	12.21	181.89	0.12	1.09	7.62	4.75	251.25
Disposals/Adjustments	-	-	-	0.05	0.49	-	-	5.68	-	6.22
As at 31st March'2022	276.69	68.86	39.79	242.07	3,260.45	6.73	10.90	31.24	15.85	3,952.58
Accumulated Depreciation										
As at 1st April'2020	-	2.36	2.24	61.24	768.06	3.17	5.00	16.74	3.39	862.20
Charged For the Year	-	0.50	3.53	12.83	169.43	0.62	1.08	4.18	0.72	192.89
On Disposal	-	-		-	3.20	-	-	3.31	-	6.51
As at 31st March'2021	-	2.86	5.77	74.07	934.29	3.79	6.08	17.61	4.11	1,048.58
Charged For the Year	-	0.52	7.22	11.95	162.23	0.69	1.49	4.46	0.73	189.29
On Disposal	-	-	-	0.01	0.19	-	-	4.30	-	4.50
As at 31st March'2022	-	3.38	12.99	86.01	1,096.33	4.48	7.57	17.77	4.84	1,233.37
Net Carrying Amount										
As at 31st March'2021	261.30	54.68	17.16	155.84	2,144.76	2.82	3.73	11.69	6.99	2,658.97
As at 31st March'2022	276.69	65.48	26.80	156.06	2,164.12	2.25	3.33	13.47	11.01	2,719.21

1) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except the following

Description of Prpoerty	Gross Carrying Value in Crore	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of company
Lease Hold Land	4.02	Bihar Industrial Development Authority (BIADA).	No	July'2015	BIADA has given a notice to the Company on 30.06.2020 that the amount paid by Company is forfeited. Against the Company's appeal the Hon'ble High Court has directed BIADA to relook into allotment of alternative land. BIADA has agreed vide letter dtd- 25.03.2022 for allotment of fresh land elsewhere can be looked into.

2) The Company has lease contracts for various building (office premises) and plants used in its operations. Lease of office premises and plants have lease terms between 2 year to 10 years. The Company also has certain lease with lease terms of 12 months and less. The Company applies the 'short term leases' recognition exemption for these leases.

The following are the amounts recognised in Statement of Profit and Loss as per IND AS 116 ₹ In Crore (10 Million)

	Year Ended March 31 2022	Year Ended March 31 2021
Depreciation expense of Right Of Use Assets	7.74	4.03
Interest Expense on Lease Liabilities	3.36	2.28
Expense relating to Leases of Short-term / Low Value Assets (included in Other Expenses)	10.45	12.91
Total Amount recognised in Statement of Profit and Loss	**21.55**	**19.22**

Amounts recognised in Statement of Cash Flows:

₹ In Crore (10 Million)

	Year Ended March 31 2022	Year Ended March 31 2021
Total Cash Outflow for Leases	19.49	17.75
Financing Activities		
Repayment of Principal	5.68	2.56
Repayment of Interest	3.36	2.28
Operating Activities		
Short Term / Low Value Assets Lease Payment	10.45	12.91

Note-2A Capital-Work-in-Progress (CWIP)

₹ In Crore (10 Million)

Movement in capital-work-in-progress	As at March 31 2022	As at March 31 2021
Opening	**227.50**	151.89
Addition during the year	**123.01**	129.76
Capitalised during the year	**201.73**	23.23
Provision for Impairment (refer foot note 1)	**(36.65)**	(30.92)
Closing	**112.13**	**227.50**

1) Exceptional item includes Rs 36.65 crore (Previous year Rs 30.92 crore) represents diminution in the value of capital-work-in-progress due to impairment of carrying cost of an asset under construction at the Company's Durg Cement Plant.

Capital Work in Progress (CWIP) Ageing

₹ In Crore (10 Million)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
As on 31st March'22					
Projects in Progress	58.47	7.16	0.82	0.10	66.55
Projects Temporarily Suspended **(refer note 2)**	-	-	-	45.58	45.58
Total	**58.47**	**7.16**	**0.82**	**45.68**	**112.13**
As on 31st March'21					
Projects in Progress	95.48	39.77	1.33	1.79	138.37
Projects Temporarily Suspended	-	-	-	89.13	89.13
Total	**95.48**	**39.77**	**1.33**	**90.92**	**227.50**

2) The Suspended project is expected to be completed in next 2-3 years.

3) There are no projects as on reporting period which has exceeded cost as compared to its original cost. The Projects Temporarily Suspended are overdue for completion.

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2020	₹ 33,928	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	₹ 2,131	-	-	₹ 2,131
As at 31st March'2021	₹ 31,797	0.04	0.71	0.76
Additions/Adjustments	-	-	0.14	0.14
Disposals/Adjustments	₹ 1,230	-	-	₹ 1,230
As at 31st March'2022	₹ 30,567	0.04	0.85	0.90
Accumulated Depreciation				
As at 1st April'2020		₹ 32,420	0.25	0.26
Charged For the Year	-	₹ 6,484	0.06	0.06
On Disposal				
As at 31st March'2021	-	₹ 38,904	0.31	0.32
Charged For the Year	-	₹ 6,970	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2022	-	₹ 45,874	0.36	0.37
Net Carrying Amount				
As at 31st March'2021	₹ 31,967	0.03	0.40	0.44
As at 31st March'2022	₹ 30,567	0.03	0.48	0.53
Fair Value*				
As at 31st March'2021				2.74
As at 31st March'2022				0.92
Rental Income				
For the FY 2020-21				0.62
For the FY 2021-22				0.65

Note : There is no material expenses incurred for the maintenance of investment properties derived out of the same.
*Based upon realisation value as calculated by independent valuer.
Figure in table with ₹ symbol represents absolute figure.

Note-4 Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April'2020	7.21
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2021	7.21
Additions/Adjustments	3.05
Disposals/Adjustments	-
As at 31st March'2022	10.26
Accumulated Amortisation	
As at 1st April'2020	3.42
Charged For the Year	1.25

Particulars	Software
On Disposal	-
As at 31st March'2021	4.67
Charged For the Year	1.18
On Disposal	-
As at 31st March'2022	5.85
Net Carrying Amount	
As at 31st March'2021	2.54
As at 31st March'2022	4.41

Note-5 Non Current Investment

₹ In Crore (10 Million)

Particulars	As at 31st March 2022 Numbers	As at 31st March 2022 Amount	As at 31st March 2021 Numbers	As at 31st March 2021 Amount
Investment in Equity Shares				
Subsidiaries- At Cost				
Udaipur Cement Works Limited (₹ 4 each)	225,892,781	128.88	225,892,781	128.88
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	-
Sungaze Power Pvt Ltd. (₹ 14.66 each)	1,432,308	2.10	1,432,308	2.10
Investment in Preference Shares- Fair Value Through Profit and Loss				
Subsidiary				
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	53.60	6,600	50.30
Udaipur Cement Works Limited (6% cumulative redeemable preference shares) (₹ 100 each)	500,000	6.39	500,000	6.09
Associate				
Dwarkesh Energy Ltd. (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	1,100,000	12.95	1,100,000	12.95
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		34.69		31.69
		389.91		383.31
Aggregate carrying amount of quoted investment		128.88		128.88
Aggregate market value of quoted investment		664.12		458.56
Aggregate amount of unquoted investment		261.03		254.43

* Equity component of 5% cumulative redeemable preference shares

Under lien with issuer

Note :- All Investments other than Investment in equity shares of Udaipur Cement Works Limited are unquoted.

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-6 Loans		
Unsecured, Considered Good:		
Loan to Related Parties (refer note 55)	4.71	16.84
Loan to others	15.00	-
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	19.71	16.84

Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

	As at 31st March 2022	As at 31st March 2021
Note-7 Other Non Current Financial Assets		
Unsecured, Considered Good:		
Security Deposits	30.23	38.48
Bank Deposits with remaining maturity for more than 12 months*	2.82	2.13
	33.05	40.61

* Includes ₹ 2.82 crore (previous year ₹ 2.13 crore) under lien

	As at 31st March 2022	As at 31st March 2021
Note-8 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances*	24.50	25.80
Deferred Expenditure	1.99	2.26
	26.49	28.06

*** Refer foot note of note 6**

	As at 31st March 2022	As at 31st March 2021
Note-9 Inventories (at lower of cost or net realisable value)		
Raw Materials	23.91	18.27
Work -in -progress	86.68	45.42
Finished Goods (Including in transit ₹ 4.46 crore (previous year nil)	34.24	28.66
Stock-in -Trade	1.04	1.08
Stores and Spares (Including in transit ₹ 65.63 crore (previous year ₹ 32.28 crore)	326.65	206.90
Packing Materials	18.67	15.17
	491.19	315.50

For hypothecation refer note 24

	As at 31st March 2022	As at 31st March 2021
Note-10 Current Investment		
Investment at fair value through Profit & Loss		
Investment in Quoted Non Convetible Debentures	107.83	110.30
Investment in Quoted mutual funds	416.04	257.03
Investment in Quoted Bonds	24.16	-
	548.03	367.33
Aggregate book value of Quoted investments	548.03	367.33
Aggregate market value of Quoted investments	548.03	367.33
Aggregate book value of unquoted investments	-	-

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-11 Trade Receivables@		
Considered good - Secured	9.12	5.26
Considered good - Unsecured	25.36	48.42
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	7.66	5.52
Less :- Impairment Allowances	(7.66)	(5.52)
	34.48	53.68

@ Contract Assets as Per IND AS 115

For Hypothecation Refer Note 23

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

Trade Recivables ageing

Outstanding For Following Periods From Due Date of Payment as on 31st March'22							
Particulars	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	20.44	4.86	0.41	0.02	-	-	25.73
Credit Impaired	-	-	0.05	0.32	1.13	1.67	3.17
	20.44	4.86	0.45	0.34	1.13	1.67	28.90
Less Credit Impaired	-	-	(0.05)	(0.32)	(1.13)	(1.67)	(3.17)
Total	**20.44**	**4.86**	**0.41**	**0.02**	**-**	**-**	**25.73**
B. Disputed							
Considered good	0.34	0.87	1.32	2.55	2.51	1.16	8.75
Credit Impaired	-	-	-	1.06	1.07	2.36	4.49
	0.34	0.87	1.32	3.61	3.58	3.52	13.24
Less Credit Impaired	-	-	-	(1.06)	(1.07)	(2.36)	(4.49)
Total	0.34	0.87	1.32	2.55	2.51	1.16	8.75
Total (A+B)	**20.78**	**5.73**	**1.73**	**2.57**	**2.51**	**1.16**	**34.48**

Outstanding For Following Periods From Due Date of Payment as on 31st March'21							
Particulars	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	38.76	5.13	0.65	0.53	0.09	0.25	45.41
Credit Impaired	-		0.12	1.00	0.46	1.17	2.75
	38.76	**5.13**	**0.77**	**1.53**	**0.55**	**1.42**	**48.16**
Less Credit Impaired	-	-	(0.12)	(1.00)	(0.46)	(1.17)	(2.75)
Total	**38.76**	**5.13**	**0.65**	**0.53**	**0.09**	**0.25**	**45.41**
B. Disputed							
Considered good	1.16	0.59	1.85	3.00	1.44	0.23	8.27
Credit Impaired	-	-	0.28	0.31	-	2.18	2.77
	1.16	0.59	2.13	3.31	1.44	2.41	11.04
Less Credit Impaired	-	-	(0.28)	(0.31)	-	(2.18)	(2.77)
Total	**1.16**	**0.59**	**1.85**	**3.00**	**1.44**	**0.23**	**8.27**
Total (A+B)	**39.92**	**5.72**	**2.50**	**3.53**	**1.53**	**0.48**	**53.68**

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-12 Cash and Cash Equivalents		
On Current Account	39.35	23.32
Cheques, Draft on hand/transit	0.24	1.13
Cash on hand	0.32	0.30
Deposits with remaining maturity for less than 3 months*	27.22	20.91
	67.13	45.66
* Includes ₹ 0.72 crore (previous year nil) under lien		
Note-13 Bank Balances Other than Cash and Cash Equivalents		
Deposits with remaining maturity for more than 3 months but less than 12 months*	270.31	311.89
On Unpaid Dividend Accounts	1.39	1.54
	271.70	313.43
* Includes ₹ 3.07 crore (previous year ₹ 4.60 crore) under lien		
Note-14 Loans		
Unsecured, Considered Good:		
Loans to Related Party (refer note 55)	23.33	43.33
	23.33	43.33
Note-15 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good - Unsecured	10.75	8.44
Credit Impaired	4.22	4.22
Less: Impairment Allowance	(4.22)	(4.22)
	10.75	8.44
Interest Receivable from Banks and others	10.84	15.47
Advances to Employees (Loans)	0.62	0.54
Marked to Market Gain	0.01	0.56
	22.22	25.01
Note-16 Other Current Assets (unsecured considered good unless otherwise stated)		
Prepaid expenses	6.51	13.07
Balance with Govt. Authorities	11.55	61.62
Other Advances*	56.68	63.77
Deferred Expenditure	0.74	0.74
	75.48	139.20

*Includes advances to related party amounting of ₹ 8.98 crore (previous year ₹ 15.36 crore) Unsecured, Considered Good, otherwise stated.

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-17 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 :

Particular	31st March 2022	31st March 2021
Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Bought back 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:

Shareholder name	31st March 2022 Number	31st March 2021 Number
Bengal & Assam Company Ltd.	52,099,121	52,099,121
Franklin Templeton Mutual Fund	-	10,870,030
Axis Mutual Fund Trustee Ltd.	6,090,240	-

c. Disclosure of Shareholding of Promoters

Name of Promoters	As at 31st March'2022		As at 31st March'2021	
	No of Shares	% of Total Number of Shares	No of Shares	% of Total Number of Shares
Bengal & Assam Company Limited	52,099,121	44.28	52,099,121	44.28
% Change in holding during the year	Nil		0.25%	

d. **Terms/ Rights attached to equity shareholders :**

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

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 and are subject to prefrential rights of prefrence shares (if issued)

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.

e. **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.

f. During the last five years, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

₹ In Crore (10 Million)

Particulars	As at 31st March 2022 Non Current	As at 31st March 2022 Current*	As at 31st March 2021 Non Current	As at 31st March 2021 Current*
Note-18 Non Current Borrowings				
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	-	-	-	149.79
Term Loans				
From Banks	487.51	165.98	653.07	179.84
From Government	53.73	-	41.26	-
Term Loan In Foreign Currency	187.36	-	36.26	-
	728.60	165.98	730.59	329.63
UNSECURED LOANS				
Public Deposits	45.62	17.38	45.83	4.69
	45.62	17.38	45.83	4.69
Less:- current maturities of long term debt Shown under Note No- 24	-	183.36	-	334.32
	774.22	-	776.42	-

* Due & repayable within one year

1. Term Loan from Bank aggregating to ₹ 25.00 Crore is secured by way of a First Charge on all the Immovable and Movable Fixed Assets 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. This Term Loan is repayable in 8 equal Quarterly Instalments.
2. Term Loan from a Bank of ₹ 15.31 Crore is secured by way of an Exclusive First Charge on Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit in the State of Haryana. This Term Loan is repayable in 7 equal Quarterly Instalments.
3. Term Loan from a Bank of ₹ 5.00 Crore is secured by way of an Exclusive First Charge on Movable Fixed Assets of the Company's AAC Block Unit in the State of Haryana,. This Term Loan is repayable in 4 equal Quarterly Instalments.
4. Foreign Currency Term Loan (ECB) from a Bank of ₹ 187.36 Crore are secured by way of a Pari Passu First Charge on all the Immovable and Movable Fixed Assets pertaining to the Company's Cement Unit in the State of Rajasthan subject to the prior charges in favour of Banks on Specified Assets and Company's Banks for Working Capital on Specified Movables Assets. This ECB is repayable in 7 unequal Annual Instalments commencing from 28th September 2023
5. Term Loan from a Bank of ₹ 10.00 Crore is secured by way of an exclusive First Charge on Immovable & Movable Fixed Assets of the Company's 6 MW Solar Power Plant in the State of Rajasthan. This Term Loan is repayable in 8 equal Quarterly Instalments
6. Term Loan from a Bank of ₹ 85.65 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 15 equal quarterly instalments
7. Term Loans from Banks aggregating to ₹ 350.00 Crore are secured by way of a Pari Passu First 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 14 equal Quarterly Instalments.
8. Term Loan from a Bank of ₹ 88.23 Crore is secured by way of an Exclusive First Charge on Movable Fixed Assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 42 unequal Quarterly Instalments.
9. Term Loan from a Bank of ₹ 75.54 Crore is secured by way of an Exclusive First Charge on all the Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 47 equal Quarterly Instalments.
10. Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 68.53 Crore granted to Company in relation to its 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 respective disbursement dates. The said IFL is recognised on amortised cost basis.
11. Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.
12. The above outstanding Term Loans are net of the Processing charges as per IND AS 109

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-19 Finance Lease Liabilities		
Lease Liabilities	21.05	13.92
	21.05	13.92
Note-20 Other Non Current Financial Liabilities		
Trade and other Deposits	160.34	152.07
Other Liabilities	49.55	46.12
Financial Obligation of Corporate Guarantee	34.69	31.69
	244.58	229.88
Note-21 Non Current Provisions		
Provision for Employees' Benefits	11.05	13.54
	11.05	13.54
Note-22 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	357.02	427.33
Others	12.60	0.60
Less: Deferred Tax Assets		
Expenses / Provisions allowable	64.05	79.16
Others	10.52	7.85
MAT Credit Entitlement	200.72	276.80
Deferred Tax Liabilities (Net)	94.33	64.12
Note-23 Other Non-Current Liabilities		
Deferred Revenue*	7.42	10.04
Liability for Employees Subsidised Car Scheme	5.87	5.98
Government and other dues	80.98	168.48
	94.27	184.50
* Including on account Government Grant of ₹ 7.42 crore (Previous year ₹ 10.04 crore)		
Note-24 Short Term Borrowings		
Current maturities of long-term debts (Refer Note-18)	183.36	334.32
Secured Loans		
Working Capital Borrowing from Banks*	-	-
Unsecured Loans		
Public Deposits	5.31	13.98
	188.67	348.30

*Working Capital Borrowings from Banks are secured / to be secured by hypothecation of Stocks and Book Debts etc. of the Company, both present & future and by a second charge on the movable & immovable Fixed 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 2022	As at 31st March 2021
Note-25 Finance Lease Liabilities		
Lease Liabilities	8.96	4.92
	8.96	4.92
Note-26 Trade Payables		
Micro and Small Enterprises (refer note 66)	8.78	12.62
Others	289.55	366.60
	298.33	379.22

Trade Payable Ageing

Outstanding For Following Periods From Due Date of Payment as on 31st March'22							
Particulars	Unbilled Due	Not Due	Less Than 1 Year	1- 2 Year	2-3 Year	More Than 3 Years	Total
(i) MSME	-	6.23	2.51	0.03	-	0.01	8.78
(ii) Others	76.79	171.60	39.10	1.07	0.50	0.49	289.55
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**76.79**	**177.83**	**41.61**	**1.10**	**0.50**	**0.50**	**298.33**

Outstanding For Following Periods From Due Date of Payment as on 31st March'21							
Particulars	Unbilled Due	Not Due	Less Than 1 Year	1- 2 Year	2-3 Year	More Than 3 Years	Total
(i) MSME	0.55	6.84	5.12	0.05	0.05	0.01	12.62
(ii) Others	171.64	143.08	47.77	2.32	0.66	1.13	366.60
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**172.19**	**149.92**	**52.89**	**2.37**	**0.71**	**1.14**	**379.22**

	As at 31st March 2022	As at 31st March 2021
Note-27 Other Current Financial Liabilities (At amortised cost)		
Interest Accrued but not due on borrowings	5.41	6.22
Unclaimed dividends #	1.39	1.54
Unclaimed matured Public Deposits and interest #	1.10	0.92
Capital Creditors	9.66	10.41
Other liabilities (including Rebates to Customers) @	334.64	271.41
	352.20	290.50

Investor Education and Protection Fund will be credited as and when due.
@ ₹ 3.76 crore related to related party (Previous year nil)

	As at 31st March 2022	As at 31st March 2021
Note-28 Other Current Liabilities		
Advance from Customers @	88.84	88.37
Government and other dues	188.81	177.39
Deferred Revenue*	5.68	4.91
	283.33	270.67

* Including on account Government Grant of ₹ 5.68 crore (Previous Year ₹ 4.91 crore)
@ Contract Liabilities as Per IND AS 115

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-29 Current Provisions		
Provision for Employees' Benefit	15.25	5.08
	15.25	5.08
Note-30 Current Tax Liabilities/(Assets) (Net)		
Provision for Taxation (Net of Taxes Paid)	0.41	1.43
	0.41	1.43

₹ In Crore (10 Million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-31 Revenue From Operations@		
Revenue from contracts with customers		
Sale of products		
Cement	4,332.38	3,881.15
Clinker and Value Added Products (VAP)	705.73	499.88
Other Operating Revenues	2.67	3.68
	5,040.78	4,384.71

@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-32 Other Income		
Interest Income	22.85	21.93
Interest income from other financial asset at amortised cost	7.11	6.17
Profit on sale* of		
Current Investments	20.78	33.70
Profit/(loss) on Sale of Property Plant & Equipments (Net)	5.28	1.48
Other Non - Operating Income	11.23	11.19
	67.25	74.47

* Inclusive of fair value gain of ₹ 3.16 crore (Previous year gain of ₹ 14.57 crore)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-33 Cost of Material Consumed		
Raw Material Consumed (refer note 54)	806.97	671.84
	806.97	671.84
Note-34 Purchse of Stock - in - Trade		
Purchase of Traded goods	478.12	355.61
	478.12	355.61

₹ In Crore (10 Million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-35 Change In Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening stocks		
Work in progress	45.42	87.78
Finished Goods	28.66	41.22
Stock-in-Trade	1.08	2.60
	75.16	131.60
Closing Stocks		
Work in progress	86.68	45.42
Finished Goods	34.24	28.66
Stock-in-Trade	1.04	1.08
	121.96	75.16
	(46.80)	56.44
Note-36 Employee Benefit Expense		
Salaries and Wages	279.76	280.87
Contribution to Provident and Other Funds	18.55	18.58
Staff Welfare Expenses	28.13	27.53
	326.44	326.98
Note-37 Power and Fuel		
Power and Fuel	1,065.64	779.77
	1,065.64	779.77
Note-38 Transport, Clearing & Forwarding charges		
Transport, Clearing & Forwarding charges	1,042.82	883.16
	1,042.82	883.16
Note-39 Finance Cost		
Interest expenses*#	85.02	133.69
Interest expenses at amortised cost	8.42	7.34
Other borrowing cost	2.87	1.49
	96.31	142.52

* Refer note 63
#net of finance cost capitalised refer note 53.

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-40 Depreciation and Amortization Expense		
Depreciation on Property, Plant and Equipment	189.34	192.94
Amortisation on Intangible Assets	1.18	1.25
	190.52	194.19

₹ In Crore (10 Million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-41 Other Expenses		
Consumption of Stores and Spares*	116.54	109.86
Consumption of Packing Materials	185.74	145.30
Rent (Net of realisation ₹ 0.65 crore, previous year ₹ 0.80 crore)	10.45	12.91
Repairs to Buildings	6.24	5.64
Repairs to Machinery	46.05	40.18
Insurance	7.92	7.31
Rates and Taxes	5.07	5.14
Commission on Sales	73.46	62.32
Directors' Fee & Commission	2.00	1.12
Provision for Doubtful Debts	2.14	1.61
Advertisement and Sales Promotion	54.35	51.43
Travelling, Consultancy & Misc. expenses etc.#	56.36	78.34
	566.32	521.16

* Refer note 63   # Refer note 50 & 64

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-42 Earning Per Equity Share		
Profit after tax	426.22	363.82
Weighted average number of equity shares outstanding	117670066	117670066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	36.22	30.92
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	36.22	30.92

Note-43 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 of Directors. 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.

43.1 **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 :

₹ in Crore (10 Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Appreciation in USD	+ Rs.0.25	+ Rs.0.25
Effect on profit/(loss) before tax	(0.63)	(0.17)
Depreciation in USD	- Rs.0.25	- Rs.0.25
Effect on profit/(loss) before tax	0.63	0.17

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, 2022	As at 31st March, 2021
1	Loans in Rupees		
	- Fixed Rate	68.31	214.29
	- Floating Rate	653.49	832.91
	- Interest Free	53.73	41.26
	Total	775.53	1088.46
2	Loans in US $		
	- Fixed Rate	-	-
	- Floating Rate	187.36	36.26
	Total	187.36	36.26
3	Grand Total (1+2)	962.89	1124.72

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:

₹ in Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Increase in interest in basis points	+ 25	+ 25
Effect on profit/(loss) before tax	(2.10)	(2.17)
Decrease in interest in basis points	- 25	- 25
Effect on profit/(loss) before tax	2.10	2.17

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.

43.2 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. **For aging of trade receivables refer note 11**

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.

43.3 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	Undiscounted Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	As on 31st March, 2022					
	- Borrowings	980.57	188.68	621.74	170.15	980.57
	- Trade Payables	298.33	298.33	-	-	298.33
	- Other Liabilities	562.09	353.74	7.70	200.65	562.09
	- Lease Liabilities	39.84	8.96	26.90	3.98	39.84
	Total	**1880.83**	**849.71**	**656.34**	**374.78**	**1880.83**
	As on 31st March, 2021					
	- Borrowings	1143.37	348.51	660.04	134.82	1143.37
	- Trade Payables	379.22	379.22	-	-	379.22
	- Other Liabilities	488.69	292.54	8.16	187.99	488.69
	- Lease Liabilities	26.67	4.99	18.88	2.80	26.67
	Total	**2037.95**	**1025.26**	**687.08**	**325.61**	**2037.95**

Note-44 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 2022	As at 31st March 2021
Borrowings	962.89	1124.72
Less: Cash and cash equivalents (Including current investments & other bank balances)	886.86	726.42
Net Debt	**76.03**	**398.30**
Equity share capital	58.85	58.85
Other equity	2393.50	2020.07
Total Capital	**2452.35**	**2078.92**
Capital and Net Debt	**2528.38**	**2477.22**
Gearing Ratio	3.01%	16.08%

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. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note-45 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 2022		As at 31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss				
(a) Investments				
- Equity Shares	2.10	2.10	2.10	2.10
- Mutual Funds	416.04	416.04	257.03	257.03
- NCD's & others	131.99	131.99	110.30	110.30
- Preference Shares*	107.84	107.84	104.24	104.24
(b) Financial Guarantee	34.69	34.69	31.69	31.69
Total (i)	**692.66**	**692.66**	**505.36**	**505.36**
(ii) At Amortized Cost				
a) Bank FDs	300.35	300.35	334.94	334.94
b) Cash & Bank Balances	41.30	41.30	26.29	26.29
c) Trade Receivables	34.48	34.48	53.68	53.68
d) Loans	43.04	43.04	60.17	60.17
e) Others	48.71	48.71	65.62	65.62
Total (ii)	**467.88**	**467.88**	**540.70**	**540.70**
Total (A)	**1160.54**	**1160.54**	**1046.06**	**1046.06**
B. Financial Liabilities				
(i) At FVTPL				
- Financial Guarantee	34.69	34.69	31.69	31.69
(ii) At Amortized Cost				
- Borrowings	962.89	962.89	1124.72	1124.72
- Trade Payables	298.33	298.33	379.22	379.22
- Other Financial Liabilities	562.09	562.09	476.50	476.50
Total (i + ii)	**1823.31**	**1810.63**	**1980.44**	**1980.44**
Total (B)	**1858.00**	**1845.32**	**2012.13**	**2012.13**

* 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 3 as described below:

(A) Financial Assets

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2022			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	107.84
- Mutual Funds	416.04	-	-
- NCD and Others	-	131.99	-
- Financial Guarantee	-	-	34.69
Total Financial Assets	**416.04**	**131.99**	**144.63**
As at 31st March'2021			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	104.24
- Mutual Funds	257.03	-	-
- NCD and Others	-	110.30	-
- Financial Guarantee	-	-	31.69
Total Financial Assets	**257.03**	**110.30**	**138.03**

(B) Financial Liabilities

Particulars	Level 1	Level 2	Level 3
As at 31st March'2022			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	34.69
Total Financial Liabilities	**-**	**-**	**34.69**
As at 31st March'2021			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	31.69
Total Financial Liabilities	**-**	**-**	**31.69**

There have been no transfers between Level 1 ,Level 2 and Level 3 during the year ended March 31, 2022

Note-46 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).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

Note-47 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening	14.95	16.66
Deferred during the year	3.82	2.83
Released to profit and loss	(5.67)	(4.54)
Closing	13.10	14.95
Current	5.68	4.91
Non-Current	7.42	10.04

Note-48 Income Tax Expense:

i. Amount recognized in Statement of Profit and Loss :-

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
A. Current tax		
Current Tax	143.76	90.41
Adjustments in respect of current income tax of previous year	29.53	-
Total A	173.29	90.41
B. Deferred tax		
Relating to origination and reversal of temporary difference	(41.21)	76.28
MAT Credit Entitlements	-	(33.92)
Total Deferred Tax Assets (net)	**(41.21)**	**42.36**
Total Tax Expense (A + B)	**132.08**	**132.77**

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

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Deferred Tax (Gain)/Loss on Defined Benefit	(4.66)	1.30

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Accounting profit/(loss) before Income Tax	558.30	496.59
At Applicable Statutory Income Tax Rate	34.944%	34.944%
Computed Income Tax Expense/(Income)	195.09	173.53
Increase/(reduction) in Taxes on account of :-		
Income not taxable	-	(0.96)
Income not taxable during tax holiday period	(18.24)	(55.74)
Provision for impairment not considered deductible	-	10.80
Tax on which deduction is not admissible	14.30	5.14
Previous Year Tax Adjustments	29.53	-
Reversal of deferred tax liability on account of change in tax rate@	(88.60)	-
Income Tax Expense/(Income) Reported to Profit & Loss	**132.08**	**132.77**

@The Government of India has inserted a New Section 115 BAA in the Income Tax Act, 1961 which provides an option to the Company for paying Income Tax at reduced rates, subject to certain conditions. The Company is continuing to provide for Income Tax at Higher Old Rates, based on available MAT Credit Entitlement & various available exemptions / deductions. However, the Company has applied the Lower Income Tax Rates on Deferred Tax Assets / Liabilities to the extent there are expected to be realized or settled in future when the Company may be subjected to Lower Tax Rate and accordingly in the Year ended 31st March 2022, the Company has reversed the Deferred Tax Liability of ₹ 88.60 Crores.

iv. Reconciliation of Deferred Tax (liabilities)/Assets (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	(64.12)	(20.46)
Deferred tax recognized in statement of profit and loss	41.21	(42.36)
Other comprehensive income	4.66	(1.30)
Previous year adjustment	(29.53)	-
Mat Credit Utilisation	(46.55)	
Closing balance	**(94.33)**	**(64.12)**

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Deferred Tax Assets related to:		
Brought forward losses set off	-	(83.79)
(Disallowances)/Allowances under Income Tax	(15.10)	5.05
Others	2.67	1.44
MAT Credit Entitlement	-	32.62
Total Deferred Tax Assets	**(12.43)**	**(44.68)**
Deferred Tax Liabilities related to:		
Property, Plant and Equipment	70.30	0.73
Others	(12.00)	0.29
Total Deferred Tax Liabilities	**58.30**	**1.02**
Net total movement in Statement of Profit & Loss	45.87	(43.66)
Movement in Profit & Loss	41.21	(42.36)
Movement in OCI	4.66	(1.30)

Note-49 Dividends

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

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Final Dividend For the year ended 31st March'2021 – 75% i.e. ₹ 3.75 per equity share (31st March'2020 – nil)	44.13	-
Total	44.13	-

The following dividends were proposed by the Board of Directors in their meeting held on 18th May 2022, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
For the year ended 31st March'2022 – 100% i.e. ₹ 5.00 per equity share (31st March'2021 – 75% i.e. ₹ 3.75 per equity share)	58.84	44.13

Note-50 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2021-22	2020-21
A	**Statutory Auditor**		
	Statutory Audit Fee	0.20	0.18
	Tax Audit Fees	0.04	0.03
	Limited review Fee, GST Audit Fee & other Services	0.15	0.18
	Reimbursement of expenses	0.02	0.01
B	Total (A)	0.41	0.40
C	**Cost Auditor**		
	Audit fee	0.02	0.02

Note-51 Ratio Analysis and its elements

Ratios

S. No.	Particulars	March 31, 2022	March 31, 2021	% Change	Note
1	Current Ratio	1.34	1.00	33%	1
2	Debt Equity Ratio	0.39	0.54	-27%	2
3	Debt Service Coverage Ratio	2.01	1.83	10%	
4	Return on Equity Ratio	18.43%	19.32%	-5%	
5	Inventory Turnover Ratio	12.50	12.04	4%	
6	Trade Receivable Turnover Ratio	146.37	79.10	85%	3
7	Trade Payable Turnover Ratio	11.14	7.33	56%	4
8	Net Capital Turnover Ratio	25.89	(43.00)	-	5
9	Net Profit Ratio	8.28%	8.35%	-1%	
10	Return on Capital Employed (Before Tax)	20.01%	20.72%	-3%	
11	Return on Investment	3.75%	5.86%	-36%	6

Reason for Variance

1. Increase in Current Assets
2. Repayment of Loans
3. Improved Collections
4. Increase in Revenue from Operation
5. Increase in Current Assets
6. There is a reduction in return on investment due to change in overall market scenario and declining returns in debt instruments and mutual funds (debt based).

Elements of Ratio

Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Debt (Borrowing)	Total Equity
Debt Service Coverage Ratio	Earning before Interest, Depreciation and Taxes (Profit before Tax + Interest + Depreciation) Finance Cost	Interest + Principal Repayment
Return on Equity Ratio	Profit for the period / year	Average Total Equity
Inventory Turnover Ratio	Net Revenue from Operations	Average Inventory
Trade Receivable Turnover Ratio	Net Revenue from Operations	Average Trade Receivable
Trade Payable Turnover Ratio	Purchases of Goods & Services	Average Trade Payable
Net Capital Turnover Ratio	Net Revenue from Operations	Average Working Capital
Net Profit Ratio	Profit for the period / year	Revenue from Operations
Return on Capital Employed (Before Tax)	Earnings before Interest, taxes & Exceptional Items (Profit Before Exceptional Items & Taxes + Finance Cost)	Average Capital Employed, Capital Employed = Equity + Debt (Borrowings) + Deferred Tax Liability
Return on Investment	Interest Income on fixed deposits, bonds and debentures + Dividend Income + Profit on sale of Investments + Profit on fair valuation of Investments carried at FVTPL	Average of (Current Investments + Non Current Investments + Other bank balances)

Note-52 Retirement Benefit Obligations

A Expenses Recognised for Defined Contribution Plan

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Company's contribution to provident fund	14.09	13.40
Company's contribution to ESI	0.42	0.36
Company's contribution to superannuation fund	1.04	1.17
Total	**15.55**	**14.93**

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, 2022 and March 31, 2021, being the respective measurement dates:

i **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'20	**64.95**	13.10
Current service cost	**3.76**	1.79
Interest cost	**4.22**	0.85
Benefits paid	**(9.80)**	(4.53)
Remeasurement - actuarial loss / (gain)	**(2.44)**	3.54
Present value of obligation as on 31st March'21	**60.69**	**14.75**
Current service cost	3.75	1.25
Interest cost	3.95	0.96
Benefits paid	(18.48)	(6.04)
Remeasurement - actuarial loss / (gain)	12.48	1.05
Present value of obligation as on 31st March'22	**62.40**	**11.97**

ii Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Fair value of plan assets at beginning of year	72.28	66.67
Acquisitions / Transfer in /Transfer out	-	-
Expected return on plan assets	4.70	4.33
Employer contributions	(6.02)	9.80
Benefit paid	(18.48)	(9.80)
Actuarial gain / (loss)	(0.84)	1.28
Fair value of plan assets at end of year	51.64	72.28
Present value of obligation	62.40	60.69
Net funded status of plan	10.76	11.59
Actual return on plan assets	3.86	5.61

iii Expenses recognised in Statement of profit and loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service cost	3.76	1.79
Interest cost	4.22	0.85
Expected return plan assets	(4.33)	-
Remeasurement - actuarial loss / (gain)		3.54
For the year ended 31st March'21	3.65	6.18
Actual return on plan assets	5.61	-
Current service cost	3.75	1.25
Interest cost	3.95	0.96
Expected return plan assets	(4.70)	-
Remeasurement - actuarial loss / (gain)		1.05
For the year ended 31st March'22	3.00	3.26
Actual return on plan assets	3.86	-

iv Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - actuarial loss/(gain)	(3.72)
For the year ended 31st March'21	
Remeasurement - actuarial loss/(gain)	13.32
For the year ended 31st March'22	

v The Principal Actuarial Assumptions used for estimating the Company's Defined obligations are set out below:-

Weighted average actuarial assumptions	As at 31st March 2022	As at 31st March 2021
Attrition rate		
Discount rate	6.50%	6.50%
Expected rate of increase in salary	5.50%	5.50%
Expected rate of return on plan assets	6.50%	6.50%
Mortality rate	100% of IALM (2012--14)	100% of IALM (2012--14)
Expected average remaining working lives of employees (years)	15.91	14.29

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.

vi Sensitivity analysis

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Gratuity		
For the year ended 31st March'21		
Discount rate	0.50%	(1.40)
	-0.50%	1.51
Salary growth rate	0.50%	1.52
	-0.50%	(1.43)
For the year ended 31st March'22		
Discount rate	0.50%	(1.59)
	-0.50%	1.72
Salary growth rate	0.50%	1.73
	-0.50%	(1.61)
Leave Encashment :-		
For the year ended 31st March'21		
Discount rate	0.50%	(0.54)
	-0.50%	0.59
Salary growth rate	0.50%	0.59
	-0.50%	(0.55)
For the year ended 31st March'22		
Discount rate	0.50%	(0.43)
	-0.50%	0.47
Salary growth rate	0.50%	0.47
	-0.50%	(0.43)

Sensitivities due to mortality & withdrawals are not material & hence imapct of change not calculated.

vii History of experience adjustments is as follows

₹ in Crore (10 Million)

Particulars	Gratuity
For the year ended 31st March'2021	
Plan liabilities - loss/(gain)	(2.44)
Plan assets - gain/(loss)	1.28
For the year ended 31st March'2022	
Plan liabilities - loss/(gain)	12.48
Plan assets - gain/(loss)	(0.84)

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2022 - March'2023	28.34	4.38
April'2023 - March'2024	1.91	0.41
April'2024 - March'2025	3.79	0.65
April'2025 - March'2026	2.39	0.34
April'2026 - March'2027	2.44	0.36
April'2027 - March'2028	2.44	0.48
April'2028 onwards	21.09	5.35
Total	**62.40**	**11.97**

viii Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Gratuity	16.32	(0.07)
Leave encashment	3.26	6.18
Superannuation	1.04	1.17

ix 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'2021		
Current	(11.59)	4.96
Non current	-	**9.79**
For the year ended 31st March'2022		
Current	(10.76)	4.38
Non current	-	7.59

x Employee benefit expense

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Salary and wages	279.76	280.87
Costs-defined benefit plan	3.11	3.65
Costs-defined contribution plan	15.44	14.93
Welfare expense	28.13	27.53
Total	**326.44**	**326.98**

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-53 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)

	2021-22	2020-21
Power & fuel	-	0.04
Travelling, consultancy & miscellaneous expenses	-	0.10
Finance costs	1.71	0.18
	1.71	0.32
	1.71	0.32
Add : Expenditure upto previous year	0.32	14.39
Less: Charged to exceptional Item	-	14.39
Less: Transferred to Property, Plant & Equipment	2.03	-
	-	0.32

Note-54 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

	2021-22	2020-21
Salaries & wages	4.87	5.07
Contribution to provident and other funds	0.35	0.35
Employees' welfare expenses	0.61	0.65
Consumption of stores and spares	35.05	27.45
Power & fuel	8.26	7.27
Repairs to machinery	3.90	2.32
Material handling	114.29	95.24
Insurance	0.15	0.12
Rates and taxes	25.64	23.87
Royalty	79.59	74.11
Miscellaneous expenses	0.51	0.37
Total	**273.22**	**236.82**

Note-55 Related Party Disclosure

<u>List of Related Parties :</u>

a) <u>Direct and Indirect Subsidiary</u>

Hansdeep Industries & Trading Co. Limited (HITCL)

Udaipur Cement Works Limited (UCWL)

Ram Kanta Properties Private Limited (RKPPL)

b) <u>Associates</u>

Dwarkesh Energy Limited (DEL)

c) **Key Management Personnels (KMPs)**

Shri Bharat Hari Singhania	Chairman
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 Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	Sr. VP & Company Secretary

(d) **Other related parties with whom Company has transactions**

e) **Enterprise which holds more than 20% of Equity share**

Bengal & Assam Company Limited (BACL)

f) **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	RKPPL	DEL	BACL	Trusts	UCWL	HITCL	RKPPL	DEL	BACL	Trusts
	2021-22						2020-21					
- Sharing of expenses received	1.39	0.02	-	0.04	0.07	-	2.28	-	-	0.12	0.06	-
- Payment of expenses	-	1.75	-	-	2.12	-	-	0.97	-	-	2.10	-
- Sale of clinker/cement/others	204.66	3.82	-	-	-	-	205.67	8.78	-	-	-	-
- Purchase of cement/others	431.90	-	-	-	-	-	298.87	-	-	-	-	-
- Other income	1.53	-	-	-	2.49	-	2.19	-	-	-	3.90	-
- Advances received back	-	-	-	-	3.33	-	-	-	-	-	3.33	-
- ICD received back	-	-	-	-	30.00	-	-	-	-	-	-	-
- Contribution	-	-		-	-	7.57	-	-		-	-	12.70
- Corporate guarantee given on behalf of	350.00	-					270.00	-				
Outstanding as at year end:												
- **Advance/Balance Receivable (Payable)**	(3.77)	8.98	-	-	-	-	2.28	4.85	-	-	-	-
- **Loan Receivable**	10.00				18.04	-	10.00				50.17	-
EPF - (Contribution Payable)	-	-	-	-		(1.58)	-	-	-	-		(0.80)
SF - Advance Receivable/ (Contribution Payable)						0.67						0.61
GF - Advance Receivable/ (Contribution Payable)						(10.76)						11.59
- Corporate Guarantee Outstanding	906.27	-	-				572.15	10.00	-			

ii) **Remuneration Paid to KMPs**

Particulars	2021-22	2020-21
Short term employee benefits	50.51	49.20
Post employment benefits*	12.32	-
Other payments	2.00	1.12
Receivable/(Payable) :	(27.68)	(25.99)

*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, except actual payment.

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

Note-56 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 17.61 crore (previous year ₹ 8.17 crore);

Note-57 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 2022	31st March 2021
a) Service tax	6.64	9.83
b) Sale tax and interest thereon	93.52	151.46
c) Income tax	5.78	6.62
c) Excise duty	1.83	1.83
e) Other matters	9.30	17.61
Total	117.07	187.35

Note-58 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-59 Contingent liability for non-use of jute bags for cement packing upto June 30, 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 July 01, 1997.

Note-60 Competition Commission of India (CCI) vide its order dated January 19, 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 the Company had provided full amount during the earlier years.

Note-61 Maximum balance due for commercial paper issued during the year was nil and the year end balance is Nil (previous year maximum balance ₹ 110.00 crore) and at the year end outstanding commercial paper is Nil (previous year Nil).

Note-62 Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated April 28, 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. April 01, 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 have already been paid in earlier years. The Rajasthan Tax Board Ajmer in its order dated March 14, 2018 has set aside the entire demand of interest upto the period of demand notice.

The department has appealed before Hon’ble High Court of Jodhpur against the order of Rajasthan Tax Board, Ajmer for interest portion and Company has appealed against the principal amount before Hon’ble High of Jodhpur. During the year out of abundant caution the Company has partially provided for interest. (Refer note no. 73)

Note-63 a) Consumption of stores and spares is net of scrap sale ₹ 8.56 crore (previous year ₹ 5.41 crore).

b) Interest expenses include nil (previous year ₹ 5.22 crore) being interest on entry tax.

Note-64 a) Disclosure in respect of Corporate Social Responsibility Expenditure:

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Amount required to be spent by the company during the year.	6.14	3.40
Amount of expenditure incurred	4.69	3.40
Shortfall at the end of year	1.45	Nil
Total of previous years shortfall	Nil	Nil

Reason for Shortfall - On account of Ongoing Projects and Deposited in a Separate Bank Account.

b) foreign exchange fluctuation of gain (net) ₹ 4.56 crore (previous year loss (net) ₹ 2.61 crore).

Note-65 **Derivative Financial Instruments**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward & Option Contract outstanding for the purpose of hedging at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2022		As at March 31, 2021	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
A	**Forward**				
	USD	Nil	Nil	1.99 Mn	14.68
	Euro	0.94 Mn	8.03	0.76 Mn	6.70
B	**Option**				
	USD	Nil	Nil	13.09 Mn	97.20

Note-66 Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

₹ in Crore (10 Million)

		2021-22	2020-21
I.	Principal and Interest amount due and remaining unpaid as at 31st March 2022.	8.78	12.62
II.	Interest paid in terms of section 16 of the MSME Act during the year	-	-
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	-	-
IV.	Payment made beyond the appointed day during the year	-	-
V.	Interest Accrued and unpaid as at 31st March 2022	-	-

Note-67 The Company has given Corporate Guarantee to the Bankers of Udaipur Cement Works Limited (UCWL), a 72.54% subsidiary of the Company for collaterally securing for the following facilities granted by Banks to UCWL

(i) The Term Loans aggregating to Rs. 565 Crore (Outstanding as on 31.3.2022 is Rs.506.27 Crore) (Previous Year : Rs. 565 Crore - Outstanding Rs. 522.15 Crore) and

(ii) The Working Capital Facilities of Rs.50.00 Crore (Previous Year : Rs. 50.00 Crore)

The Company has received a Counter Indemnity of Rs.615 Crore from UCWL against above Corporate Guarantee given by the Company

The Company has given Corporate Guarantee to the Trustee of Guaranteed Rated Unlisted Redeemable Non Convertible Debentures of Rs. 350.00 Crore (Outstanding as on 31.3.2022 is Rs. 350.00 Crore) issued on Private Placement Basis by its Subsidiary Udaipur Cement Works Ltd. (UCWL). The Company has received a Counter Indemnity of Rs. 350.00 Crore from UCWL against this Corporate Guarantee.

Note-68 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 ₹ 10.00 crore (including ₹ 3.33 crore receivable within one year) (previous year ₹ 13.34 crore) (maximum balance due ₹ 13.34 crore, previous year ₹ 16.67 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. ICD given to Bengal & Assam Company Limited is ₹ 10 crore (previous year ₹ 40 crore) Maximum balance outstanding during the year is ₹ 40 crore (previous year ₹ 40 crore)

c) Disclosure of transaction in pursuant to regulation 34(3) read with schedule V, part A, clause 2 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 Company Limited	Refer note 55

Note-69 During the year the Company has received subsidy of ₹ 0.21 crore (previous year ₹ 0.22 crore) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

Note-70 **Impairment review :**

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets (except CWIP, refer note 2A). The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:

(i) Operating margins (Earnings before interest and taxes),

(ii) Discount Rate and

(iii) Growth Rates and (iv) Capital Expenditure

Note-71 Events occurring after the balance sheet date

No adjusting or significant non-adjujsting events have occured between the reporting date and date of authorization of these financial statements

Note-72 The Company has considered the possible effects that may result from the Pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these Financial Statements has used internal and external sources on the expected future performance of the Company. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these Assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these Financial Statement

Note-73 Exceptional Item of Rs.23.39 Crores includes:

a. Impairment of Rs.36.65 Crores in the Carrying Cost of an Asset under construction at Company's Cement Plant at Durg.

b. Provision of Rs.62.42 Crores made for matters under sub-judice

c. Net of the Provision of Rs.75.68 Crores Written back for the matters under sub-judice settled during the Year.

Note-74 Other statutory information

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii. The Company have not traded or invested in Crypto Currency or Virtual Currency during the financial year.

iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vi. The Company have no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in Tax assessments under Income Tax Act, 1961.

vii The Quarterly Return of current assets filed by the Company with Banks having no material variances with Books of Account, though the Company has not utilised limit during the year.

viii. Struck off Companies

₹ in Crore (10 Million)

Name of the struck off Company	Nature of transactions	Transaction during the year	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021
Print Express Pvt. Ltd.	Payable	0.02	-	(₹ 540)
Oriental Engineering Works Pvt. Ltd.	Payable	0.01	0.01	₹ 23,346
Ralli Singh and Grand Sons (HR) Pvt. Ltd.	Payable	₹ 5040	-	-

Figure with ₹ symbol represents absolute figure.

Note-75 During the financial year 2019-20 the Company had acquired 35% holding (at a cost of ₹ 2.10 crore) in M/s. Sungaze Power Private Limited (SPPL) which has set up a 6.50 MW solar Power Plant under Captive Power Plant (CPP) model at our Durg cement plant in the state of Chhattisgarh. The Company, as a Captive User, has no role & responsibility in the day-to-day management & operations of SPPL. As such, SPPL has not been considered as an associate for consolidation purposes.

Note-76 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 & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

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
VINITA SINGHANIA Vice Chairman & Managing Director

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

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2022

₹ In Crore (10 Million)

Particulars		For the year ended March 31, 2022		For the year ended March 31, 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax and Exceptional Items	581.69		527.51	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	190.52		194.19	
	Interest Income	(22.85)		(21.93)	
	Interest income from other financial asset at amortised cost	(7.11)		(6.17)	
	(Profit) / Loss on sale of Assets (Net)	(5.28)		(1.48)	
	(Profit) / Loss on sale of Current Investments (net)	(5.10)		(19.13)	
	(Gain) / Loss on Fair Valuation of Current Investments	(15.68)		(14.57)	
	Finance Costs	96.31		142.52	
	Provision for Doubtful Debts	2.14		1.61	
	Foreign Exchange Difference (net)	0.17		(1.96)	
	Exceptional Items	(23.39)		(30.92)	
	Operating Profit before Working Capital changes	791.42		769.67	
	Adjustments for:				
	Trade and Other Receivables	111.01		22.07	
	Inventories	(175.70)		97.34	
	Trade and Other Payables	(88.60)		60.29	
	Cash generated from Operations	638.13		949.37	
	Income Tax Payments (Net)	(98.22)		(87.19)	
	Net Cash from Operating Activities		539.91		862.18
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment and Intangible Assets	(119.95)		(124.53)	
	Sale of Property, Plant and Equipment	7.00		5.38	
	(Purchase) / Sale of Investments (net)	(163.52)		67.30	
	Encashment / (Investments) in bank deposits	41.73		(283.74)	
	Interest Received	27.48		9.64	
	Net Cash from / (used in) Investing Activities		(207.26)		(325.95)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long-term Borrowings	182.63		76.40	
	Repayment of Long-term Borrowings	(336.35)		(329.24)	
	Repayment of Lease Obligation - Principal	(5.68)		(2.56)	
	Repayment of Lease Obligation - Interest	(3.36)		(2.28)	
	Short-term borrowings (net)	(8.67)		(90.83)	
	Interest and Financial charges paid	(95.47)		(143.34)	
	Dividend paid	(44.28)		(0.46)	
	Net Cash from / (used in) Financing Activities		(311.18)		(492.31)

JK Lakshmi Cement Limited
Standalone Cash Flow Statement
For the year ended 31st March, 2022

₹ In Crore (10 Million)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
D. Increase / (Decrease) in Cash and Cash Equivalents		21.47		43.92
E. Cash and Cash Equivalents as at the beginning of the year		45.66		1.74
F. Cash and Cash Equivalents as at the close of the year		67.13		45.66

Notes:

	Long Term	Short Term	Long Term	Short Term
1. Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
Opening	1110.74	13.98	1361.91	104.81
Cash Flow Changes				
Inflow / (Repayments)	(153.72)	(8.67)	(252.84)	(90.83)
Non - Cash Flow Changes				
Others	0.56	-	1.67	-
Closing	**957.58**	**5.31**	**1110.74**	**13.98**

1. Cash and Cash Equivalents include:

	March 31, 2022	March 31, 2021
- Cash, Cheques in hand and remittances in transit	0.56	1.43
- Balances with Scheduled Banks	66.57	44.23
	67.13	**45.66**

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 & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

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
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
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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/step down subsidiary (the Company and its subsidiaries including step down subsidiary together referred to as "the Group") and an associate, which comprise the consolidated balance sheet as at March 31, 2022, 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 then ended, 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 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, 2022, its consolidated profit, consolidated comprehensive loss, 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. 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 and an associate 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 consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

	Component	Key Audit Matters	How our audit addressed the key audit matter
1	**Holding Company and subsidiary Company ("Udaipur Cement Works Limited" or UCWL)**	**Revenue recognition, discounts, incentives, rebates.** • 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). • Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the Company's sales. • Due to the Company's and UCWL's presence across different marketing regions within the country and the competitive business environment, the assessment of the various types of discounts, incentives and rebate schemes is material and considered to be complex and judgmental. • Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, and rebates. • Given the judgement required to estimate the amount of provisions, this is a key audit matter.	Our procedures included: **<u>For recognition of revenue:</u>** • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" • 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. **<u>For Recognition of discount, incentive and rebates</u>** • Assessing the appropriateness of the Company's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards. • Assessing the design and testing the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, provision and disbursement of discounts, incentives and rebates. • Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes. • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions. • Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items. Based on our audit procedures we have concluded that revenue, discount, incentive and rebates is appropriately recognized, and that there was no evidence of management bias.
2	Holding Company	**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.	Our procedure included: Obtained details of completed tax assessments of earlier years and demands as on March 31, 2022 from management. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes.

	Component	Key Audit Matters	How our audit addressed the key audit matter
		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 favourable 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.	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 2022. • 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.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, 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 an associate in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of an associate are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group including an associate 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and an associate are responsible for assessing the ability of the Group and of an associate 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 and an associate 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 an associate are also responsible for overseeing the financial reporting process of the Group and of an 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 subsidiaries including step down subsidiary and associate 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 an 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 and an associate 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 an associate 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

i. We did not audit the financial statements/financial information of three (3) subsidiaries/step down subsidiary whose financial statements/financial information reflect total assets of Rs. 1569.12 crore as at March 31, 2022; as well as the total revenue of Rs. 879.39 crore for the year ended March 31, 2022 and net cash outflow amounting to Rs. 4.19 crore for the year ended March 31, 2022, as considered in these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose audit reports for the year ended March 31, 2022 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 disclosures included in respect of these subsidiaries/step down subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiary, is based solely on the report of the other auditors.

ii. The consolidated financial statements also include the Group's share of profit including other comprehensive loss of Rs. 0.02 crore for the year ended March 31, 2022 in respect of an associate. This financial statements and other financial information have been audited by other auditor whose audit report for the year ended March 31, 2022 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 disclosures included in respect of this associate and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report 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

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries/step down subsidiary incorporated in India and an associate, there are no matters which require reporting as specified in paragraph 3(xxi) of the Order.

2. 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 an associate 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 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;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules made thereunder, as amended and other accounting principles generally accepted in India;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and its subsidiaries/step down subsidiary and an associate incorporated in India and the reports of the statutory auditors of its subsidiary companies/step down subsidiary and an associate incorporated in India, none of the directors of the Group and an associate is disqualified as on March 31, 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" which is based on the auditor's reports of the Group and an associate incorporated in India.

g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to 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 and based on the considerations of the reports of the other auditors on separate financial statements;

i. The consolidated financial statement discloses the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group and an associate -Refer Note 54, 55, 56, 57 and 59 to the consolidated financial statements;

ii. The Group did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;

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

iv. a) The respective managements of the Holding Company and its subsidiary company (including step down subsidiaries) incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries (including step down subsidiary) and associate respectively that, to the best of their knowledge and belief , as disclosed in Note 73(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies (including step down subsidiary) and its associate company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies (including step down subsidiaries) or its associate company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary company (including step down subsidiaries) incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries (including step down subsidiary) and associate respectively that, to the best of their knowledge and belief, as disclosed in the Note 73(v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies (including step down subsidiary) or its associate companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies (including step down subsidiary), or its associate company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. a) The final dividend paid during the year ended March 31, 2022 by the holding Company is in compliance with section 123 of the Act.

b) As stated in Note 47 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended March 31, 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. There is no dividend declared or paid during the year by the subsidiaries/ step down subsidiary company and associates incorporated in India.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 18, 2022
UDIN: 22087294AJEFCR2311

Annexure 1 to the Independent Auditors' Report to the members of JK Lakshmi Cement Limited dated May 18, 2022 on its Consolidated Financial Statements.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") 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, 2022, we have audited the Internal Financial Controls over Financial Reporting of **JK Lakshmi Cement Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries/stepdown subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and an associate 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, its subsidiaries/step down subsidiary and an associate 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, its subsidiaries/step down subsidiary and an associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies 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 Group and an associate's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of ICAI. 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 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 Group's and an associate'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 consolidated 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 consolidated 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, 2022, based on the internal control over financial reporting criteria established by the holding company including its subsidiaries/step down subsidiary 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 subsidiary 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 modified in respect of above matters.

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

SUNIL WAHAL
Partner
Membership No:- 087294

Place: New Delhi
Date: May 18, 2022
UDIN: 22087294AJEFCR2311

JK Lakshmi Cement Limited
Consolidated Balance Sheet as at 31st March 2022

₹ In Crore (10 Million)

		Note No.	As at 31st March 2022	As at 31st March 2021
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	2	3,343.32	3,236.43
	(b) Capital work-in-progress	2A	242.53	273.75
	(c) Investment Property	3	115.68	115.79
	(d) Goodwill	4	72.32	72.32
	(e) Other Intangible Assets	4A	4.41	2.56
	(f) Investment in an Associate	5	13.01	13.05
	(g) Financial Assets			
	(i) Investments	5	2.10	2.10
	(ii) Loans	6	19.71	6.84
	(iii) Others	7	39.44	48.90
	(h) Other Non-Current Assets	9	125.56	32.51
			3,978.08	3,804.25
(2)	**Current Assets**			
	(a) Inventories	10	581.00	366.20
	(b) Financial Assets			
	(i) Investments	11	636.93	461.25
	(ii) Trade Receivables	12	35.20	54.50
	(iii) Cash and Cash Equivalents	13	74.03	48.36
	(iv) Bank Balance other than (iii) above	14	498.91	323.49
	(v) Loans	15	13.33	43.33
	(vi) Others	16	24.26	26.94
	(c) Current Tax Assets (Net)	17	1.75	1.24
	(d) Other Current Assets	18	82.68	154.73
			1,948.09	1,480.04
(3)	**Assets held for sale**	**18 A**	-	1.94
	TOTAL ASSETS		5,926.17	5,286.23
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	19	58.85	58.85
	(b) Other Equity		2,446.30	2,035.70
			2,505.15	2,094.55
	Non Controlling Interest		26.74	12.80
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	1,265.11	1,255.99
	(ii) Lease Liabilities		21.05	13.91
	(iii) Other Financial Liabilities	21	235.52	217.97
	(b) Provisions	22	13.51	15.68
	(c) Deferred Tax Liabilities (Net)	8	53.05	6.78
	(d) Other Non-Current Liabilities	23	94.89	184.89
			1,683.13	1,695.22
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	24	591.42	397.12
	(ii) Lease Liabilities		8.96	4.92
	(iii) Trade Payables	25		
	Micro and Small Enterprises		10.74	13.08
	Others		355.25	406.73
	(iv) Other Financial Liabilities	26	408.32	349.87
	(b) Other Current Liabilities	27	319.80	304.96
	(c) Provisions	28	15.78	5.55
	(d) Current Tax Liabilities (Net)	29	0.88	1.43
			1,711.15	1,483.66
	TOTAL EQUITY AND LIABILITIES		5,926.17	5,286.23

Significant Accounting Policies — 1
The accompanying notes form an integral part of these financial statement. — 2-75

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

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 18th May, 2022

SUDHIR A. BIDKAR
Chief Financial Officer

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

B.V. BHARGAVA
BHASWATI MUKHERJEE
N.G. KHAITAN
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 2022

₹ In Crore (10 Million)

		Note No.	For the year ended March 31 2022	For the year ended March 31 2021
I.	Revenue from Operations	30	5,419.89	4,727.44
II.	Other Income	31	68.32	72.64
III.	**Total Income (I+II)**		5,488.21	4,800.08
IV.	**Expenses :**			
	Cost of Materials Consumed	32	824.23	670.47
	Purchases of Stock-in-Trade	33	289.82	254.53
	Change in inventories of finished goods, work-in-progress and traded goods	34	(44.63)	69.07
	Employee Benefits Expense	35	362.82	362.17
	Power & Fuel	36	1,289.31	923.29
	Transport Clearing & Forwarding Charges	37	1,099.41	925.35
	Finance Costs	38	142.19	191.96
	Depreciation and Amortization Expense (Net)	39	223.47	225.33
	Other Expenses	40	648.22	583.98
	Total Expenses (IV)		4,834.84	4,206.15
V.	**Profit before Exceptional Items and Tax (III-IV)**		653.37	593.93
VI.	Share in Profit / (Loss) of Associates (Net of Tax)		(0.04)	(0.02)
VII.	Exceptional Items - (Loss)	72	(26.99)	(37.85)
VIII.	**Profit before Tax (V+VI-VII)**		626.34	556.06
IX.	Tax Expense			
	(1) Current Tax		144.30	90.43
	(2) Deferred Tax		(25.07)	44.51
	(3) Tax Adjustments for Earlier Years		29.53	-
	Total Tax Expense (IX)		148.76	134.94
X.	**Profit for the Year**		477.58	421.12
XI.	**Profit for the Year attributable to**			
	Owners of the Parent		463.56	405.38
	Non Controlling Interest		14.02	15.74
			477.58	421.12
XII.	**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		(13.63)	3.38
	(2) Income tax effect on above		4.74	(1.21)
	Total Other Comprehensive Income (XII)		(8.89)	2.17
XIII	**Total Comprehensive Income For The Year (X + XII)**		468.69	423.29
XIV	**Total Comprehensive Income For The Year attributable to**			
	Owners of the Parent		454.75	407.61
	Non Controlling Interest		13.94	15.68
			468.69	423.29
XV	Earnings per share:	40A		
	Basic Earnings per equity share (₹):		39.39	34.45
	Diluted Earnings per equity share (₹):		39.39	34.45

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-75

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

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

Consolidated Statement of Changes in Equity
For the year ended 31st March 2022

A. Equity Share Capital

₹ In Crore (10 Million)

Particulars	As at 1st April 2020	Change during the year	As at 31st March 2021	Change during the year	As at 31st March 2022
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 Plans	
Balance as at 31st March'2020	25.64	88.65	60.40	950.74	505.87	(3.21)	1,628.09
Profit for the year	-	-	-	-	405.38		405.38
Transfer from Debenture Redemption Reserve	-	-	(22.90)	-	22.90	-	-
Other Comprehensive Income						2.23	2.23
Balance as at 31st March'2021	25.64	88.65	37.50	950.74	934.15	(0.98)	2,035.70
Profit for the year					463.56		463.56
Dividend payment					(44.13)		(44.13)
Transfer from Debenture Redemption Reserve			(37.50)		37.50		-
Other Comprehensive Income						(8.83)	(8.83)
Balance as at 31st March'2022	25.64	88.65	-	950.74	1,391.08	(9.81)	2,446.30

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statement. 2-75

As per our report of even date
For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No.: 000756N
SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

SUDHIR A. BIDKAR
Chief Financial Officer

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For and on behalf of the Board
B.H. SINGHANIA Chairman
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Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
} Directors

Group Overview, Basis of Preparation & Significant Accounting Policies

Note-1 Group Overview, Basis of Preparation & Significant Accounting Policies

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

JK Lakshmi Cement Limited (JKLCL) and its Subsidiaries and associate (hereinafter "The Group"), 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 18, 2022.

(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"). Group has consistently applied the accounting policies used in the preparation for all periods presented.

(c) **Basis of preparation of Consolidated Financial Statements:**

The Consolidated Financial Statements comprise the Financial Statements of the Company and its Subsidiaries and Associate as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary.

1.2. a) The Consolidated Financial Statements comprises of audited Financial Statements of JK Lakshmi Cement Limited (Parent Company) and the followings as on 31/03/2022 and 31/03/2021.

Name	Proportion of ownership interest	Financial statements as on	For the period
Subsidiaries and Indirect Subsidiary			
Hansdeep Industries and Trading Company Ltd. (HITCL)	100%	31/03/2022	12 months
Udaipur Cement Works Ltd. (UCWL)	72.54%	31/03/2022	12 months
Ram Kanta Properties Pvt. Ltd. (RKPPL)	100%	31/03/2022	12 months
Associates:			
Dwarkesh Energy Ltd. (DEL)	35%	31/03/2022	12 months

b) The Consolidated Financial Statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions are eliminated in consolidation in accordance with IND AS 110 - 'Consolidated Financial Statement' notified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015 as amended time to time.

c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest. Impact of any significant and immaterial Non-controlling interest is not considered.

d) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with IND AS 28 – Investment in Associates and Joint Ventures.

e) Post-acquisition, the Company accounts for its share in the change in net assets of the associate (after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share) through its Statement of Profit and Loss in respect of the change attributable to the associates' Statement of Profit and Loss and through its reserves for the balance.

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

(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.

1.3 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 Group 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, Vehicles & Locomotive, office Equipments and Furniture Fixtures which is provided on Written Down Value Method (WDV) as per the said schedule. Depreciation on 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.

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

(2) **Investment Properties**

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Group, 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 Group 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 Group and the cost of the asset can be measured reliably.

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

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

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

Intangible Assets are amortized as follows:

- Computer Software : Over a period of five years

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

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

(4) **Research and Development Cost**

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

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

(5) **Inventories**

Inventories are carried in the balance sheet as follows :

a)	Raw materials, packing materials, construction Materials, stores & 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.

Net Realisable Value is the estimated Selling Price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(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 Group's financial statements are presented in INR, which is also the Group'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 Group 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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

10) Non -Current Assets held for sale

The Group classifies Non-Current Assets as held for Sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Management must be committed to the sale the Assets. The criteria for held for sale classification is regarded met only when the Assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such Assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

The Group treats sale of the Asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the Asset,
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The Asset is being actively marketed for sale at a price that is reasonable in relation to its current Fair Value, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current Assets held for sale for to owners are measured at the lower of their carrying amount and the Fair Value Less Costs to Sell. Assets and Liabilities classified as held for Sale are presented separately in the Balance Sheet. Property, Plant and Equipment and Intangible Assets once classified as held for sale to owners are not depreciated or amortised.

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

2.4 Trade and Other Payables

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group 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 Group 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 Group 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 Group 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.

ii) Contingent Liability

Contingent liability is disclosed in the case of:

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

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

Provisions, Contingent Liabilities, Contingent Assets and commitments are reviewed at each Balance Sheet date.

iii) Other Litigation Claims

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

iv) 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 Group recognizes impairment on the Assets with the contract.

v) Contingent Asset

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(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.

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably

ii) **Non-Cash Incentives**

The Group provides Non-Cash Incentives at Fair Value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

iii) **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.

iv) **Dividend Income**

The Group recognises as income, when the Group's right to receive dividend is established, which is generally when it is approved by the shareholders, except in case of interim dividend which is authorised when it is approved by the Board of Directors.

v) **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.

vi) **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.

vii) **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.

viii) **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. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 enchased subject to restriction on the maximum accumulation of leaves.

v) **Termination Benefits**

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

The Group 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 Group 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 Group 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

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) **Group as a Lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) **Right-Of-Use Assets**

The Group recognises Right-Of-Use Assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-Of-Use Assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of Lease Liabilities. The cost of Right-Of-Use assets includes the amount of Lease Liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the Assets.

If ownership of the Leased Asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the Asset.

ii) **Lease Liabilities**

At the commencement date of the lease, the Group recognises Lease Liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-Term Leases and leases of Low-Value Assets

The Group has elected not to recognise Right-Of-Use Assets and Lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

b) Group as a Lessor

Lease income from Operating Leases where the Group is a Lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective Leased Assets are included in the Balance Sheet based on their nature.

(17) Taxes on Income

a) Current Tax

i) Tax on Income for the Current Period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

ii) Current Income Tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred Tax is provided using the Balance Sheet Approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss.

Deferred Tax Items are recognized in correlation to the underlying transaction either in other comprehensive Income or directly in Equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Group 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 non-recurring occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, 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 Group 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 Group is engaged primarily into manufacturing and trading of Cementious Material. The Group 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) **Cash Dividend**

The Group recognises a liability to pay Dividend to Equity Holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Other Equity. Interim Dividends are recognised as a Liability on the date of declaration by the Company's Board of Directors.

1.4 Recent pronouncement

Ministry of Corporate Affairs “MCA” notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

IND AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its Financial Statements

IND AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of profit or loss. The Group does not expect the amendments to have any impact in its recognition of its Property, Plant and Equipment in its Financial Statements.

IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the cost fulfilling a contract comprises the cost that relate directly to the contract Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of Property, Plant and Equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April1,2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material

On 18 June 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The Notification has made amendments to various Ind AS. The Group does not expect the amendments to have any significant impact in its Financial Statements.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Property ROU	Leasehold Land ROU	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equip-ments	Vehicles and Locomotives	Railway Siding	Total
Gross Block										
As at 1st April'2020	364.98	13.76	57.08	241.81	3,726.90	5.13	8.89	32.88	15.37	4,466.80
Additions/Adjustments	12.94	9.18	0.84	13.16	29.95	2.07	1.55	3.33	-	73.01
Disposals/Adjustments	0.17	-	-	-	5.80	-	-	4.58	-	10.55
Transferred to Investment Property (Refer Note 3)	107.50	-	-	7.79	-	-	-	-	-	115.29
Transferred to assets classified as held for sale (Refer Note-18A)	-	-	0.18	1.91	-	-	-	-	-	2.09
As at 31st March'2021	270.25	22.93	57.74	245.27	3,751.05	7.20	10.44	31.63	15.37	4,411.88
Additions/Adjustments	15.61	16.86	11.32	12.43	257.44	0.16	1.21	8.67	7.49	331.19
Disposals/Adjustments	-		-	0.05	0.49	-	-	6.35	-	6.90
As at 31st March'2022	285.86	39.79	69.06	257.65	4,008.00	7.36	11.65	33.95	22.86	4,736.17
Accumulated Depreciation										
As at 1st April'2020	-	2.24	2.36	66.34	856.88	3.53	5.45	17.51	3.93	958.25
Charged For the Year	-	3.53	0.50	14.15	198.34	0.66	1.13	4.63	0.99	223.95
On Disposal	-		-	-	3.20	-	-	3.37	-	6.59
Transferred to Investment Property (Refer Note 3)	-		-	-	-	-	-	-	-	-
Transferred to assets classified as held for sale (Refer Note-18A)	-		0.01	0.14	-	-	-	-	-	0.16
As at 31st March'2021	-	5.77	2.85	80.35	1,052.02	4.19	6.58	18.77	4.92	1,175.45
Additions/Adjustments	-	7.22	0.53	13.28	192.91	0.73	1.55	4.89	1.00	222.09
Disposals/Adjustments	-		-	0.01	0.19	-	-	4.49	-	4.69
As at 31st March'2022	-	12.99	3.38	93.62	1,244.74	4.92	8.13	19.17	5.92	1,392.85
Net Carrying Amount										
As at 31st March'2021	270.25	17.16	54.89	164.92	2,699.03	3.01	3.86	12.86	10.45	3,236.43
As at 31st March'2022	285.86	26.80	65.68	164.03	2,763.26	2.44	3.52	14.78	16.94	3,343.32

1) The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Group, except the following

Description of Prpoerty	Gross Carrying Value in Crore	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of Group
Lease Hold Land	4.02	Bihar Industrial Development Authority (BIADA)	No	July'2015	BIADA has given a notice to the Parent Company on 30.06.2020 that the amount paid by Parent Company is forfeited. Against the Parent Company's appeal the Hon'ble High Court has directed BIADA to relook into allotment of alternative land. BIADA has agreed vide letter dtd- 25.03.2022 for allotment of fresh land elsewhere can be looked into.

2) The Group has lease contracts for various buildings (office premises) and plants used in its operations. Lease of office premises and plants have lease terms between 9 year to 10 years. The Group also has certain lease with lease terms of 12 months and less. The Group applies the 'short term leases' recognition exemption for these leases.

The following are the amounts recognised in Statement of Profit and Loss as per IND AS 116

Particulars	Year Ended March 31 2022	Year Ended March 31 2021
Depreciation expense of Right Of Use Assets	7.75	4.03
Interest Expense on Lease Liabilities	2.56	2.28
Expense relating to Leases of Short-term / Low Value Assets (included in Other Expenses)	11.89	14.51
Total Amount recognised in Statement of Profit and Loss	**22.20**	**20.82**

Amounts recognised in Statement of Cash Flows:

Particulars	Year Ended March 31 2022	Year Ended March 31 2021
Total Cash Outflow for Leases	19.64	17.75
Financing Activities		
Repayment of Principal	5.19	1.75
Repayment of Interest	2.56	2.28
Operating Activities		
Short Term / Low Value Assets Lease Payment	11.89	14.51

Note-2A Capital-Work-in-Progress (CWIP)

Movement in capital-work-in-progress	As at March 31 2022	As at March 31 2021
Opening	273.75	166.22
Addition during the year	285.88	171.33
Capitalised during the year	(280.45)	(32.88)
Provision for Impairment (refer note 1 below)	(36.65)	(30.92)
Closing	**242.53**	**273.75**

1) Exceptional item of ₹ 36.65 crore (Previous Year ₹ 30.92 Crore) represents diminution in the value of capital-work-in-progress due to impairment of Carrying Cost of an Asset Under Construction at the Parent Company's Durg Cement Plant.

Capital Work in Progress (CWIP) Ageing

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31st March'22					
Projects in Progress	187.94	8.09	0.82	0.10	196.95
Projects Temporarily Suspended **(refer note 2)**				45.58	45.58
Total	**187.94**	**8.09**	**0.82**	**45.68**	**242.53**
As on 31st March'21					
Projects in Progress	136.08	45.42	1.33	1.79	184.62
Projects Temporarily Suspended	-	-	-	89.13	89.13
Total	**136.08**	**45.42**	**1.33**	**90.92**	**273.75**

2) The Suspended project is expected to be completed in next 2-3 years.

3) There are no projects as on reporting period which has exceeded cost as compared to its original cost. The Projects Temporarily Suspended are overdue for completion.

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2020	0.10	0.04	0.71	0.85
Additions/Adjustments				-
Add-Transferred from Property Plant & Equipment	107.50	-	7.79	115.29
Disposals/Adjustments	₹ 2,131			
As at 31st March'2021	107.60	0.04	8.50	116.14
Additions/Adjustments	-	-	0.14	0.14
Disposals/Adjustments	₹ 1,230	-	0.07	0.07
As at 31st March'2022	107.60	0.04	8.57	116.21
Accumulated Depreciation				
As at 1st April '2020	-	₹ 32,420	0.26	0.27
Charged For the Year	-	₹ 6,484	0.08	0.08
Add-Transferred from Property Plant & Equipment				
On Disposal				-
As at 31st March'2021	-	₹ 38,904	0.34	0.35
Charged For the Year	-	₹ 6,970	0.18	0.18
On Disposal	-	-	-	-
As at 31st March'2022	-	₹ 45,874	0.52	0.53
Net Carrying Amount				
As at 31st March'2021	107.60	0.03	8.16	115.79
As at 31st March'2022	107.60	0.03	8.05	115.68
Fair Value*				
As at 31st March'2021				123.24
As at 31st March'2022				126.23
Rental Income				
For the FY 2020-21				0.62
For the FY 2021-22				1.07

Note : There is no material expenses incurred for the maintenance of investment properties derived out of the same.
Figure with ₹ symbol represents absolute figure.
*Based upon realisation value as calculated by independent valuer.

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)

	As at 31st March 2022	As at 31st March 2021
Udaipur Cement Works Limited (UCWL)	72.25	72.25
Ram Kanta Properties Private Limited (RKPPL)	0.07	0.07
Total	72.32	72.32

There is no impairment of the goodwill.

Note-4A Other Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April'2020	7.66
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2021	7.66
Additions/Adjustments	3.05
Disposals/Adjustments	
As at 31st March'2022	10.71
Accumulated Amortisation	
As at 1st April'2020	3.81
Charged For the Year	1.29
Disposal	-
As at 31st March'2021	5.10
Charged For the Year	1.20
Disposal	
As at 31st March'2022	6.30
Net Carrying Amount	
As at 31st March'2021	2.56
As at 31st March'2022	4.41

Note-5 Investments

₹ In Crore (10 Million)

Particulars	As at 31st March 2022 Number	As at 31st March 2022 Amount	As at 31st March 2021 Number	As at 31st March 2021 Amount
Investment in an Associate*				
Dwarkesh Energy Ltd.				
Equity Shares of face value ₹ 10 unquoted	3,50,000	0.06	3,50,000	0.10
7% Optionally Cumulative Convertible Redeemable Preference Share of Face Value ₹ 100/- unquoted	11,00,000	12.95	11,00,000	12.95
Investment Others - Fair Value through Profit and Loss		13.01		13.05
Sungaze Power Pvt Ltd. (₹ 14.66/- each) (Refer Note 74)	14,32,308	2.10	14,32,308	2.10
		15.11		15.15
Aggregate carrying amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		15.11		15.15

* Share of Post acquisition Loss / Gain has been adjusted in carrying amount.

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-6 Loans		
Unsecured, Considered Good:		
Loan to Related Parties (refer Note 66)	4.71	6.84
Loan Others	15.00	-
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	19.71	6.84
Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.		
Note-7 Other Non Current Financial Assets		
Unsecured, considered good:		
Security Deposits	36.61	46.76
Bank Deposits with original maturity for more than 12 months*	2.83	2.14
	39.44	48.90
* Includes ₹ 2.83 crore (previous year ₹ 2.14 crore) under lien		
Note-8 Deferred tax (Asset)/Liabilities (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	427.08	492.12
Others	12.60	0.60
Less: Deferred Tax Assets		
Expenses / Provisions allowable	67.92	81.95
Unabsorbed Depreciation & Brought Forward Business Losses	107.47	119.34
Others	10.52	7.85
MAT Credit Entitlement	200.72	276.80
Deferred Tax (Asset)/Liabilities (Net)	53.05	6.78
Note-9 Other Non-Current Assets		
Unsecured, considered good:		
Capital Advances*	123.57	30.25
Deferred Expenditure	1.99	2.26
	125.56	32.51
* Refer foot note of note 6		
Note-10 Inventories (at lower of cost or net realisable value)		
Raw Materials (including in transit ₹ 0.02 crore (previous year ₹ 0.02 crore))	27.83	19.75
Work -in -progress	95.62	54.62
Finished Goods (Including in transit ₹ 4.46 crore (previous year nil)	35.75	31.88
Stock-in -Trade (including in transit - nil (previous year ₹ 0.18 crore))	1.48	1.72
Stores and Spares (Including in transit- ₹ 73.90 crore previous year ₹ 41.51 crore)	399.30	241.13
Packing Materials	21.02	17.10
	581.00	366.20

For Hypothecation refer Note 24

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-11 Current Investments		
Investment at fair value through Profit & Loss		
Investment in Quoted Non Convetible Debentures	107.83	110.30
Investment in Quoted mutual funds	504.94	350.95
Investment in Quoted bonds	24.16	-
	636.93	461.25
Aggregate book value of Quoted investments	636.93	461.25
Aggregate market value of Quoted investments	636.93	461.25
Aggregate book value of Unquoted investments	-	-
Note-12 Trade Receivables@		
Considered good - Secured	9.36	5.37
Considered good - Unsecured	25.84	49.13
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	7.66	5.52
Less :- Provision/Allowances for doubtful debts	(7.66)	(5.52)
	35.20	54.50

@ Contract Assets as Per IND AS 115
For Hypothecation Refer Note 23

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

Trade Recivables ageing

Outstanding For Following Periods From Due Date of Payment as on 31st March'22							
Particulars	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	20.92	5.09	0.41	0.02	-	-	26.44
Credit Impaired	-	-	0.05	0.32	1.13	1.67	3.17
	20.92	5.09	0.46	0.34	1.13	1.67	29.61
Less Credit Impaired	-	-	(0.05)	(0.32)	(1.13)	(1.67)	(3.17)
Total	**20.92**	**5.09**	**0.41**	**0.02**	-	-	**26.44**
B. Disputed							
Considered good	0.34	0.87	1.32	2.55	2.51	1.16	8.76
Credit Impaired	-	-	-	1.05	1.07	2.36	4.49
	0.34	0.87	1.32	3.60	3.59	3.52	13.24
Less Credit Impaired	-	-	-	(1.05)	(1.07)	(2.36)	(4.49)
Total	**0.34**	**0.87**	**1.32**	**2.55**	**2.51**	**1.16**	**8.76**
Total (A+B)	**21.26**	**5.96**	**1.73**	**2.57**	**2.51**	**1.16**	**35.20**

Outstanding For Following Periods From Due Date of Payment as on 31st March'21							
Particulars	Not Due	Less Than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More Than 3 Years	Total
A. Undisputed							
Considered good	39.46	5.23	0.66	0.53	0.09	0.25	46.24
Credit Impaired	-	-	0.13	1.00	0.46	1.17	2.76
	39.46	5.23	0.79	1.53	0.55	1.42	48.99
Less Credit Impaired	-	-	(0.13)	(1.00)	(0.46)	(1.17)	(2.76)
Total	**39.46**	**5.23**	**0.66**	**0.53**	**0.09**	**0.25**	**46.23**
B. Disputed							
Considered good	1.16	0.59	1.85	3.00	1.44	0.23	8.27
Credit Impaired	-	-	0.28	0.30	-	2.18	2.76
	1.16	0.59	2.13	3.30	1.44	2.41	11.03
Less Credit Impaired	-	-	(0.28)	(0.30)	-	(2.18)	(2.76)
Total	**1.16**	**0.59**	**1.85**	**3.00**	**1.44**	**0.23**	**8.27**
Total (A+B)	**40.62**	**5.82**	**2.51**	**3.53**	**1.53**	**0.48**	**54.50**

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-13 Cash and Cash Equivalents		
On Current Account	46.23	25.99
Fixed Deposits with maturity of Less than 3 months *	27.22	20.91
Cheques , Draft on hand/transit	0.24	1.13
Cash on hand	0.34	0.33
	74.03	48.36
* Includes ₹ 0.72 crore (previous year nil) under lien		
Note-14 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months *	497.52	321.95
On Unpaid Dividend / Interest Accounts	1.39	1.54
	498.91	323.49
* Includes ₹ 3.08 crore (previous year ₹ 4.61 crore) under lien		
Note-15 Loans		
Unsecured, Considered Good:		
Loans to Related Party (refer Note 66)	13.33	43.33
	13.33	43.33
Note-16 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good- Unsecured	12.79	10.36
Credit Impaired	4.22	4.22
Less: Impairment Allowance	(4.22)	(4.22)
	12.79	10.36
Interest Receivable from Banks and others	10.84	15.48
Advances to Employees (Loans)	0.63	0.54
Marked to Market Gain	-	0.56
	24.26	26.94

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-17 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	1.75	1.24
	1.75	1.24
Note-18 Other Current Assets		
(unsecured considered good unless otherwise stated)		
Prepaid expenses	8.01	14.45
Balance with Govt. Authorities	14.64	62.72
Other Advances *	59.29	76.82
Deferred Expenditure	0.74	0.74
	82.68	154.73
* includes advances to related party amounting of Nil (previous year ₹ 12.20 crore). Unsecured, Considered Good, otherwise stated.		
Note-18A Assets held for Sale		
Property Plant & Equipment	-	1.94
Assets retired from active use #		
	-	1.94
# The Group classified certain items of Property Plant and Equipment retired from active use and are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell.		
Note-19 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 :**

Particular	31st March 2022	31st March 2021
Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Bought back 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:**

Shareholder name	31st March 2022 Number	31st March 2021 Number
Bengal & Assam Company Ltd.	52,099,121	52,099,121
Franklin Templeton Mutual Fund	-	10,870,030
Axis Mutual Fund Trustee Ltd.	6,090,240	-

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021

c. Disclosure of Shareholding of Promoters

Name of Promoters	As at 31st March'2022		As at 31st March'2021	
	No of Shares	% of Total Number of Shares	No of Shares	% of Total Number of Shares
Bengal & Assam Company Limited	52,099,121	44.28	52,099,121	44.28
% Change in holding during the year	Nil		0.25%	

d. Terms/ right attached to Equity shareholders :

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

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

e. 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.

f. During the last five years, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

Note-20 Non Current Borrowings

₹ In Crore (10 Million)

	As at 31st March 2022		As at 31st March 2021	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures :-				
Redeemable Non- Convertible Debentures	-	350.00	-	159.80
Term Loans :-				
From Banks	978.39	218.72	1132.64	216.75
From Government	53.74	-	41.26	-
Term Loan In Foreign Currency	187.36	-	36.26	-
	1219.49	568.72	1210.16	376.55
UNSECURED LOANS				
ICD	-	-	-	1.90
Public Deposits	45.62	17.38	45.83	4.69
	45.62	17.38	45.83	6.59
Less:- current maturities of long term debt shown under Note No- 24		586.10		383.14
	1265.11	-	1255.99	-

* Due & Repayable within one year

Parent Company

1 Term Loan from Bank aggregating to ₹ 25.00 Crore is secured by way of a First Charge on all the Immovable and Movable Fixed Assets 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. This Term Loan is repayable in 8 equal Quarterly Instalments.

2 Term Loan from a Bank of ₹ 15.31 Crore is secured by way of an Exclusive First Charge on Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit in the State of Haryana. This Term Loan is repayable in 7 equal Quarterly Instalments.

3 Term Loan from a Bank of ₹ 5.00 Crore is secured by way of an Exclusive First Charge on Movable Fixed Assets of the Company's AAC Block Unit in the State of Haryana,. This Term Loan is repayable in 4 equal Quarterly Instalments.

4 Foreign Currency Term Loan (ECB) from a Bank of ₹ 187.36 Crore are secured by way of a Pari Passu First Charge on all the Immovable and Movable Fixed Assets pertaining to the Company's Cement Unit in the State of Rajasthan subject to the prior charges in favour of Banks on Specified Assets and Company's Banks for Working Capital on Specified Movables Assets. This ECB is repayable in 7 unequal Annual Instalments commencing from 28th September 2023

5 Term Loan from a Bank of ₹ 10.00 Crore is secured by way of an exclusive First Charge on Immovable & Movable Fixed Assets of the Company's 6 MW Solar Power Plant in the State of Rajasthan. This Term Loan is repayable in 8 equal Quarterly Instalments

6 Term Loan from a Bank of ₹ 85.65 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 19 equal quarterly instalments

7 Term Loans from Banks aggregating to ₹ 350.00 Crore are secured by way of a Pari Passu First 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 14 equal Quarterly Instalments.

8 Term Loan from a Bank of ₹ 88.23 Crore is secured by way of an Exclusive First Charge on Movable Fixed Assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 42 unequal Quarterly Instalments.

9 Term Loan from a Bank of ₹ 75.56 Crore is secured by way of an Exclusive First Charge on all the Immovable & Movable Fixed Assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 47 equal Quarterly Instalments.

10 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 68.53 Crore granted to Company in relation to its 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 respective disbursement dates. The said IFL is recognised on amortised cost basis.

11 Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.

12 The above outstanding NCDs/Term Loans are net of the Processing charges as per IND AS 109

Subsidiary (Udaipur Cement Works Ltd.)

1 5.90% Guaranteed Rated Secured Unlisted Redeemable Privately Placed Non Convertible Debentures of ₹ 350 Crore are redeemable at the end of 1 Year from the date of allotment i.e. 16th March 2023

The NCDs are to be secured by a Pari Passu First Charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan.

The said NCDs are also secured by a Corporate Guarantee of the Holding Company.

2 Term Loans aggregating to ₹ 506.27 Crore from Banks are secured by a (i) Pari Passu First Charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan & (ii) Pari Passu Second Charge on Current Assets of the Company.

The said Term Loans are also secured by a Corporate Guarantee of the Holding Company.

- Term Loan of ₹ 38.25 Crore shall be repayable in 26 unequal Quarterly Instalments
- Term Loan of ₹ 38.92 Crore shall be repayable in 28 unequal Quarterly Instalments
- Term Loan of ₹ 78.50 Crore shall be repayable in 26 unequal Quarterly Instalments
- Term Loan of ₹ 90.00 Crore shall be repayable in 28 unequal Quarterly Instalments
- Term Loan of ₹ 223.10 Crore shall be repayable in 32 unequal Quarterly Instalments
- Term Loan of ₹ 37.50 Crore shall be repayable in 28 equal Quarterly Instalments

3 The Unsecured Loan from the Holding Company shall be repayable at the end of 5th year i.e. on 31.03.2023.

4 Term Loans of ₹ 42.45 Crore from Banks under Emergency Credit Line Guarantee Scheme (ECLGS) are secured by a (i) Pari Passu Second Charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan & (ii) Pari Passu Second Charge on Currents Assets of the Company.

The said Term Loans under ECLGS are also secured by 100% Credit Guarantee by National Credit Trustee Company.

- Term Loan of ₹ 23.90 Crore shall be repayable in 48 unequal Monthly Instalments commencing from 27th June 2022
- Term Loan of ₹ 18.55 Crore shall be repayable in 48 unequal Monthly Instalments commencing from 28th June 2022

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-21 Other Non Current Financial Liabilities		
Trade and other Deposits	185.97	171.85
Other Liabilities	49.55	46.12
	235.52	217.97
Note-22 Non Current Provisions		
Provision for Employees' Benefits	13.51	15.68
	13.51	15.68
Note-23 Other Non-Current Liabilities		
Deferred Revenue *	7.42	10.05
Liability for Employees Subsidised Car Scheme	6.49	6.38
Government & Other Dues	80.98	168.47
	94.89	184.89

* Including on account Government Grant of ₹ 7.42 crore (Prev. Year ₹ 10.04 Crore)

	As at 31st March 2022	As at 31st March 2021
Note-24 Short Term Borrowings		
Current maturities of long-term debts (Refer Note-20)	586.10	383.13
Secured Loans		
Working Capital Borrowing from Banks	-	-
Unsecured Loans		
Public Deposits	5.32	13.99
	591.42	397.12

<u>Parent Company</u>

Working capital borrowings from banks are secured / to be secured by Hypothecation of stocks and book debts etc. of the Company, both present & future and by a second charge on the Movable & Immovable Fixed Assets of the Company's Cement Plants in the States of Rajasthan and Chattisgarh (except those assets which are exclusively charged to other lenders)

<u>Subsidiary Company</u>

Working capital facilities are secured by way of First Pari Passu Charge on the entire Current Assets of the Company and Second Pari Passu Charge on the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan, both Present and future. The Working Capital facilities are also secured by Corporate Guarantee of Parent Company.

	As at 31st March 2022	As at 31st March 2021
Note-25 Trade Payables		
Micro and Small Enterprises (refer note 63)	10.74	13.08
Others	355.25	406.73
	365.99	419.81

Trade Payable ageing

Outstanding For Following Periods From Due Date of Payment as on 31st March'22							
Particulars	Unbilled Due	Not Due	Less Than 1 Year	1- 2 Year	2-3 Year	More Than 3 Years	Total
(i) MSME	-	7.84	2.86	0.03	0.00	0.01	10.74
(ii) Others	97.42	202.78	49.77	2.89	1.00	1.39	355.25
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	97.42	210.62	52.63	2.92	1.00	1.40	365.99

Outstanding For Following Periods From Due Date of Payment as on 31st March'21							
Particulars	Unbilled Due	Not Due	Less Than 1 Year	1- 2 Year	2-3 Year	More Than 3 Years	Total
(i) MSME	0.55	7.30	5.12	0.05	0.05	0.01	13.08
(ii) Others	175.11	164.36	60.76	3.79	0.72	2.00	406.73
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**175.66**	**171.66**	**65.88**	**3.84**	**0.77**	**2.01**	**419.81**

₹ In Crore (10 Million)

	As at 31st March 2022	As at 31st March 2021
Note-26 Other Current Financial Liabilities (At amortized cost)		
Interest Accrued but not due on borrowings	8.08	7.02
Unclaimed dividends #	1.39	1.54
Unclaimed matured Public Deposits and interest #	1.10	0.92
Capital Creditors	16.70	15.93
Other liabilities (including Rebates to Customers)	381.02	324.46
Mark to Market Loss	0.03	-
	408.32	349.87

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

	As at 31st March 2022	As at 31st March 2021
Note-27 Other Current Liabilities		
Advance from Customers @	97.84	95.85
Govt. and other dues	216.29	204.19
Deferred Revenue *	5.67	4.91
	319.80	304.96

* Including on account Government Grant of ₹ 5.67 crore (Prev Year ₹ 4.91 Crore)

@ Contract Liabilities as Per IND AS 115

	As at 31st March 2022	As at 31st March 2021
Note-28 Current Provisions		
Provision for Employees' Benefit	15.78	5.55
	15.78	5.55

	As at 31st March 2022	As at 31st March 2021
Note-29 Current Tax Liabilities (Net)		
Provision for Taxation(Net of Taxes paid)	0.88	1.43
	0.88	1.43

₹ In Crore (10 Million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-30 Revenue From Operations@		
Revenue from contracts with customers		
Sale of products		
Cement	4,689.89	4,184.19
Clinker, Value Added Products and Others	727.74	530.81
Other Operating Revenues	2.26	12.44
	5,419.89	4,727.44
@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115		
Note-31 Other Income		
Interest Income	22.75	21.84
Interest income from other finanical asset at amortised cost	7.11	6.17
Profit on sale * of		
Non Current Investments	-	-
Current Investments	24.71	35.14
Profit/(loss) on Sale of Assets (Net)	6.22	1.48
Other Non - Operating Income	7.53	8.01
	68.32	72.64
* Inclusive of fair value gain of ₹ 2.74 crore (Previous year gain of ₹ 14.89 crore)		
Note-32 Cost of Material Consumed		
Raw Material Consumed	824.23	670.47
(Refer Note 52)	824.23	670.47
Note-33 Purchase of Stock - in -Trade		
Purchase of Traded Goods	289.82	254.53
	289.82	254.53
Note-34 Change In Inventories of Finished Goods, Work-In-Progress and Stock- In -Trade		
Opening Stocks		
Work in Progress	54.62	106.54
Finished Goods	31.88	44.96
Stock-in-Trade	1.72	5.79
	88.22	157.29
Closing Stocks		
Work in Progress	95.62	54.62
Finished Goods	35.75	31.88
Stock-in-Trade	1.48	1.72
	132.85	88.22
	(44.63)	69.07
Note-35 Employee Benefits Expense		
Salaries and Wages	309.83	310.15
Contribution to Provident and Other Funds	20.89	20.76
Staff Welfare Expenses	32.10	31.26
	362.82	362.17

₹ In Crore (10 Million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-36 Power & Fuel		
Power & Fuel	1,289.31	923.29
	1,289.31	923.29
Note-37 Transport, Clearing and Forwarding Charges		
Transport, Clearing and Forwanding Charges	1,099.41	925.35
	1,099.41	925.35
Note-38 Finance Costs		
Interest expenses * #	130.41	181.06
Interest expenses at amortised cost	8.42	7.34
Other borrowing cost	3.36	3.56
	142.19	191.96
* Refer Note No. 60		
# net of finance cost capitalised refer note 51		
Note-39 Depreciation and Amortization Expense (Net)		
Depreciation on Property, Plant and Equipment	222.27	224.04
Amortisation on Intangible Assets	1.20	1.29
	223.47	225.33
Note-40 Other Expenses		
Consumption of Stores and Spares *	130.86	126.03
Consumption of Packing Material	212.08	161.31
Rent (Net of realisation ₹ 0.75 crore, previous year ₹ 0.94 crore)	11.89	14.51
Repairs to Buildings	6.88	6.33
Repairs to Machinery	58.26	47.24
Insurance	8.92	8.03
Rates and Taxes	8.96	9.88
Commission on Sales	78.18	65.12
Directors' Fee & Commission	0.75	1.21
Provision for Doubtful Debts	2.14	1.61
Advertisement and Sales Promotion	64.55	60.66
Travelling, Consultancy & Misc. expenses etc. #	64.75	82.05
	648.22	583.98
* Refer Note No. 60		
# Refer note 48 & 61		
Note-40A Earning Per Equity Share		
Profit for the year attributable to Equity Shareholders of Parent	463.56	405.38
Weighted average number of equity shares outstanding	117,670,066	117,670,066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	39.39	34.45
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	39.39	34.45

Note-41 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.

41.1 **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 Group has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

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

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

<u>Foreign Currency Sensitivity.</u>

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

₹ in Crore **(10 Million)**

Particulars	As at 31st March 2022	As at 31st March 2021
Appreciation in USD	+ Rs.0.25	+ Rs.0.25
Effect on profit/(loss) before tax	(0.67)	(0.17)
Depreciation in USD	- Rs.0.25	- Rs.0.25
Effect on profit/(loss) before tax	0.67	0.17

b) **Interest Rate Risk :-**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings as also a mix of Rupee & Foreign Currency Borrowings. The following Table shows the blend of Group's Fixed & Floating Rate Borrowings in Indian Rupee & in Foreign Currency:

₹ in Crore (10 Million)

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
1	Loans in Rupees		
	- Fixed Rate	411.91	226.20
	- Floating Rate	1203.53	1,349.39
	- Interest Free	53.73	41.26
	Total	1669.17	1,616.85
2	Loans in US $		
	- Fixed Rate	-	-
	- Floating Rate	187.36	36.26
	Total	187.36	36.26
3	Grand Total (1+2)	1856.53	1,653.11

The Group 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 Group's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Increase in Interest Basis Points	+ 25	+ 25
Effect on Profit/(loss) Before Tax	(3.47)	(3.49)
Decrease in Interest Basis Points	- 25	- 25
Effect on Profit/(loss) Before Tax	3.47	3.49

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) **Commodity Price Risk and Sensitivity:**

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

41.2 **Credit Risk:**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Group's established policy, procedures and controls. The Group periodically assesses the financial reliability of customers, taking into 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. **For aging of trade receivables refer note 12.**

Financial Instruments and Deposits with Banks:

The Group considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operation.

41.3 **Liquidity Risk:**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Group relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

₹ in Crore (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, 2022					
	- Borrowings	1,874.19	591.43	942.68	340.08	1,874.19
	- Trade Payables	365.99	362.77	3.22	-	365.99
	- Other Liabilities	643.84	409.86	33.33	200.65	643.84
	- Lease Liabilities	39.84	8.96	26.90	3.98	39.84
	Total	**2,923.86**	**1,373.02**	**1006.13**	**544.71**	**2,923.86**
2	As on 31st March, 2021					
	- Borrowings	1,644.14	397.32	922.34	324.48	1,644.14
	- Trade Payables	419.82	419.82	-	-	419.82
	- Other Liabilities	567.81	352.01	27.81	187.99	567.81
	- Lease Liabilities	26.67	4.99	18.88	2.80	26.67
	Total	**2,658.44**	**1,174.14**	**969.03**	**515.27**	**2,658.44**

Note-42 Capital Risk Management:

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

₹ in Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings	1856.53	1653.11
Less: Cash and Cash equivalents (Including Current Investments & Other Bank balances)	1209.92	833.10
Net Debt	**646.61**	**820.01**
Equity Share Capital	58.85	58.85
Other Equity	2446.30	2035.70
Total Capital	**2505.15**	**2094.55**
Capital and Net Debt	**3151.76**	**2914.56**
Gearing Ratio	20.52%	28.14%

The Group monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note-43 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	31st March 2022		31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss :-				
Investments				
- Equity Shares	2.10	2.10	2.10	2.10
- Mutual Funds	504.94	504.94	350.95	350.95
- NCD's & others	131.99	131.99	110.30	110.30
- Preference Shares*	12.95	12.95	12.95	12.95
Total (i)	651.98	651.98	476.30	476.30
(ii) At Amortized Cost :-				
a) Bank FDs.	527.57	527.57	345.00	345.00
b) Cash & Bank Balances	48.19	48.19	28.99	28.99
c) Trade Receivables	35.20	35.20	54.50	54.50
d) Loans	43.04	43.04	96.93	96.93
e) Others	57.24	57.24	26.94	26.94
Total (ii)	711.24	711.24	552.36	552.36
Total (A)	1,363.22	1,363.22	1,028.66	1,028.66
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	1,856.53	1,856.53	1,653.11	1,653.11
- Trade Payables	365.99	365.99	419.82	419.82
- Other Financial Liabilities	643.84	643.84	567.81	567.81
Total (B)	2,866.36	2,866.36	2,640.74	2,640.74

*Including Equity Component.

Fair Valuation Techniques:

The Group maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Group, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following Table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. <u>Level 1:</u> Quoted prices in active markets.

ii. <u>Level 2:</u> Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. <u>Level 3:</u> Inputs that are not based on observable market data.

The following Table provides the Fair Value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(A) Financial Assets

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2022			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	12.95
- Mutual Funds	504.94	-	-
- NCD and others	-	131.99	-
Total Financial Assets	**504.94**	**131.99**	**15.05**

₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	-	12.95
- Mutual Funds	350.95	-	-
- NCD and others	-	110.30	-
Total Financial Assets	**350.95**	**110.30**	**15.05**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2022.

Note-44 Segment Information:

The Group is engaged primarily into manufacturing of Cement. The Group 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 Parent Company (Chief Operating Decision Maker).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of a Group's revenues during the current and previous year.

Note-45 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at March 31 2022	As at March 31 2021
Opening	14.95	16.66
Deferred during the year	3.82	2.83
Released to profit and loss	(5.67)	(4.54)
Closing	13.10	14.95
Current	5.68	4.91
Non-Current	7.42	10.04

Note-46 Income Tax Expense:

i. **Amount recognized in Statement of Profit and Loss :-**

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
A. Current Tax		
Current Tax	144.30	90.43
Adjustments in respect of current income tax of previous year	29.53	-
Total A	**173.83**	**90.43**
B. Deferred Tax		
Relating to origination and reversal of temporary difference	(25.07)	78.43
MAT Credit Entitlements	-	(33.92)
Total Deferred Tax Assets (net)	**(25.07)**	**44.51**
Total Tax Expense (A + B)	**148.76**	**134.94**

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

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Deferred Tax (Gain)/Loss on defined benefit	(4.74)	1.21

iii. **Reconciliation of Effective Tax Rate.**

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Accounting Profit/(Loss) before Income Tax	626.34	556.06
At Applicable Statutory Income Tax Rate	25.17%-34.94%	25.17%-34.94%
Computed Income Tax Expense/(Income)	212.22	188.52
Increase/(Reduction) in taxes on account of :-		
Income not taxable	(16.84)	(15.92)
R & D u/s- 35(2AB) of Income Tax	-	-
Deferred Tax related to Property, Plant & Equipment & Others	16.15	2.14
Previous Year Tax Adjustments	29.53	-
Income not taxable during tax holiday period	(18.24)	(55.74)
Provision for impairment not considered deductible	-	10.80
Tax on which deduction is not admissible	14.30	5.14
Reversal of deferred tax liability on account of change in tax rate@	(88.60)	-
Income Tax on Capital Gain	0.24	-
Income Tax Expense/(Income) Reported to Profit & Loss	**148.76**	**134.94**

@ The Government of India has inserted a New Section 115 BAA in the Income Tax Act, 1961 which provides an option to the Parent Company for paying Income Tax at reduced rates, subject to certain conditions. The Parent Company is continuing to provide for Income Tax at Higher Old Rates, based on available MAT Credit Entitlement & various available exemptions / deductions. However, the Parent Company has applied the Lower Income Tax Rates on Deferred Tax Assets / Liabilities to the extent there are expected to be realized or settled in future when the Company may be subjected to Lower Tax Rate and accordingly in the Year ended 31st March 2022, the Parent Company has reversed the Deferred Tax Liability of ₹ 88.60 Crores.

iv. **Reconciliation of Deferred Tax Liabilities (Net)**

₹ in Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	(6.78)	38.95
Deferred Tax recognized in Statement of Profit and Loss	25.07	(44.51)
Other Comprehensive Income	4.74	(1.21)
Previous year adjustment	(29.53)	(0.01)
MAT Credit utilization	(46.55)	-
Closing Balance	**(53.05)**	**(6.78)**

v. **Deferred Tax:**

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Deferred Tax Assets Related to:-		
Brought Forward Losses Setoff	(11.87)	(104.96)
Disallowances/Allowances Under Income Tax	(14.02)	7.32
Others	2.67	1.44
MAT Credit Entitlement	-	32.62
Total Deferred Tax Assets	**(23.22)**	**(63.58)**
Deferred Tax Liabilities Related to		
Property, Plant and Equipment	65.03	17.57
Others	(12.00)	0.29
Total Deferred Tax Liabilities	**53.03**	**17.86**
Net Total Movement in Statement of Profit & Loss	29.81	(45.72)
Movement in Statement of Profit & Loss	(25.07)	(44.51)
Movement in OCI	4.74	(1.21)

Note-47 Dividends:

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

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
<u>Final Dividend</u> For the year ended 31st March'2021 – 75% i.e. ₹ 3.75 per equity share (31st March'2020 - Nil)	44.13	-
Total	44.13	-

The following dividends were proposed by the board of directors in their meeting held on 18th May 2022, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
For the year ended 31st March'2022 – 100% i.e. ₹ 5.00 per equity share (31st March'2021- 75% i.e. ₹ 3.75 per equity share)	58.84	44.13

Note-48 Amount paid to Auditors

₹ in Crore (10 Million)

S. No	Particulars	2021-22	2020-21
A	**Statutory Auditor**		
	Statutory audit fee	0.24	0.21
	Tax audit fee	0.05	0.04
	Limited review fee, GST audit fee & other services	0.16	0.20
	Reimbursement of Expenses	0.02	0.01
B	Total (A)	**0.47**	**0.46**
C	**Cost Auditors**		
	Audit Fee	0.02	0.02

Note-49 The quarterly return of current assets filed by the Parent Company with banks having no material variances with books of account, though the Parent Company has not utilised limit during the year.

Note-50 Retirement Benefit Obligations:

A. Expenses Recognised for Defined Contribution Plan.

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Company's Contribution to Provident Fund	16.20	14.92
Company's Contribution to ESI	0.43	0.38
Company's Contribution to Superannuation Fund	1.13	1.26
Total	17.76	16.56

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Consolidated Balance Sheet as at March 31, 2022 and March 31, 2021, 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'20	69.43	15.23
Current Service Cost	4.22	2.26
Interest Cost	4.51	0.99
Past Service Cost including curtailment Gain/Losses	-	-
Benefits Paid	(10.69)	(5.06)
Remeasurement - actuarial loss / (gain)	(2.08)	3.78
Present Value of obligation as on 31st March'21	**65.39**	**17.20**
Present Value of obligation as on 1st April'21	65.39	17.20
Current Service Cost	4.28	1.74
Interest Cost	4.26	1.12
Benefits Paid	(19.36)	(6.72)
Remeasurement - actuarial loss / (gain)	12.73	1.48
Present Value of obligation as on 31st March'22	**67.30**	**14.82**

2 **Change in Fair Value of Plan Assets - Gratuity**

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Fair Value of plan assets at beginning of year	**76.82**	69.72
Acquisitions / Transfer in /Transfer Out	-	-
Expected Return on plan assets	**4.99**	4.53
Employer contributions	**(5.14)**	11.95
Benefit paid	**(19.36)**	(10.69)
Actuarial gain / (loss)	**(0.91)**	1.31
Fair Value of plan assets at end of year	**56.40**	**76.82**
Present Value of Obligation	**67.30**	65.40
Net funded status of plan	**10.90**	11.42
Actual Return on plan assets	**4.08**	**5.84**

3 **Expenses recognised in Statement of Profit and Loss**

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	4.22	2.26
Interest cost	4.51	0.99
Expected return plan assets	(4.53)	-
Remeasurement - actuarial loss / (gain)	-	3.78
For the year ended 31st March'21	4.20	**7.03**
Actual return on plan assets	5.84	-
Current Service Cost	4.28	1.74
Interest cost	4.26	1.12
Expected return plan assets	(4.99)	-
Remeasurement - actuarial loss / (gain)	-	1.48
For the year ended 31st March'22	3.55	**4.34**
Actual return on plan assets	4.08	-

4 Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(3.38)
For the year ended 31st March'21	
Remeasurement - Actuarial loss/(gain)	13.01
For the year ended 31st March'22	

5 The Principal actuarial assumptions used for estimating the Group's Defined Obligations are set out below :-

Weighted Average Actuarial Assumptions	As at 31st March'22	As at 31st March'21
Attrition Rate	-	-
Discount Rate	6.50%	6.50%
Expected Rate of increase in salary	5.50%	5.00%
Expected Rate of Return on Plan Assets	6.50%	7.00%
Mortality Rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Expected Average remaining working lives of employees (years)	16.11	15.54

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

Gratuity :-

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(decrease) in obligation
For the year ended 31st March'21		
Discount Rate	0.50%	(1.57)
	-0.50%	1.69
Salary Growth Rate	0.50%	1.69
	-0.50%	(1.59)
For the year ended 31st March'22		
Discount Rate	0.50%	(1.79)
	-0.50%	1.94
Salary Growth Rate	0.50%	1.93
	-0.50%	(1.80)
Leave Encashment :-		
For the year ended 31st March'21		
Discount Rate	0.50%	(0.67)
	-0.50%	0.74
Salary Growth Rate	0.50%	0.71
	-0.50%	(0.66)
For the year ended 31st March'22		
Discount Rate	0.50%	(0.59)
	-0.50%	0.64
Salary Growth Rate	0.50%	0.64
	-0.50%	(0.59)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

7 History of Experience Adjustments is as follows :-

₹ in Crore (10 Million)

Particulars	Gratuity
For the year ended 31st March'2021	
Plan Liabilities - Loss/(Gain)	(2.65)
Plan Assets - Gain/(Loss)	1.31
For the year ended 31st March'2022	
Plan Liabilities - Loss/(Gain)	12.73
Plan Assets - Gain/(Loss)	(0.91)

Estimate of Expected Benefit Payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2022 - March'2023	29.23	4.38
April'2023 - March'2024	2.19	0.41
April'2024 - March'2025	4.40	0.65
April'2025 - March'2026	2.62	0.34
April'2026 - March'2027	2.65	0.36
April'2027 - March'2028	2.55	0.48
April'2028 onwards	23.65	5.35

8 Statement of Employee Benefit Provision

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Gratuity	21.22	4.63
Leave Encashment	6.11	8.63
Superannuation	1.04	1.17

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 Group's Balance Sheet.

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
For the year ended 31st March'2021		
Current	(10.76)	5.27
Non Current	3.87	11.93
For the year ended 31st March'2022		
Current	(9.87)	4.77
Non Current	4.01	10.05

10 Employee Benefit Expense

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Salary and Wages	309.83	310.16
Costs-defined benefit plan	3.65	4.19
Costs-defined contribution plan	17.24	16.56
Welfare expense	32.10	31.26
Total	**362.82**	**362.17**

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-51 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)

Particulars	2021-22	2020-21
Power & Fuel	0.41	0.19
Salaries and Wages	1.97	0.45
Staff Welfare expenses	0.02	0.02
Insurance	0.27	-
Transport ,Clearing and Forwarding Charges	0.97	-
Travelling, Consultancy & Miscellaneous Expenses	-	0.46
Finance costs	2.99	0.92
	6.63	2.04
Add: Expenditure upto previous year	2.11	14.46
Less: Charged to Exceptional Item	-	14.39
Less: Transferred to Property, Plant & Equipment (Includes interest nil previous year₹ 0.18 crore).	4.68	-
	4.06	2.11

Note-52 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Salaries & Wages	6.44	6.45
Contribution to Provident and Other Funds	0.48	0.48
Employees' Welfare Expenses	0.85	0.86
Consumption of Stores and Spares	47.11	34.28
Power & Fuel	10.09	8.71
Repairs to Machinery	3.90	2.32
Material Handing	130.59	108.38
Insurance	0.15	0.12
Rates and Taxes	25.64	23.87
Royalty	99.42	90.22
Miscellaneous Expenses	2.18	1.05
Total	326.85	276.74

Note-53 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 438.36 crore (previous year ₹ 12.44crore), other commitment ₹ 34.58 (previous year ₹ 38.90 crore)

Note-54 Contingent liabilities in respect of claims not accepted by the Group (matters in appeals) and not provided for are as follows :

Particulars	31st March, 2022	31st March, 2021
a) Service tax	6.64	9.83
b) Sale tax and interest	93.94	159.59
c) Income tax	9.16	6.62
c) Excise duty	1.83	1.83
e) Other matters	14.18	22.26
Total	**125.75**	**200.13**

Note-55 In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

Note-56 Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.

Note-57 Competition Commission of India (CCI) vide its Order dated 19th Jan, 2017 has imposed penalty on certain Cement Companies including a Penalty of ₹ 6.55 crore on the Parent Company pursuant to a reference filed by the Government of Haryana. The Parent Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said Order. COMPAT has since granted a stay on CCI Order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Parent Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Parent Company believes that it has a good case but out of abundant caution the Parent Company had provided full amount in earlier years.

Note-58 Maximum balance due for Commercial Paper issued during the year was nil and the year end balance is nil (previous year Maximum balance ₹ 110.00 crore)and at the year end outstanding commercial paper is Nil (previous year Nil).

Note-59 Rajasthan Government had granted the benefit of 75% exemption to the Parent Company for a period of 9 years vide its notification dated April 28, 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. April 01, 2006. During the FY 2014-15 the Parent 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 have already been paid in earlier years. The Rajasthan Tax Board Ajmer in its order dated March 14, 2018 has set aside the entire demand of interest upto the period of demand notice.

The department has appealed before Hon'ble High Court of Jodhpur against the order of Rajasthan Tax Board, Ajmer for interest portion and the Parent Company has appealed against the principal amount before Hon'ble High of Jodhpur. During the year out of abundant caution the Company has partially provided for interest. (Refer note no. 72)

Note-60 a) Consumption of Stores and Spares is net of scrap sale ₹ 11.57 crore (previous year ₹ 5.41crore.)

b) Interest expenses include nil (previous year ₹ 5.22 crore) being interest on entry tax.

Note-61 Disclosure in respect of Corporate Social Responsibility Expenditure:

a) Disclosure in respect of Corporate Social Responsibility Expenditure:

₹ in Crore (10 Million)

Particulars	2021-22	2020-21
Amount required to be spent by the company during the year.	6.31	3.40
Amount of expenditure incurred	4.86	3.40
Shortfall at the end of year	1.45	Nil
Total of previous years shortfall	Nil	Nil

Reason for Shortfall - On account of Ongoing Projects and Deposited in a Separate Bank Account.

b) foreign exchange fluctuation of gain (net) ₹ 4.61 crore (previous year gain (net) ₹ 2.61 crore).

Note-62 **Derivative Financial Instruments**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward & Option Contract outstanding for the purpose of hedging at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31 2022		As at March 31 2021	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
	Forward				
1	USD	0.61 Mn	4.64	1.99 Mn	14.68
2	Euro	1.86 Mn	15.94	1.10 Mn	9.73
	Option				
1	USD	Nil	Nil	13.09 Mn	98.13

Note-63 Based on information available with the Group in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

₹ in Crore (10 Million)

	2021-22	2020-21
i) Principal and Interest amount due and remaining unpaid as at 31st March 2022.	10.74	13.08

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 2022 Nil (previous year - Nil).

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

The Parent Company has given Corporate Guarantee to the Bankers of Udaipur Cement Works Limited (UCWL), a 72.54% subsidiary of the Parent Company for collaterally securing for the following facilities granted by Banks to UCWL

(i) The Term Loans aggregating to Rs.565 Crore (Outstanding as on 31.03.2022 is Rs.506.27 Crore) (Previous Year : Rs.565 Crore - Outstanding Rs.522.15 Crore) and

(ii) The Working Capital Facilities of Rs.50.00 Crore (Previous Year : Rs. 50.00 Crore)

The Parent Company has received a Counter Indemnity of Rs.615 Crore from UCWL against above Corporate Guarantee given by the Parent Company

The Parent Company has given Corporate Guarantee to the Trustee of Guaranteed Rated Unlisted Redeemable Non Convertible Debentures of Rs.350.00 Crore (Outstanding as on 31.3.2022 is Rs.350.00 Crore) issued on Private Placement Basis by its Subsidiary Udaipur Cement Works Ltd. (UCWL). The Parent Company has received a Counter Indemnity of Rs.350.00 Crore from UCWL against this Corporate Guarantee.

Note-65 During the year the Parent Company has received subsidy of ₹ 0.22 crore (Previous year ₹ 0.22 crore) in terms of Industrial & Investment Policy, 2011 (Haryana) towards exemption from electricity duty, which been netted from power & fuel expenses.

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 ₹ 10.00 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 13.34 crore) (Maximum balance due ₹ 13.34 crore, previous year ₹ 20.01 crore) due from BACL and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Group's policy are not considered.)

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. ICD given to Bengal & Assam Company Limited is ₹ 10 crore (previous year ₹ 40 crore) Maximum balance outstanding during the year is ₹ 40 crore (previous year ₹ 40 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 Parent Company.

Name of Company	Nature of Transaction and amount
Bengal & Assam Co. Ltd	Refer Note 67

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 nil (Previous year – ₹ 1.16 crore) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.

c) Other Operating Revenue includes Sales Tax / Value added Tax / SGST subsidy nil (Previous year – ₹ 8.94 crore) and others nil (Previous year - nil)

d) UCWL has opted for the fair value of Property Plant and Equipment on the date of transition to IND AS. However, to be in line with the Accounting Policy of parent Company, the Company has considered the financial statements of UCWL without considering the fair value adjustments in consolidated financial statements.

e) 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 2022	As at 31st March 2021
Assets		
Non-Current Assets	892.73	689.60
Current Assets	434.58	181.55
Liabilities		
Non-current Liabilities	659.44	641.70
Current Liabilities	570.49	182.84
Equity	**97.38**	**46.61**
Percentage of Ownership held by Non-controlling Interest	27.46%	27.46%
Accumulated Non controlling Interest	**26.74**	**12.80**
Revenue	881.09	737.66
Net Profit/(Loss) after tax	51.01	57.34
Other Comprehensive Income (net of tax)	(0.23)	(0.26)
Total Comprehensive Income	50.78	57.08
Total Comprehensive Income allocated to Non controlling interests	**13.94**	**15.67**
Net Cash Inflow/(Outflow) from Operating Activities	146.70	187.10
Net Cash Inflow/(Outflow) from Investing Activities	(243.90)	(114.13)
Net Cash Inflow/(Outflow) from Financing Activities	322.35	(61.52)
Net Cash Inflow / (Outflow)	**225.15**	**11.45**

f) The summarized aggregate financial information of associates as follows:-

₹ In Crore (10 Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Carrying Amount of Interest in Associates	13.01	13.05
- Share in Profit	(0.04)	(0.02)
- Share in Total Comprehensive Income	(0.04)	(0.02)
- Dividend Received	-	-

g) Additional information pursuant to Schedule III of Companies Act, 2013 on Consolidated Statement.

For the FY 2021-22

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.	97.89%	2452.35	91.82%	417.56
Subsidiary Company:-				
Udaipur Cement Works Ltd.	7.71%	193.26	11.17%	50.78
Hansdeep Industries & Trading Company Ltd.	4.65%	116.45	0.05%	0.21
Ram Kanta Properties P. Ltd.	4.61%	115.41	0.04%	0.17
Non Controlling Interest	(1.07%)	(26.74)	(3.07%)	(13.94)
Associates :-				
Dwarkesh Energy Ltd.			(0.01%)	(0.04)
Total Elimination	(13.80%)	(345.59)		
Total	**100%**	**2505.15**	**100%**	**454.74**

For the FY 2020-21

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.	99.25%	2078.92	89.85%	366.24
Subsidiary Company:-				
Udaipur Cement Works Ltd.	6.83%	143.12	14.00%	57.07
Hansdeep Industries & Trading Company Ltd.	5.56%	116.37	(0.02%)	(0.07)
Ram Kanta Properties P. Ltd.	5.50%	115.24	0.01%	0.06
Non Controlling Interest	(0.61%)	(12.80)	(3.84%)	(15.67)
Associates :-				
Dwarkesh Energy Ltd.			0.00%	(0.02)
Total Elimination	(16.53%)	(346.30)		
Total	**100%**	**2094.55**	**100%**	**407.61**

Note-67 Related Party Disclosure

List of Related Parties

I **Associates**

Dwarkesh Energy Ltd.

II **Key Management Personnels (KMPs)**

Shri Bharat Hari Singhania	Chairman
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 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 Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	Sr. VP & Company Secretary

III **Enterprise which holds more than 20% of Equity share**

Bengal & Assam Company Ltd. (BACL)

IV **Trusts under common control**

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund
JK Lakshmi Cement Ltd. Officers Superannuation Fund
JK Lakshmi Cement Ltd. Employees Gratuity Fund
JK Udaipur Udyog Ltd. Employees Provident Fund Trust
JK Udaipur Udyog Ltd. Officers' Superannuation Fund Trust
JK Udaipur Udyog Ltd. Employees' Group Gratuity Fund Trust

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
	2021-22			2020-21		
- Sharing of Expenses received	-	0.07	-	0.12	0.06	-
- Cement Sale					-	
- Payment of Expenses	-	2.12	-	-	2.10	-
- Other Income	-	2.49	-	-	3.90	-
- ICD given	-	-	-	-	-	-
- Dividend Paid	-	-		-	-	
- Advances Received back	-	3.33	-	-	3.33	-
- Contribution	-	-	7.57	-	-	12.70
Outstanding as at year end:						
- Loan Receivable		18.04			50.17	
- EPF (Contribution Payable)			(1.58)			(0.80)
- SF (Contribution Payable)/ Advance Receivable			0.67			0.61
- GF (Contribution Payable)/ Advance Receivable			(10.76)			11.59
- Receivable / (Payable):	-	-	-	-	-	-

₹ in Crore (10 Million)

ii)	Remuneration Paid to KMPs	2021-22	2020-21
	Short Term Employee benefits	50.51	49.20
	Post Employment benefits*	12.32	-
	Other Payments	2.00	1.12
	Receivable/(Payable) :	(27.68)	(25.99)

* 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.

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

Note-68 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-69 **Impairment review :**

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

Note-70 **Events occurring after the Balance Sheet date**

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements

Note-71 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of these Financial Statement

Note-72 I. Exceptional Item of ₹ 23.39 Crores, pertaining to Parent Company includes:

a. Impairment of ₹ 36.65 Crores in the Carrying Cost of an Asset under construction at Parent Company's Cement Plant at Durg.

b. Provision of ₹ 62.42 Crores made for matters under sub-judice

c. Net of the Provision of ₹ 75.68 Crores Written back for the matters under sub-judice settled during the Year.

II Exceptional Item of ₹ 3.60 Crore pertaining to Subsidiary Company includes;

a. RIPS Benefit of ₹ 2.52 Crore availed by the Subsidiary Company under the Rajasthan Investment Promotion Scheme, 2010 on SGST deposited in respect of certain Sales made by the Subsidiary Company during the earlier financial year which was adjusted by the Department against existing CST demand of ₹ 7.70 Crore under Amnesty Scheme.

b. The Subsidiary Company received a demand notice of ₹ 2.55 Crore from AVVNL dated 23.11.2021 demanding Cross Subsidy Surcharge under clause 91.6 of "Rajasthan Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020" till Oct'21. Out of which, ₹ 1.08 Crore pertaining to earlier financial year has been included in Exceptional Item.

Note-73

i. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii. The Group have not traded or invested in Crypto Currency or Virtual Currency during the financial year

iii. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. The Company have no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in Tax assessments under Income Tax Act, 1961.

vii. Struck off Companies in Parent Company.

₹ in Crore (10 Million)

Name of the struck off Company	Nature of transactions	Transaction during the year	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021
Print Express Pvt. Ltd.	Payable	0.02	-	(₹ 540)
Oriental Engineering Works Pvt. Ltd.	Payable	0.01	0.01	₹ 23,346
Ralli Singh and Grand Sons (HR) Pvt. Ltd.	Payable	₹ 5040	-	-

Figure with ₹ symbol represents absolute figure.

Note-74 During the financial year 2019-20, the Parent Company acquired 35% holding (at a cost of ₹ 2.10 Crore) in M/s. Sungaze Power Pvt Ltd (SPPL) which is setting up a 6.50 MW Solar Power Plant under Captive Power Plant (CPP) Model at our Durg Cement Plant in the State of Chhattisgarh. The Parent Company, as a Captive User, has no role & responsibility in the day-to-day Management & Operations of SPPL. As such, SPPL has not been considered as an Associate for consolidation purposes.

Note-75

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 & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

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
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
N.G. KHAITAN
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, 2022

₹ In Crore (10 Million)

		For the year ended March 31 2022		For the year ended March 31 2021	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax and				
	Exceptional Items	653.37		593.93	
	Adjustments for:				
	Depreciation and Amortization Expense (net)	223.47		225.33	
	Interest Income	(22.75)		(21.84)	
	Interest income from other financial asset at amortised cost	(7.11)		(6.17)	
	(Profit) / Loss on sale of Assets (Net)	(6.22)		(1.48)	
	(Profit) / Loss on sale of Current Investments (net)	(8.60)		(20.57)	
	(Gain) / Loss on Fair Valuation of Current Investments	(16.10)		(14.57)	
	Finance Costs	142.19		191.96	
	Provision for Doubtful Debts	2.14		1.61	
	Foreign Exchange Difference (net)	0.17		(1.96)	
	Share in Profit / (Loss) of Associates (Net of Tax)	(0.04)		(0.02)	
	Exceptional Items	(26.99)		(37.85)	
	Operating Profit before Working Capital changes	933.53		908.37	
	Adjustments for:				
	Trade and Other Receivables	121.21		36.84	
	Inventories	(214.80)		114.36	
	Trade and Other Payables	(61.17)		59.34	
	Cash generated from Operations	778.77		1,118.91	
	Income Tax Payments (Net)	(98.81)		(87.08)	
	Net Cash from Operating Activities		**679.96**		**1,031.83**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, plant and Equipment and Intangible Assets	(374.63)		(288.74)	
	Sale of Property, Plant and Equipment	8.50		122.67	
	(Purchase) / Sale of Investments (net)	(150.94)		16.42	
	Encashment / (Investments) in bank deposits	(175.42)		(293.79)	
	Interest Received	27.39		9.54	
	Net Cash from / (used in) Investing Activities		**(665.10)**		**(433.90)**
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long-term Borrowings	596.85		350.91	
	Repayment of Long-term Borrowings	(384.00)		(594.35)	
	Repayment of Lease Obligation - Principal	(5.68)		(2.56)	
	Repayment of Lease Obligation - Interest	(3.36)		(2.28)	
	Short-term borrowings (net)	(8.66)		(90.93)	
	Interest and Financial charges paid	(140.06)		(212.95)	
	Dividend paid	(44.28)		(0.46)	
	Net Cash from / (used in) Financing Activities		**10.81**		**(552.62)**

JK Lakshmi Cement Limited
Consolidated Cash Flow Statement
For the year ended 31st March, 2022

₹ In Crore (10 Million)

		For the year ended March 31 2022		For the year ended March 31 2021
D. Increase / (Decrease) in Cash and Cash Equivalents		25.67		45.31
E. Cash and Cash Equivalents as at the beginning of the year		48.36		3.05
F. Cash and Cash Equivalents as at the close of the year (Note 13 & 14)		74.03		48.36

Notes:

'1. Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
Opening	1639.13	13.98	1882.16	104.91
Cash Flow Changes				
Inflow / (Repayments)	212.85	(8.66)	(243.44)	(90.93)
Non - Cash Flow Changes				
Others	(0.77)	-	0.41	
Closing	**1851.21**	**5.32**	**1639.13**	**13.98**

1. Cash and Cash Equivalents include:		
- Cash, Cheques in hand and remittances in transit	0.58	1.46
- Balances with Scheduled Banks	73.45	46.90
	74.03	**48.36**

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 & COMPANY
Chartered Accountants
Firm Registration No.: 000756N

SUNIL WAHAL
Partner
Membership No.: 087294
Place: New Delhi
Date: 18th May, 2022

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
VINITA SINGHANIA Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
N.G. KHAITAN
RAVI JHUNJHUNWALA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K WALI
Directors

Financial Information of Direct & Indirect Subsidiaries and Associate Companies

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

Part "A": Subsidiaries

(₹ in lakh)

Sl.No.	Particulars			
1	Name of Subsidiary	Hansdeep Industries & Trading Company Limited	Ram Kanta Properties Private Limited	Udaipur Cement Works Limited
		Direct Subsidiary	Indirect Subsidiary	Direct Subsidiary
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
3	Reporting Currency	INR	INR	INR
4	Closing Exchange Rate	N.A.	N.A.	N.A.
5	Equity Share Capital	11,605.00	93.40	12,456.39
6	Instrument Entirely Equity in Nature	-	-	-
7	Other Equity	40.46	11,448.07	16,998.51
8	Total Assets	12,626.49	11,554.46	142,859.33
9	Total Liabilities	981.03	12.99	113,404.43
10	Investments	131.49	40.01	8718.53
11	Turnover	438.10	42.69	88,109.11
12	Profit / (Loss) before taxation	68.95	23.21	6,481.37
13	Provision for taxation, DTL/(DTA)	48.74	6.15	1,614.78
14	Profit / (Loss) after taxation	20.21	17.06	4,866.59
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 lakh)

Sl. No.	Name of Associates	Dwarkesh Energy Limited (DEL)
1	Latest audited Balance Sheet Date	31.03.2022
2	Share of Associates held by the Company at the year end :-	
	No. of Shares (Equity)	350,000
	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	0.26
	Considered in Consolidation	0.09
	Not Considered in Consolidation	0.17

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

VINITA SINGHANIA
Vice Chairman & Managing Director

B.V. BHARGAVA
BHASWATI MUKHERJEE
N.G.KHAITAN
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: 18th May, 2022

NOTES

NOTES

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MEMBER J.K. ORGANISATION

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