



# JK Cement LTD.

CIN: L17229UP1994PLC017199

ISO 9001:2000 & ISO 14001 CERTIFIED COMPANY

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Telefax (Direct) : +91-512-2332665  
E-mail : shambhu.singh@jkcement.com  
Website : www.jkcement.com

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

No.JKCL/35/CS/2017-18

Date: 2<sup>nd</sup> August, 2017

National Stock Exchange of India Ltd.,  
Exchange Plaza, Plot No.C/1, G-Block  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai-400051  
FAX NO.022-26598237/26598238  
Email:cmlist@nse.co.in  
**SCRIP CODE JKCEMENT**

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

Dear Sirs,

Pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations 2015, attached please find Annual Report - 2016-17 of the Company containing the followings which have already been uploaded on the Website of the Company i.e. [www.jkcement.com](http://www.jkcement.com).

- 1) Standalone Financial Statements along with Auditors Report thereon.
- 2) Consolidated Financial Statements along with Auditors Report thereon.
- 3) Cash Flow Statements
- 4) Directors' Report along with its Annexures.
- 5) Management Discussion Analysis Report.
- 6) Business Responsibility Report.

You are requested to please take the aforesaid on record and oblige.

Thanking you,

Yours faithfully,

For J.K. Cement Ltd.,

(Shambhu Singh)

Asst. Vice President (Legal) & Company Secretary.

Encl: As above.



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

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



2016  
2017

ANNUAL REPORT

# CO-CREATING TOMORROW



JK Cement LTD.

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### Forward Looking Statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



CIN : L17229UP1994PLC017199

**Registered and Corporate Office**

Kamla Tower, Kanpur - 208001, Uttar Pradesh, India

**Telephone:** 0091-512-2371478 / 81, **Fax:** 0091-512-2399854

**email:** shambhu.singh@jkcement.com **Web:** www.jkcement.com

## NOTICE

Notice is hereby given that the **Twenty Third Annual General Meeting** of J.K. CEMENT LIMITED will be held at Sir Padampat Singhania Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Saturday the 29th July, 2017 at 12.30 P.M. to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, together with the Reports of Directors and Auditors thereon.
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017, together with the Reports of Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Paul Heinz Hugentobler (DIN 00452691) (aged about 68 years), who retires by rotation pursuant to the provisions of Article 90 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. **Appointment of Statutory Auditors**  
To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. S. R. Batliboi & Co, LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) be and are hereby appointed as Statutory Auditors of the Company in place of, M/s

P.L. Tandon & Company, Chartered Accountants (ICAI Registration N0.000186C), whose tenure expires at the ensuing Annual General Meeting, at such remuneration plus reimbursement of out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors (including its Committee thereof) of the Company and the said Auditors.”

“RESOLVED FURTHER THAT M/s. S. R. Batliboi & Co, LLP, Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Twenty Third Annual General Meeting till the conclusion of Twenty Eighth Annual General Meeting of the Company (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting).”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolutions:-

#### As Ordinary Resolution(s)

5. **Ratification of remuneration to the Cost Auditors**  
“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 5,25,000 plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31st March, 2018 as approved by the Board of Directors of the Company in its meeting held on 13th May, 2017, to be paid to M/s. K. G. Goyal & Company, Cost Accountants, for conducting cost audit of the Company's Cement Manufacturing Units viz. J. K. Cement Works, Nimbahera, J.K.Cement Works, Mangrol, J. K. Cement Works, Gotan, J.K.White Cement

Works, Gotan all situated in the State of Rajasthan, J. K. Cement Works, Jharli, situated in the State of Haryana and J. K. Cement Works, Muddapur situated in the State of Karnataka, be and is hereby ratified and confirmed.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### As Special Resolution(s)

##### 6. Private Placement of Non Convertible Debentures

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under as may be amended from time to time, the approval of the Company be and is hereby accorded, effective 1st April, 2017, for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures (“NCD”) (whether secured or unsecured) on a private placement basis to Nationalised Banks, Indian Private Banks, Foreign Banks/Other Banks/ Financial Institutional Trusts/ Other eligible Investors, in one or more tranches during the current financial year ending 31st March, 2018 upto a limit of ₹ 500 Crores subject to the overall borrowing limits of the Company, as approved by the Members, from time to time.”

“RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above resolution, including determining the terms and conditions of the NCDs.”

##### 7. Raising of funds through issue of equity shares

“RESOLVED THAT pursuant to the provisions of sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 along with rules framed thereunder (“Companies Act”) (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, requirements of SEBI (LODR) Regulations, 2015 applicable for listing of equity shares with BSE/NSE of the Company of face value ₹ 10/- each and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended {“SEBI (ICDR) Regulations”}, Foreign Exchange Management Act, 1999 as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository

Receipt Mechanism) Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GOI”), the stock exchanges, Department of Industrial Policy & Promotion and / or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchanges, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions which may be agreed to by the Board of Directors of the Company (“Board” which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board in its absolute discretion to offer, issue and allot equity shares (“Equity Shares”) and /or Global Depository Receipts (“GDRs”) and /or American Depository Receipts (“ADRs”) (“Securities”) in the course of domestic and / or international offerings representing either equity shares or a combination of the foregoing for an amount not exceeding ₹ 1000 Crores (Rupees One thousand Crores only), inclusive of permissible green shoe option, for cash and at such premium / discount, as applicable, as the Board deems fit to all eligible investors including but not limited to existing equity shareholders as on record date, residents and /or non-residents, whether institutions, incorporated bodies, foreign institutional investors, qualified institutional buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and/or otherwise and/ or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through public issue and / or private placement and /or rights issue and / or preferential allotment and / or qualified institutions placement (“QIP”) and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents/writings/ circulars / memoranda in such manner, by way of cash at such time or times in such tranche or tranches and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with



the merchant banker(s) to be appointed by the Company, so as to enable the Company to list on any Stock Exchange in India and / or Luxembourg and /or London and /or New York and /or Singapore and /or Hong Kong and / or any of the Overseas Stock Exchanges as may be permissible.”

“**RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws.”

“**RESOLVED FURTHER THAT** in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and other applicable provisions, as amended from time to time.”

“**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the pricing shall be determined in compliance with principles and provisions set out in Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time.”

“**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue.”

“**RESOLVED FURTHER THAT** the Company may enter into any arrangement with any agencies or bodies as are authorized by the Board for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and /or international practice and regulations, and under the norms and practices prevalent in the domestic/ international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the consent of the Company be and hereby accorded to the Board to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer documents(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds as it may in its absolute discretion deem fit.”

“**RESOLVED FURTHER THAT** the Securities to be created, issued, allotted and offered in terms of this resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Equity Shares shall be listed with the stock exchanges, where the existing Equity Shares of the Company are listed and the same shall rank pari passu with the existing equity shares of the Company.”

“**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of rights issue, if the Equity Shares are not subscribed, the same may be disposed of by the Board in such manner which is not dis-advantageous to the shareholders and the Company.”

“**RESOLVED FURTHER THAT** the approval of the Company is hereby accorded to the Board to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts/ agreements, memorandum, documents etc. as may be required.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/or other intermediaries as may be appointed by the Company in relation to the issue of Securities, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion,

deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company.”

**BY ORDER OF THE BOARD**

Shambhu Singh  
Membership No. FCS 5836  
Asst. Vice President (Legal) & Company Secretary

Place : Kanpur

Dated : 23rd June, 2017

**NOTES**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is annexed herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority as applicable.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 20th July, 2017 to Saturday 29th July, 2017 (both day inclusive).
- The dividend as recommended by the Board of Directors and approved by the members shall be paid to those members, whose names shall appear on the Company's Register of Members on 29th July, 2017. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Registrar & Share Transfer Agent in respect of their shareholding in physical segment by mentioning folio nos. etc.
- Members are requested to convert their share(s) lying in physical form to the Demat form for easy transferability of shares. For any help the shareholders may contact the Asst. Vice President (Legal) and Company Secretary at mail id. shambhu.singh@jkcement.com
- Members are requested to bring their copies of the Annual Report as copies of the Report will not be re-distributed at the Meeting.
- Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.
- Members who hold shares in Physical/Dematerialised Form, are requested to bring their Folio No./ Depository Account Number and Client ID Number for identification.
- The details of the Director seeking reappointment under item nos. 3 of this Notice, is annexed hereto in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings.



10. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone number, PAN and Bank Account details, NECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants, PAN and Bank Account details.

Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number, PAN and Bank Account details at any of our e-mail address viz. (a) shambhu.singh@jkcement.com, (b) rc.srivastava@jkcement.com, (c) investorservices@jkcement.com, (d) jkshr@jkcement.com and send NECS Mandate to the Registered Office of the Company.

11. In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing its members the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Necessary arrangements have been made by the

Company with CDSL to facilitate remote e-voting. The remote E-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting through ballot or polling paper.

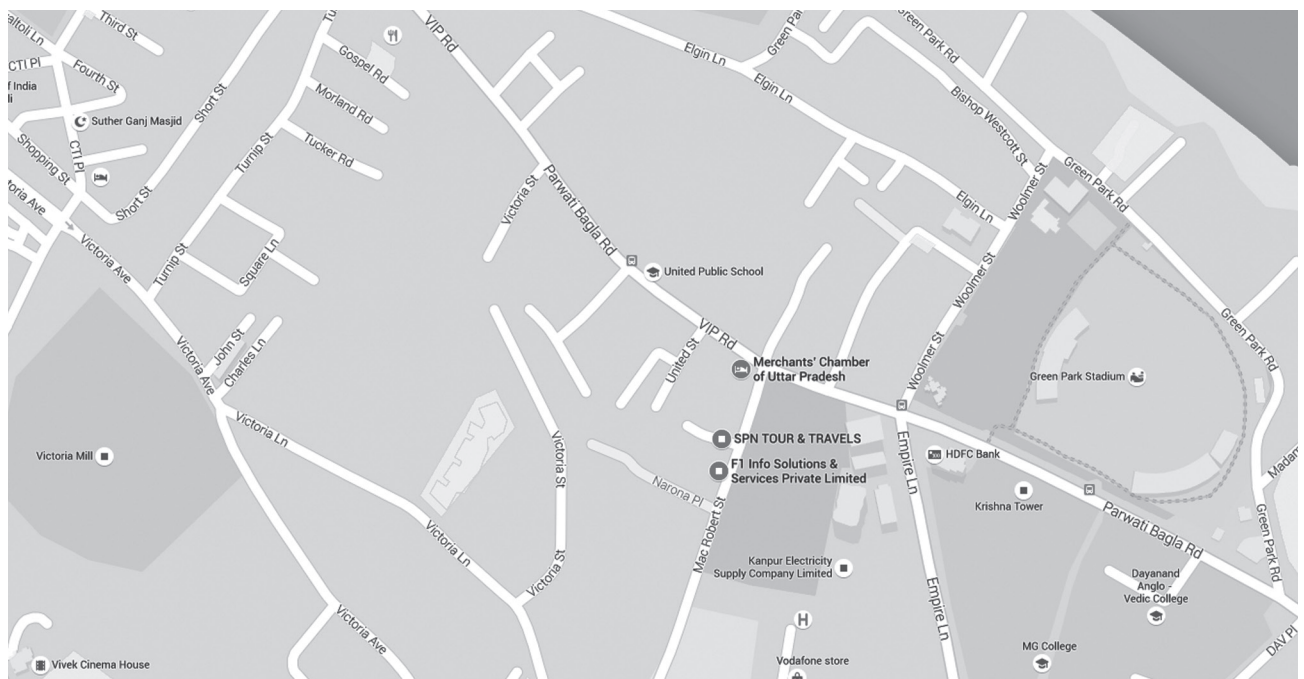
Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd July, 2017.

A person, whose name is recorded in the register of member or in the register of beneficial owner maintained by the depositories as on cut-off date i.e. 22nd July 2017 only shall be entitled to avail the facility of remote e-voting/ voting through ballot or polling paper at the Meeting.

12. All the documents referred to in the accompanying notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company during business hours on any working day excluding Saturday upto the date of the Annual General Meeting of the Company.
13. A Route Map showing directions to reach the venue of AGM is given hereinbelow as per the requirements of the Secretarial Standard – 2 on "General Meeting".

#### MAP SHOWING VENUE OF ANNUAL GENERAL MEETING OF J. K. CEMENT LIMITED

VENUE: Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur





**14. Voting-**

**A. The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26<sup>th</sup> July, 2017 at 10 A.M. and will end on 28<sup>th</sup> July, 2017 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> July, 2017 i.e. Record Date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use in the PAN field, the first two character of their name in CAPITAL letters e.g. If your name is RAMESH KUMAR then enter RA followed by the Sr No given at the top /beginning of the address slip (pasted on envelopes)</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login/changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxii) The Company has appointed M/s. Reena Jakhodia & Associates (Prop. Ms. R. Jakhodia) of Kanpur, Practicing Company Secretaries (C.P No. 6083) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

(xxiii) A copy of this Notice has been placed on the website of the Company and the website of CDSL.

(xxiv) In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the facility of ballot paper or polling paper shall be made available at the Meeting. For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall

not be entitled to cast their vote again. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

#### **B. Voting at AGM:-**

The members who have not casted their votes electronically, can exercise their voting rights at the AGM.

Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/ transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent, M/s. Jaykay Enterprises Ltd.

Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013: ITEM NO. 6**

As per the provisions of Section 42 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Non Convertible Debentures (“NCDs”) on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once in a year for all the offers and invitations for such NCDs during the year. NCDs, including Commercial Paper issued on private placement basis are a significant source of borrowings for the Company.

The approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Rules made there under to enable the Company to offer or invite subscriptions for NCDs on a private

placement basis, in one or more tranches, during the current financial year commencing 1st April, 2017 and ending on 31<sup>st</sup> March, 2018 within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCDs.

The Directors recommend the Resolution at Item No. 6 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of the resolutions at Item No.6 except to the extent of NCDs that may be subscribed by them, their relatives or companies/firms in which they are interested.

#### ITEM NO. 7

The Company proposes to raise the capital for the purpose of funding its long term growth, repayment/ prepayment of debt general corporate purposes including capital expenditure and working capital or any other purposes as may be permissible under applicable law and approved by the Board of Directors.

The Company has been exploring various avenues for raising funds by way of issue of equity shares ("Equity Shares") and /or Global Depository Receipts ("GDRs") and /or American Depository Receipts ("ADRs") ("Securities") to all eligible investors including but not limited to existing equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, foreign institutional investors, qualified institutional buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company in the course of domestic and / or international offerings through public issue and / or private placement and / or rights issue and / or preferential allotment and / or qualified institutions placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents/ writings/ circulars / memoranda in such manner, at such time or times in such tranche or tranches for an amount not exceeding ₹ 1000 Crores (Rupees One Thousand Crores only), inclusive of permissible green shoe option, for cash and at such premium / discount, as applicable, as the Board deems fit and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors. The Equity Shares shall rank pari passu with the existing equity shares of the Company.

In the event of the issue of the Equity Shares as aforesaid by way of QIP, it will be ensured that:-

- a) The relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, be the date of the meeting in which the Board or duly authorised Committee thereof decides to open the proposed issue of Equity Shares;
- b) The pricing for this purpose shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Equity Shares shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Equity Shares shall be fully paid up on its allotment;
- d) The total amount raised in such manner and all previous QIPs made by the Company in a financial year would not exceed 5 times of the Company's net worth as per the audited balance sheet for the previous financial year;
- e) The Equity Shares shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.

For making any further issue of shares to any person(s) other than existing equity shareholders of the Company approval of members is required to be obtained by way of passing a special resolution, in pursuance to section 62 (1) (c) of the Companies Act, 2013.

Therefore the Board recommends the resolution contained in Item No. 7 to be passed by the members so as to enable it to issue further Securities.

The proposed issue is in the interest of the Company and your Directors recommend the resolution for your approval.

None of the Directors, Manager, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 7 except to the extent of their shareholding.

#### BY ORDER OF THE BOARD

Shambhu Singh  
Membership No. FCS 5836  
Asst. Vice President (Legal) & Company Secretary

Place : Kanpur  
Dated : 23rd June, 2017



### ANNEXURE TO ITEM NO. 3

Details of Director seeking appointment and re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Paul Heinz Hugentobler
Date of Birth	14/02/1949
Nationality	SWISS
Date of Appointment on the Board	26/07/2014
Qualifications	Civil Engineer & Degree in Economic Science
Expertise in specific functional area	Technical and Management
Number of shares held in the Company	Nil
List of the directorships held in other companies*	DALMIA CEMENT (BHARAT) LIMITED
Number of Board Meetings attended during the year	3 OUT OF 4
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
Relationships between Directors inter-se	Nil
Remuneration details (paid in 2016-17)	US \$ 1,50,000. P.A. In the capacity of Consultant / Advisor + Commission ₹. 8,00,000. + Sitting Fee ₹ 1,50,000.
Directorship includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).	

**BY ORDER OF THE BOARD**

Shambhu Singh  
Membership No. FCS 5836  
Asst. Vice President (Legal) & Company Secretary

Place : Kanpur

Dated : 23rd June, 2017

# CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE



## Dear Shareholders,

I am happy to report a remarkable year for J.K. Cement. During this year, our Company reached the billion-dollar mark.

Despite demonetisation presenting some challenges, we registered higher sales of ₹ 4,327.84 crore during FY 2016-17 vis-à-vis ₹ 4,096.98 crore in FY 2015-16. We achieved highest ever EBIDTA of Rs. 734.3 crore (₹ 519.89 crore in 2015-16). Our net profit peaked at ₹ 259.58 crore and our earnings per share reached ₹ 37.12.

Our growth is a testament to our persistent efforts in cost reduction, brownfield expansions and other efficiency initiatives. As a next step, we have also initiated other pan-organisational improvement processes through Project Nirmaan, brand positioning and team building exercises.

## PROJECT NIRMAAN

Project Nirmaan is the outcome of our 'One Group' vision to bring greater business alignment across the Company. The project focuses on business and technology transformation, along with process reengineering. Its primary objective is to develop best-in-class processes and technology capabilities, resulting in a complete state-of-the-art 'digitalisation' across the Group. Project Nirmaan aims to build a future-ready organisation that will deliver bottom line value. The main highlights of the project are:

- **Customer first approach:** Gain a deeper understanding of our markets and customers to deliver an improved experience for them.
- **Manufacturing excellence:** A people-focused strategy to bring about higher levels of production efficiency through stronger technical know-how and frontline leadership.
- **Streamlined distribution and logistics:** Strengthen our logistics with real-time data leading to an increase in dispatches, strong alignment of channel objectives, and targets and improved customer service.
- **Better cost management:** Centralisation of procurement and streamlined processes to bring about economies of scale for better cost management, efficiencies in inventory management and increased governance.



OUR GROWTH IS A TESTAMENT TO OUR PERSISTENT EFFORTS IN COST REDUCTION, BROWNFIELD EXPANSIONS AND OTHER EFFICIENCY INITIATIVES. AS A NEXT STEP, WE HAVE ALSO INITIATED OTHER PAN-ORGANISATIONAL IMPROVEMENT PROCESSES THROUGH PROJECT NIRMAAN, BRAND POSITIONING AND TEAM BUILDING EXERCISES.



Sales

₹ **4,327.84** crore

FY 2016-17



EBIDTA

₹ **734.3** crore

FY 2016-17



- **Real-time financial analytics and governance:** Improved financial reporting and real-time analytics and KPIs through SAP to enable effective decision-making across the organisation; and data capturing process to increase individual and group-wide accountability.
- **Focus on Talent:** Providing more opportunities to our talent pool.

### BRAND PROMISE

Our new brand philosophy (“Suraksha Ka Naya Chinh”) positions the brand as a protector, providing safety, the nation can rely upon. The new branding is designed to ensure consumers that structures built with J.K. Cement remain safe for generations.

We have left no stone unturned in making this re-branding effort a success. A TVC has been launched across major TV channels, and a social media buzz has been generated.

### OUR TEAM

Our teams continue to drive the organisation forward, despite challenges in a largely volatile business environment. We are committed to invest in building the capabilities of our people and to align their career aspirations with the larger objectives of the organisation. Our various employee engagement programmes enhance ‘team bonding’ and help us to move forward as a cohesive force.

In FY 2016-17, we have embarked upon the journey of digital enablement of business. We have launched the MyJKC Portal, with a primary objective to provide single gateway to J.K. Cement Ltd. employees. The portal will help our people get the latest updates, information, and a facility to operate through various workflows in general. This will encourage employees to interact and share information in a structured yet informal and inspiring way. This will result in improving the overall working environment of our Company, leading to increased efficiencies at J.K. Cement Ltd.

### PROTECTING ENVIRONMENT AND COMMUNITIES

We undertook various initiatives to reduce our environmental footprint and grow sustainably. We were the pioneers in India to install a waste heat recovery power plant to manage our power requirements and have invested significantly in green power generation programme (23.2 MW). We are firmly committed to enhance sustainability of the environment and the communities around us. Besides, we contribute to holistic development of communities through need-based interventions in the realms of healthcare, education, sports and culture.

### ROAD AHEAD

India continues to be one of the fastest growing economies of the world; and the government’s consistent focus on institutional reforms and infrastructure creation will augur well for the economy, going forward. It is worthwhile to mention in this context that the government is committed to ensure time-bound creation of world-class infrastructure in the country.

Moreover, the Union Budget for 2017-18 has allocated infrastructure status to affordable housing. This will bolster the cement industry further, as the housing sector alone consumes 67% of the cement produced in India. Besides, the government is focusing on the nationwide rollout of the Goods and Services Tax (GST) from July 2017. This indirect tax framework will be a game changer for organised players like us, as it will lead to greater formalisation and consolidation of the sector.

Several other government initiatives like Pradhan Mantri Gram Sadak Yojana involves concretisation of rural and semi-urban roads; while the Swachh Bharat Abhiyan focuses on the construction of toilets in semi-urban and rural areas. These are likely to drive cement demand further.

India’s infrastructure growth story, backed by the aspirations of a billion-plus population, makes us upbeat about the future. Supported by our capacities, cutting-edge technology, access to quality raw materials, highly skilled workforce, extensive marketing and distribution network and strong brand recall, we are poised to grow sustainably; and co-create value for the nation and all our stakeholders.

We are also consistently evaluating various opportunities for brownfield or greenfield expansion and will soon put in place a firm plan of action. Moreover, we are in the process of introducing new value-added products. We are growing from strength to strength, building for tomorrow.

On behalf of the Board and the entire management team, I want to thank all our stakeholders for supporting our vision.

With warm wishes,

*AP Singhania*

**Yadupati Singhania**

Chairman and Managing Director

# MANAGEMENT DISCUSSION AND ANALYSIS



■ White Cement Plant at Fujairah (United Arab Emirates)

## GLOBAL ECONOMY

Global economic growth rate is gradually stabilising. With buoyant financial markets and a long-awaited cyclical improvement in manufacturing and trade, global growth is expected to touch 3.5% in 2017 and 3.6% in 2018.

The US economy is performing better and US firms are growing more confident of future demand. The economy has also recorded a lower rate of unemployment. The British economy also saw a rise in domestic demand following Brexit. After a prolonged period of grappling with challenges, Eurozone's economy is also seeing a robust domestic demand led recovery in the second half of 2016. If these tailwinds persist, the global economy may gather momentum over the medium term.

During 2016-17, the picture for emerging market and developing economies (EMDEs) remained distinctly diverse:

- Growth rates in most countries in the Gulf region are projected to be gradual. According to MEED's annual UAE Outlook Report for 2016, a recovery in oil prices combined with growing public and private sector activity, boosted by Dubai's preparations for the Expo 2020 will see real GDP growth rise to between 4-5% a year from 2017- 2020, compared with about 3.1% growth in 2016.
- Stronger than expected growth in China, supported by continued policy stimulus.
- Weaker than expected activity in some Latin American countries (Argentina, Brazil and Turkey) which faced a sharp contraction in tourism revenues.
- Better than expected activity in Russia, in part reflecting firmer oil prices.

## Global growth pattern

	2015	2016	2017 (P)	2018 (P)
				(%)
World Output	3.2	3.1	3.4	3.6
Advanced Economies	2.1	1.6	1.9	2.0
United States	2.6	1.6	2.3	2.5
Euro Area	2.0	1.7	1.6	1.6
United Kingdom	2.2	2.0	1.5	1.4
Other Advanced Economies	2.0	1.9	2.2	2.4
Emerging and Developing Economies	4.1	4.1	4.5	4.8
China	6.9	6.7	6.5	6.0

## INDIAN ECONOMY

The Indian economy has continued to show resilience in the face of challenging global economic conditions and rising protectionist measures across the world. The country registered a robust GDP growth of 7.1% in FY 2016-17, amid several headwinds.

### Key indicators

- **Inflation:** The retail inflation stayed above the comfort zone of 5% till August 2016. However, it started moderating thereafter due to a normal monsoon, dropping to a two-year low of 3.4%. The average inflation for the FY 2016-17 stood at 4.5% (4.9% in FY 2015-16)
- **Fiscal deficit:** The fiscal deficit as a percentage of GDP stood at 3.5% for 2016-17. This has been revised to 3.2% for 2017-18.
- **Current account deficit:** The current account deficit as a percentage of GDP stood at 0.9% lowest in the last five years.
- **Currency:** The Rupee saw a marginal appreciation as it stood at ₹ 65.9 during 2016-17 (₹ 66 in 2015-16).

India has recently emerged as the world's sixth largest manufacturing country. Emerging urban clusters are driving this economic momentum. The result is that more consumers with higher disposable income are helping enhance India's economic potential. The country's economic prospects appear optimistic with policymakers creating enablers for strong and sustainable growth for the medium to long term.

On the political front also, the government gained major victories in many state elections, including the country's most populous state Uttar Pradesh. The result will boost Prime Minister Narendra Modi's economic reform agenda and market reaction to the outcome was also positive, with the country's stock market recording a new high in March 2017 and the rupee strengthening against US\$.



### Outlook

India's growth rate is likely to touch 7.4% in 2017-18, driven by a rebound in consumption demand following remonetisation. In addition, long-term consumption growth will be driven by major factors: government reforms across all sectors of the economy; low interest rates; benign inflation; favourable demographics (half of the population is below the age of 35), and an expanding addressable market size (India now has 50 large consumption hubs).

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian cement industry having capacity of about 420 Mntpa is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. On the back of growing demand, due to increased construction and infrastructural activities, the cement sector in India has seen many investments and developments in recent times.

### CEMENT INDUSTRY OVERVIEW

#### Grey Cement

Though the Industry survived demonetisation shock quicker than expected but the production of major cement producer shows decline almost after a gap of 15 years. However, in the current year demand is expected to grow at @ 5-6% on YOY basis on account of various initiatives taken by the Government to boost infrastructure activities such as allocation for Pradhan Mantri Awaas Yojana-Gramin of ₹ 23,000 crore to complete 1 crore houses by 2019 for the homeless and those living in Kutcha houses.

Further, to promote affordable housing the real estate sector has been conferred infrastructure status and budget also proposed profit-linked income tax deduction for promotion of affordable housing considering carpet area instead of built up area of 30 and 60 Sq. meter. The 30 sq. meter will apply in case of limits of four metropolitan cities while for the rest of the country including peripheral areas of metros, limit of 60 sq. meter will apply.

The Prime Minister in his new year's evening address to the nation provided for an upfront subsidy to low-cost affordable housing along with an interest rate subsidy for loans up to ₹ 6 lakh. Loans up to ₹ 9 lakh will receive an interest subvention of 4 percent while those up to ₹ 12 lakh will be eligible for a 3% reduction in applicable interest rates.

Government has also allocated ₹ 7,000 crore in FY 2017-18 budget for development of roads on highways with special emphasis of laying 2000 kms of coastal roads.

All this will accelerate cement demand which in turn boosts economy at large. If India needs to perform to augur well with developing nations, infrastructure development is necessary which is based on steel and cement, where steel being refereed as the backbone and cement being the blood.

#### White Cement

White cement is used for decorative and architectural concrete, a key advantage of using White Cement is that it provides a neutral tinting base and consistent colour results. Every colour option is possible with it, from pure whites to bright and pastel colours. White concrete usually takes the form of pre-cast cladding panels, since it is not economical to use white cement for structural purposes. White Portland cement is used in combination with inorganic pigments to produce brightly coloured concretes and mortars. It is also used as basis input raw material for manufacture of Value Added Wall putty and Primaxx also.

Besides Grey Cement, company is one of the two manufacturers who are in White Cement business also. Its product portfolio is further enhanced with value added Wall Putty and recently launched Primaxx. Expanded capacity, extensive distribution network, and robust technical know-how have made the Company one of India's most reliable cement brand.

### PERFORMANCE DURING THE YEAR

- **Grey Cement:** Grey cement registered a de-growth of 2% in production volumes over last year. North registered growth of 1% whereas South registered de growth of 9%.
- **White Cement:** White Cement registered growth of 9% on YOY in production volumes whereas White Cement based Wall Putty registered growth of 14% on YOY basis.

### FINANCIAL HIGHLIGHTS

#### Standalone

Particulars	(₹ /Lacs)	
	2016-17	2015-16
Revenue	442071	413119
EBITDA	73430	51989
PAT	25958	10332
EPS (₹)	37.12	14.78

### OPPORTUNITIES AND THREATS

The Government of India has allocated of ₹395,000 crore for the infrastructure sector in the Union budget for FY 2017-18. Indian railways saw the largest-ever rail budget of ₹131,000 crore for



2017-18. Indira Awaas Yojana, Pradhan Mantri Gram Sadak Yojana and Affordable Housing, 100 Smart City Projects and 100% FDI limits for townships, SEZs and settlements development projects are expected to boost the demand for cement consumption.

### ROBUST RISK GOVERNANCE

Our risk-management framework is vigilant enough to anticipate various internal and external risks and take appropriate remedial measures. The framework itself is reviewed regularly to ensure that our risk management objectives are fulfilled and the interests of stakeholders are protected.

#### Our risk management objectives

- Integrate all business processes with the Company's vision and mission.
- Institutionalise a standard framework of identification, analysis, mitigation, monitoring and reporting.
- Analyse operational risk events to prevent future occurrences.
- Communicate transparent and clear objectives across business verticals to support effective and timely decision-making.
- To remain flexible and responsive to societal megatrends and evolving business realities.

**Inflation Rate:** Inflation rates play key role in Indian economy. Inflation rate touched bottom low of 3.17 % in Jan'17, thereafter, it started moving up resulting increase in prices of food commodities and oil and gas etc. are moving up which in turn left less money with public at large. With more deposit than credit growth, bank has no avenues to deploy funds which will further fuel an asset price bubbles. Thus, in order to control inflation RBI hiked reverse repo rate to absorb excess liquidity from system. It is expected that inflation rate will hover around from current 3.81% to 4.5 % in first half and 5% in second half of 2017-18.

**Interest Rate:** Demonetisation drive carried by Government has generated mixed response from public, however drive resulted in bringing back the money which is not actually in the system and also curtailing parallel economy running through system. All these resulted in surplus liquidity in the system. Banks having more deposits than lending, resulted in lowering of interest rates. Most banks are offering interest rate to housing buyer from 8.35-8.65% p.a. Further Government offering special interest rate to low cost affordable housing may generate demand for having home especially from lower and middle-class people.

**Infrastructure Risk:** The housing sector alone constitutes 67% of total cement consumption and rest 33% is spread between

industrial and infrastructure sector. The need for overall development of the economy is the vision of our Government. India economy is based on agriculture, almost 2/3rd Indian population depends upon rural income and a good harvest could boost spending on consumer goods etc. which may add to Government hopes of achieving target growth of 7.5% this fiscal. Further, Indian Metrological Department have predicted normal monsoon this year despite lingering possibilities of the disruptive EL Nino weather pattern way back in 2014 and 2015.

**Raw Material Risk:** Limestone is the basic raw material for manufacture of cement, however its excavation results in depletion of natural resources, further license for new mining lease is subject to MMDR Act. However, in order to move toward sustainable development and greener environment we are using more and more alternate raw materials such as fly ash and slag in place of clinker, this results in reduction of raw material cost and overall cement cost.

**Power & Fuel Risk:** Cement industry is energy intensive, though we have in-house captive power generation sufficient to meet maximum demand still we need external power from Grid to meet out compulsory requirement and purchase power through exchange at cheaper cost. Moreover, to promote green power, we have purchased Solar Power, besides, generation of power through Waste Heat Recovery System. We have coal linkage for captive plant as well as cement plant but still we are using pet coke both indigenous and imported to meet the shortfall of coal. The company requires almost 1 million tonnes of coal and pet coke to meet the requirement of kiln & CPP. Though, pet coke has emerged as viable option replacing coal on account higher GCV and comparatively lower price than coal, price of Pet coke is dependent on international crude price and highly volatile. To mitigate this risk company has started increasing the usage of Alternate Fuel such as Agro Waste, Fibre mass, Carbon black, ETP sludge, Tyre chips, Liquid and Solid Mix Waste. All this have resulted in saving of natural resources with limited liability.

**Logistics Risk:** Logistic plays important role in cement industry for inward and outward movement both. Almost 80% of dispatches are made through road so any increase in diesel price may result in increase in freight cost making cement cost dearer to end-user. Though availability of rakes is a major concern, dispatches are made by rail as much as possible including interunit clinker transfer to reduce logistic cost.

**Taxation Impact:** Introduction of Goods and Services Tax (GST) is a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax would mitigate cascading or double taxation, facilitating a common national market. The simplicity of the tax should lead to easier administration and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction



in the overall tax burden on goods, which is currently estimated at 25%-30%, free movement of goods from one state to another without stopping at state borders for hours for payment of state tax or entry tax and reduction in paperwork to a large extent will improve trade. GST is expected to be applicable from 1<sup>st</sup> July 2017.

### ENVIRONMENTAL SUSTAINABILITY

The journey towards sustainable development is improving on year on year basis. J.K Cement shared its 4th Annual Sustainability development report on triple bottom line performance for the year 2016-17 based on Global reporting initiative (GRI) G4 guidelines. The company has also been issuing a Business Responsibility Report as a part of its Annual report since 2015-16.

Our focus is overall development of company and society as a whole. With a vision to pay back to the society at large, we keep on engaging on activities which improve living standard of people living nearby plant and at the same time sustaining and preserving depleting natural resources. The way forward is to use alternate raw material and fuel in place of existing depleting natural resources. Adaption of rain water harvesting system to preserve our underground water resources is major concern for one and all. Use of more and more green energy such as Wind, Solar and Waste Heat Recovery for meeting shortfall of power is the need of day. In all, sustainable development is the development that meets the needs of the present, without compromising the ability of future generations to meet their own needs.

J.K Cement will continue to strive towards community development by way of imparting basic education to underprivileged children's, further imparting training of stitching handicrafts items to village women so that they can equally contribute towards family income along with male member, thereby increasing living standard of community at large.

### HUMAN RESOURCES

We are undergoing HR Transformation exercise under the umbrella of Project 'SAKSHAM' to align Human Resource to Business and build our organisational capabilities to the next level in preparation for future endeavours, which includes reviewing HR policies & processes and leveraging the technology.

While making our processes efficient and transparent, we continue to strive to ensure that company values and ethics be imbibed in our employees and our polices & processes are designed in a way which enables the desired culture building.

We believe in our home-grown talent and aim to develop the leaders within the organisation by imparting them the desired trainings, opportunities to work on various projects, assigning them tasks outside their routine work and relocating employees to various geographies etc.



■ Aerial View of Mangrol (Rajasthan) Plant

We believe in cultural and gender diversity. Our gender diversity has seen substantial increase over the years. We have been trying to ensure that our employees recommend our organisation to the outside world, thus enabling us to attract and retain best talent.

Further, continuous improvements as a part of ongoing change management initiatives aimed at building a future-ready and world class organisation persist as a way of life for us and a part of our organisation culture. As on March 31 2017, the people strength of J.K Cement is 2,855.

### INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY

The company has well placed internal control system looking to the size scale and complexity of operations. The management of the company is responsible for ensuring that all Internal Financial control are adequate and were operating effectively. The company has inbuilt policies and procedures for safeguarding its assets, prevention and detection of fraud and errors if any, accuracy and completeness of the accounting and timely preparation of financial information based on IND AS pursuant to notification, issued by the Ministry of Corporate Affair dated 16th Feb, 2015 .We have adapted the IND AS from current fiscal for which we have deployed both in house and KPMG team to assess the nature of impacts on company financial disclosures, the whole process of conversion is closely monitored by our management and management has also entrusted faith on its dedicated team of persons.

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

# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's Twenty Third Annual Report and Audited Financial Statements for the year ended 31st March, 2017

## 1. FINANCIAL RESULTS

Particulars	₹/Lacs	
	2016-17	2015-16
Gross Turnover	4,32,784	4,09,698
Profit before depreciation & tax	50,053	30,625
Less: Depreciation	17,610	16,412
Profit Before Tax	32,443	14,213
Tax Expense (Including deferred tax and tax adjustment of earlier years)	6,485	3,880
Profit After Tax, Minority interest	25,958	10,333
Add: Restated balance of retained earning at the beginning of the year	58,143	55,711
Add: IndAS Adjustments	556	48
Transfer to General Reserve	5,000	3,000
Transfer to Debenture Redemption Reserve	1,711	1,582
Dividend to Equity Shares (including tax thereon)	6,734	3,367
Balance to be carried forward	71,212	58,143

## 2. PERFORMANCE OF THE COMPANY

Your Company's performance during the year under report has overall improved. The Company's gross turnover increased by 5.63% to ₹ 4327.84 Crore during the year compared to ₹ 4096.98 Crore in previous year. Profit before Depreciation & Tax increased to ₹ 500.53 Crore compared to ₹ 306.25 Crore.

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

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2016 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standard) Rules, 2015 and the Annual Accounts of 2016-17, has been drawn in terms of provisions of the IndAS. The Company has also completed the modification of accounting and reporting systems which facilitated the changes.

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

The Company has three subsidiaries and one joint venture Company as on March 31, 2017. There has been no material change in the nature of the business of subsidiaries.

### SUBSIDIARY COMPANY

J.K. Cement (Fujairah) FZC recorded net income of AED 27,522 (equivalent to ₹ 30.28 Lacs) for the year ended 31st December, 2016 (Previous year loss of AED 353,771).

JK Cement Works (Fujairah) FZC is involved in principal business of manufacturing and sale of white cement in Middle East and GCC market and has recorded a turnover of AED 145,367,816 reflecting a growth 11.8% over the prior year. Gross margin have also improved in comparison to prior year. However, it recorded a loss of AED 31,117,399 (equivalent to ₹ 4467.63.Lacs) for the year ended 31st December, 2016 {Previous year loss of AED 28,312,829 (equivalent to ₹ 4089.41 Lacs)}

Jaykaycem (Central) Ltd recorded a loss of ₹ 3.14 Lacs (previous year ₹ 2.18 Lacs) for the year ended 31st March, 2017

### JOINT VENTURE

Bander Coal Company Private Limited recorded a net profit of ₹ 1.17 Lacs for the year ended 31st March, 2017 (Previous year profit of ₹ 60 Lacs).

## 4. CONSOLIDATED FINANCIAL STATEMENTS

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



## 5. DIVIDEND

In terms of Dividend Policy your Directors are pleased to recommend dividend of 8 per equity share (previous year ₹ 4 per equity share) of face value of ₹ 10 each aggregating to ₹ 67.34 Crore (Previous Year ₹ 33.67 Crore) for the financial year ended 31st March, 2017.

## 6. TRANSFER TO RESERVES

The Company proposes to transfer ₹1711 Lacs (previous year ₹ 1582 Lacs) to Debenture Redemption Reserve and ₹ 5000 Lacs (previous year ₹ 3000 Lacs) to General Reserve during Financial Year 2016-17

## 7. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2017 remained at ₹ 69.93 Crore. During the period under report, your Company has not issued any share including Sweat Equity, ESOP and/or Convertible Debentures.

## 8. FINANCE

During the year under report, your Company has availed disbursement of term loans of ₹151.74 Crore from various Banks and repaid ₹ 99.23 Crore on this count.

## 9. CREDIT RATING

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

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

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

## 11. OPERATIONS

### Grey Cement

During the year under report production decreased by 1.8% at 6.77 Million Tonne (compared to 6.89 Million Tonne last year) and sales decreased by 1% at 6.79 Million Tonne (compared to 6.86 Million Tonne last year).

### White Cement

Production of White Cement increased by 8.63% at 5.44 Lac Tonne during the year compared to 5.01 Lac Tonne while production of value added product wall putty registered increase of 14%. Sale was also in tandem with production.

## 12. PROJECTS OF THE COMPANY

### Projects undertaken/completed

Your company's Clinker Production Capacity increased by 3.30 lac tons per annum in Rajasthan Grey Cement plants by Cooler Modification and De-Bottlenecking/Up-gradations with the total cost of approximately ₹ 50 Crores. With this the overall grey cement clinker capacity of Rajasthan Plants stands increase to 54.45 lakh tons per annum.

Based on anticipated growth of 15%, the Company has initiated steps to expand the second phase white cement based wall putty production capacity from existing 2 Lakhs M.T. per annum to 4 Lakhs M.T. per annum at J.K. White, Katni.

## 13. PERSONNEL

### 13.1 Industrial Relations

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

### 13.2 Particulars of Employees

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

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

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

S.No.	Name	Designation	Remuneration Paid		% Increase in Remuneration from Previous Year	Ratio/Time per Median of employee Remuneration
			2016-17	2015-16		
1	**Mr.Yadupati Singhania	Chairman & Managing Director (KMP)	1266.92	726.85	74%	241:1
2	**Mr.Ajay Kumar Saraogi	President (Corporate Affairs)& Chief Financial Officer (KMP)	197.34	171.92	15%	38:1
3	Mr.Shambhu Singh	Asst. Vice President (Legal) & Company Secretary (KMP)	38.15	31.82	20%	7:1

\*\*The KMPs received remuneration in AED from foreign subsidiary companies during the calendar year 2016.

**Particulars about other Non Executive Directors.**

S.No.	Name	Designation	Remuneration Paid		%Increase in Remuneration from Previous Year
			2016-17	2015-16	
1	Smt. Sushila Devi Singhania	Non Executive Non Independent	12,52,250	10,90,875	14.80%
2	Shri A. Karati	Non Executive Independent	11,76,875	9,75,500	20.64%
3	Shri J.N. Godbole	Non Executive Independent	12,27,125	10,00,625	22.64%
4	Dr. K.B. Agarwal	Non Executive Independent	14,78,375	13,16,250	12.32%
5	Shri K.N. Khandelwal	Non Executive Non Independent	12,02,000	11,20,500	7.27%
6	Shri Raj Kumar Lohia	Non Executive Independent	12,52,250	10,86,125	15.30%
7	Shri Suparas Bhandari	Non Executive Independent	12,27,125	10,00,625	22.64%
8	Mr. Paul Heinz Hugentobler	Non Executive Non Independent	1,11,30,942	1,19,30,658	-6.70%
9	Mr .Shyam Lal Bansal	Non Executive Independent	10,26,125	N.A.	----

₹/Lacs

**13.3 Human Resources and Industrial Relations**

The Company has a structured induction process at all locations. Objective appraisal systems based on Key Result Areas (KRAs) are in place for Senior Management Staff. The Corporate HR is effectively involved in nurturing, enhancing and retaining talent through job satisfaction, management development programme etc.

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

The Competition Commission of India ('CCI'), on the complaint filed by Builders Association of India on the ground of alleged contravention of Competition Law, in Case No. 29/2010, passed an Order dated 31.8.16 imposing interalia penalty of ₹ 128.54 Crore on your Company. Aggrieved by CCI's Order your Company preferred Miscellaneous Application, stay petition and appeal before the Competition Appellate Tribunal ('COMPAT'). COMPAT has, by its order dated 16.2.17, modified its earlier order dt. 21.11.16, granted stay in lieu of deposit of 10% of the penalty calculated on the profit of grey cement. Accordingly, your Company deposited FDR of ₹ 6.56 Crores. The Appeal is yet to be heard by COMPAT.

In another matter the Competition Commission of India ('CCI'), on the complaint filed by State of Haryana on the ground of alleged bid rigging, in Case No. 5/2013, passed an Order dated 19.1.2017 imposing interalia penalty of ₹ 9.28 Crore on your Company. Aggrieved by CCI's Order your Company preferred stay petition and appeal before the Competition Appellate Tribunal ('COMPAT') interalia seeking modification for imposition of penalty on 0.3% average grey cement turnover for 2012-13, 2013-14 and 2014-15 which works out to ₹ 6.48 Crores. COMPAT vide order dated 3.4.17 issued notice and stayed operation of CCI's Order dt. 19.1.17. The Stay Petition and Appeal is yet to be heard by COMPAT.

No significant or material order has been passed by the Regulator or Courts or Tribunals which impact the going concern status and Company's operations in future.

**15. CORPORATE GOVERNANCE**

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

**16. PUBLIC DEPOSITS**

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

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

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

**18. MITIGATION OF RISK.**

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

**19. REMUNERATION POLICY**

The Board of Directors has, on the recommendation of the Nomination & Remuneration Committee, framed a policy which lays down a framework concerning remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also covers criteria for selection and appointment of Board Members and Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**20. RELATED PARTY TRANSACTIONS**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company



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

## 21. AUDITORS' REPORT

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis (except items disclosed in significant accounting policies). The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2017.

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

## 22. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

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

## 23. DIRECTORS AND KEY MANAGERIAL PERSONNEL.

**23.1** In accordance with the provisions of Section 152 of Companies Act, 2013 and the Company's Articles of Association, Mr. Paul Heinz Hugentobler( DIN 00452691) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

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

### 23.2. Key Managerial Personnel

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

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

## 24. MEETINGS OF THE BOARD OF DIRECTORS

During the year 2016-17, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## 25. BOARD EVALUATION

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

## 26. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

- ii) The Directors have selected such accounting policies, judgments and estimates that are reasonable and prudent and applied them consistently, so as to give a true and fair view of the state of affairs of the company as on 31st March, 2017, and of the statement of Profit and Loss and cash flow of the company for the period ended 31st March, 2017;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on an ongoing concern basis;
- v) Proper internal financial controls to be followed by the company has been laid down and that such internal financial controls are adequate and were operating effectively and
- vi) Proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

## 27. STATUTORY AUDITOR

M/s. P.L Tandon & Co., Chartered Accountants Kanpur the Statutory Auditors of the company holds the office of the Statutory Auditors till the conclusion of the forthcoming Annual General Meeting.

The Company is proposing to appoint S. R. Batliboi & Co, LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) Chartered Accountants, as Statutory Auditors for a period of 5 years commencing from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting. S. R. Batliboi & Co, LLP, have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3) (g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of S. R. Batliboi & Co, LLP,

Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) as Statutory Auditors of the Company from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting.

## 28. COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 the Board of Directors on the recommendation of the Audit Committee appointed M/s K.G. Goyal & Company Cost Accountants, as the Cost Auditors of the company for the Financial Year 2017-18 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General meeting. M/s K.G.Goyal & Company, have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

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

The Cost Audit Report for the financial year 2015-16 was filed with Ministry of Corporate Affairs.

## 29. SECRETARIAL AUDIT

The Board had appointed M/s Reena Jakhodia & Associates, Kanpur, a firm of Company Secretaries in Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2016-17. The report of the Secretarial Auditor is annexed to this report as **Annexure A**. The report does not contain any qualification.

## 30. REPORTING OF FRAUD

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

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

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

## 32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists in running of Schools at their Cement Plants, ITIs and Sir Padampat



Singhania University, Udaipur imparting value based education to students. Also the Company played a constructive role in the infrastructural development of surrounding areas.

During the period under report, the Company undertook various arts, cultural promotion activities, supporting activities e.g. Community welfare activities like providing water tank & water facilities. Special projects like Sparsh Napkin Project. Funding in various Government schemes like Pradhan Mantri Jal Swalamban Yojana, Repairs & Maintenance of Furniture & Building of Schools, Construction of Class Rooms, Boundary wall, prize distribution, Charity for development of other facilities in schools, Financial Aid and support to schools and nearby villages for promotion of Sports activities, Plantation and other horticultural activities in nearby areas and villages, Organizing medical checkup and health camps in the rural areas, Educational & Extra-curricular support to students, Eradicating hunger, poverty & malnutrition, promoting preventive health care and sanitation & making available safe drinking water, Extra-curricular activities & support to Community, Education & Extra-curricular support to students, Infrastructure support to villagers, Medical aid to patients under Health Care, Education Support to Student, Charges For Bus Hiring For Student Located In Rural Areas For Their Educational Support And Development, Medicine distribution to Villagers & Baba Ram Das Shayam Das Ji & aids to Patients under Health Care, Safe and Clean Drinking Water Supply in rural areas through R.O Plant, Donation to Police Station, Gotan, Donation to Kamdhenu Gau Sewa Samiti; Development of Railway Station Platform, Water Conservation, Govt. Appr. Salary, Rural Development Project-Jal Mandir Gotan, Baby Chair & Toys Distribution In Anganwadi, Fine Art Workshop, Facilities for Senior Citizen and for Economically Backwards, Plantation and Maintenance of Plant at office of Rajasthan State Pollution Control Board, Rural Development Projects-Chepia Nada Mandir, Contribution To J.K. Gramin Vikas Trust, Contribution to Bharat Lok Siksha Parishad, Donation to Orphan Organization, Contribution for installation of Free Water Kiosk. The Annual Report on CSR activities is annexed herewith as **Annexure B**.

### 33. STATUTORY INFORMATION

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

Particulars with regard to Conservation of Energy,

Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 in respect of Cement plants are annexed hereto as **Annexure C** and form part of the Report.

#### 33.2 Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 as required under Section 92 of the Companies Act, 2013 is annexed hereto as **Annexure D** and forms an integral part of this Report.

#### 33.3 Business Responsibility Reporting

The Business Responsibility Report for the year ended 31st March, 2017 as stipulated under regulation 34 of the Listing Regulations is annexed as **Annexure E** and forms part of the Annual Report.

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

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

### 34. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred a sum of ₹ 25.42 Lacs to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013 which represents unclaimed dividend and unclaimed fixed deposits and unclaimed interest on the fixed deposits.

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

#### 35.1 COMPOSITION OF AUDIT COMMITTEE:

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

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

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent,



contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

### **36. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

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

### **37. EQUAL OPPORTUNITY BY EMPLOYER**

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

### **38. CAUTIONARY STATEMENT**

Statements in the Directors Report and the Management

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

### **39. ACKNOWLEDGEMENTS**

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

For and on Behalf of the Board

Place : Kanpur  
Dated : 13 May, 2017

Yadupati Singhania  
Chairman & Managing Director



## ANNEXURE A

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

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

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment etc;
- v. The following Regulations and Guidelines with amendments thereto prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

## **ANNEXURE A (CONTD.)**

- vi. The Competition Act, 2002 and Rules/Regulations framed thereunder;
- vii. Following other laws are applicable specifically to the company
  - a) Factories Act, 1948;
  - b) Industries ( Development & Regulation) Act, 1951;
  - c) Laws prescribed related to mining activities;
  - d) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
  - e) Laws prescribed under prevention and control of pollution;
  - f) Laws prescribed under Environmental protection;
  - g) Laws prescribed under Direct Tax and Indirect Tax;
  - h) Land Revenue laws of respective States;
  - i) Labour Welfare Laws of respective states;
  - j) Local laws as applicable to various offices, plants, grinding stations and bulk cement terminals.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange and National Stock Exchange of India Ltd.

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

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

- i) The Competition Commission of India issued an Order dated 31.8.2016, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company is Rs.128.54 Crore. The Company has filed appeal against the order of Competition Commission of India before the Competition Appellate Tribunal (Tribunal). The Tribunal vide Order dated 21st November, 2016 and 16th Feb. 2017 has stayed the operation of the Commission's Order, subject to deposit of ₹ 6.56 Crore in the form of Fixed Deposit of six month's duration. However, it was also ordered that if the Appeal is dismissed, then the balance amount of penalty shall have to be deposited with interest @ 12% per annum from the date of CCI's Order i.e. 31st August, 2016. The Tribunal's Order dated 21st November, 2016 and 16th Feb. 2017 has been complied with and the Appeal is now pending for final hearing.



## **ANNEXURE A (CONTD.)**

- ii) State of Haryana has filed a complaint alleging cartelization in the tender for supply of cement by some cement companies including the Company. CCI vide Order dated 19th January, 2017 has held cement companies including the Company guilty of violating provisions of the Competition Act and imposed penalty to the tune of 0.3% of the average turnover of last three financial years. Accordingly, the penalty on the Company works out to ₹ 6.48 Crores. The Company preferred stay petition and appeal against CCI's Order before the Tribunal. The Tribunal vide Order dt. 3.4.17 issued notice and stayed operation of CCI's Order dt. 19.1.17. Stay petition and appeal are yet to be heard by Tribunal.

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Kanpur  
Date: 04-05-2017

For: Reena Jakhodia & Associates  
Company Secretaries

**(Reena Jakhodia)**

Proprietor

Membership No: F6435

C.P. No.: 6083

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## **ANNEXURE A (CONTD.)**

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

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

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

Place: Kanpur  
Date: 04-05-2017

For: Reena Jakhodia & Associates  
Company Secretaries

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



## ANNEXURE B

# ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

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

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

The Company undertook activities relating to education and rural development.

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

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

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

The average Net Profit for the last three years is ₹ 14998.19 lakhs

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

The Company is required to spend ₹ 308.58 Lakhs towards CSR for the Financial Year 2016-17

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

- a. Total amount spent for the Financial Year: ₹ **322.68 lacs**
- b. Amount unspent, if any: **Nil**
- c. **Manner in which the amount spent during the financial year is detailed below:**

During 2016-17 the Company undertook various arts, cultural promotion activities, supporting activities e.g. Community welfare activities like providing water tank & water facilities. Special projects like Sparsh Napkin Project. Funding in various Government schemes like Pradhan Mantri Jal Swalamban Yojana, Repairs & Maintenance of Furniture & Building of Schools, Construction of Class Rooms, Boundary wall, prize distribution, Charity for development of other facilities in schools, Financial Aid and support to schools and nearby villages for promotion of Sports activities, Plantation and other horticultural activities in nearby areas and villages, Organising medical checkup and health camps in the rural areas, Educational & Extra-curricular support to students, Eradicating hunger, poverty & malnutrition, promoting preventive health care and sanitation & making available safe drinking water, Extra-curricular Activities & support to Community, Education & Extra-curricular support to students, Infrastructure support to villagers, Medical aid to patients under Health Care, Education Support To Student, Charges For Bus Hiring For Student Located In Rural Areas For Their Educational Support And Development, Medicine distribution to Villagers & Baba Ram Das Shayam Das Ji & Aids to Patients Under Health Care, Safe And Clean Drinking Water Supply In Rural Areas Through R.O Plant, Donation To Police Station, Gotan, Donation To Kamdhenu Gau Sewa Samiti, Development Of Railway Station Platform, Water Conservation, Govt.appr.salary, Rural Development Project-Jal Mandir Gotan, Baby Chair & Toys Distribution In Anganwadi, Fine Art Workshop, Facilities For Senior Citizen And For Economically Backwards, Plantation And Maintenance Of Plant At Office Of Rajasthan State Pollution Control Board, Rural Development Projects-Chepia Nada Mandir, Contribution To J.k. Gramin Vikas Trust, Contribution To Bharat Lok Siksha Parishad, Donation To Orphan Organisation, Contribution For Installation Of Free Water Kiosk.

## ANNEXURE B (CONTD.)

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

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (in ₹)	Amount spent on the projects programs Sub-heads	Cumulative expenditure up to the reporting period (in ₹)	Amount spent : Direct or through implementing agency
1	Community welfare activities like providing water tank & water facilities. Special projects like Sparsh Napkin Project. Funding in various Government schemes like Pradhan Mantri Jal Swalamban Yojana	Community Welfare	RAJASTHAN	38,35,731.00		38,35,731.00	
2	Repairs & Maintenance of Furniture & Building of Schools, Construction of Class Rooms, Boundary wall, prize distribution, Charity for development of other facilities in schools.	Education	RAJASTHAN	26,55,655.00		26,55,655.00	
3	Financial Aid and support to schools and nearby villages for promotion of Sports activities	Sports promotion	RAJASTHAN	32,000.00		32,000.00	
4	Plantation and other horticultural activities in nearby areas and villages	Environmental Protection	RAJASTHAN	71,390.00		71,390.00	
5	Organising medical checkup and health camps in the rural areas	Health	RAJASTHAN	41,780.00		41,780.00	
6	Educational & Extra-curricular support to students	Education	HARYANA	1,64,000.00		1,64,000.00	
7	Eradicating hunger, poverty & malnutrition, promoting preventive health care and sanitation & making available safe drinking water	Health	HARYANA	7,87,000.00		7,87,000.00	
8	Extra-curricular Activities & support to Community	Building Community Welfare	HARYANA	50,000.00		50,000.00	
9	Education & Extra-curricular support to students	Promoting education & malnutrition promoting preventive health care & sanitation	KARNATAKA	4,77,000.00		4,77,000.00	
10	Infrastructure support to villagers	Rural Development Projects - Temple construction, fair, food arrangement & water supply, Garden & committee hall etc.,	KARNATAKA	9,04,000.00		9,04,000.00	
11	Medical aid to patients under Health Care	Health	KARNATAKA	1,80,000.00		1,80,000.00	
12	Education Support To Student	Education	RAJASTHAN	70,000.00		70,000.00	
13	Charges For Bus Hiring For Student Located In Rural Areas For Their Educational Support And Development.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects,	RAJASTHAN	28,98,000.00		28,98,000.00	
14	Medicine distribution to Villagers & Baba Ram Das Shayam Das Ji & Aids to Patients under Health Care.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	RAJASTHAN	2,55,000.00		2,55,000.00	



## ANNEXURE B (CONTD.)

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (in ₹)	Amount spent on the projects programs Sub-heads	Cumulative expenditure up to the reporting period (in ₹)	Amount spent : Direct or through implementing agency
15	Safe and Clean Drinking Water Supply in rural areas through RO Plant.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	RAJASTHAN	2,53,000.00		2,53,000.00	
16	Donation To Police Station, Gotan	rural development projects	RAJASTHAN	91,000.00		91,000.00	
17	Donation To Kamdhenu Gau Sewa Samiti	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	RAJASTHAN	23,000.00		23,000.00	
18	Development Of Railway Station Platform	Rural development projects	RAJASTHAN	2,16,000.00		2,16,000.00	
19	Water Conservation	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	RAJASTHAN	5,66,900.00		56,69,000.00	
20	Govt.appr.salary	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	RAJASTHAN	2,01,000.00		2,01,000.00	
21	Rural Development Project- Jal Mandir Gotan	Environmental Sustainability	RAJASTHAN	48,000.00		48,000.00	
22	Baby Chair & Toys Distribution In Anganwadi	Promoting gender equality, empowering women and measures ofr reducing in equalities faced by socially and economically backward groups.	RAJASTHAN	39,000.00		39,000.00	
23	Fine Art Workshop	Art & Culture	RAJASTHAN	2,40,000.00		2,40,000.00	
24	Facilities For Senior Citizen And For Economically Backwards	Promoting gender equality, empowering women and measures ofr reducing in equalities faced by socially and economically backward groups.	DELHI	30,000.00		30,000.00	
25	Plantation And Maint Of Plant At Office Of Rajasthan State Pollution Control Board	Rural development projects	RAJASTHAN	49,000.00		49,000.00	
26	Rural Development Projects- Chepia Nada Mandir	Rural Development Projects	RAJASTHAN	2,10,000.00		2,10,000.00	
27	Contribution To J.k. Gramin Vikas Trust	Rural Development	MAHARASHTRA & RAJASTHAN	1,16,46,000.00		1,16,46,000.00	
28	Contribution To Bharat Lok Siksha Parishad	Education	UP	4,00,000.00		4,00,000.00	
29	Donation to Orphan Organisation	Livelihood	KANPUR	6,13,568.00		6,13,568.00	
30	Contribution for installation of Free Water Kiosk		DELHI	1,18,240.00		1,18,240.00	
	<b>Total</b>			<b>3,22,68,364.00</b>		<b>3,22,68,364.00</b>	



## ANNEXURE C

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

#### A) ENERGY CONSERVATION

Sustainable Development and continuous improvement of Key Performance Indicators is of prime importance for the Company. Electrical and Thermal energy being major cost element in cement manufacturing, it has been of main focus.

During the year 2016-17, following measures were taken giving reduction of power consumption by 32618235 kwh, reduction of thermal energy by 495326 Giga Joules and savings of INR 42,95,49,464 combined together for all the plants.

- Process Optimisation to improve operational efficiency.
- Variable Frequency Drives to conserve electrical power.
- Replacing energy intensive equipment with energy efficient equipment.
- Alternative Fuel for sustainable development.

#### PROCESS OPTIMISATION

Through process optimisation at all plants, company has saved INR 20,81,31,983 by reducing 23248824 kwh of electricity and 200286 Giga Joules of thermal energy with expenditure of INR 29,00,17,000 which means payback period of one year, five months. Major process optimisation measures are as under:-

	Savings (₹)
Improving Output and Efficiency	8,78,84,889
Optimisation & downsizing of equipment	4,64,13,008
Improving Heat Utilisation & Minimising losses	7,38,34,086
<b>Total</b>	<b>20,81,31,983</b>

#### Installation of Variable Frequency Drive

In a process industry, operational conditions keeps on changing depending upon the process variables and thus to maintain uniform and smooth running of the system, it becomes essential to control air flow, motor speed, fan speed with the changing conditions. There are various ways to do so and among them the best technology is to have vary the speed according to the demanding situation as it gives maximum saving in power consumption and can be automated. With installation of variable frequency drive, company saved INR 9,09,87,697 reducing 8348745 kwh by investing only INR 74,66,700 i.e. payback period of less than one year.



## ANNEXURE C (CONTD.)

	Savings (₹)
1 Installation of VF in Thermal Power Plant for Pumps & Fan	5,83,17,652
2 Installation of VFD process fans, water pump, compressors in various sections	4,67,845
3 Installation of VFD in Thermal Power Plant for cooling tower Fan	6,05,000
4 Installation of VFD for cement silo elevator & primary air fan	3,04,32,000
5 VFD for Cement Mill fan	7,20,000
6 VFD for Primary Air Fan	4,45,200
<b>Total</b>	<b>9,09,87,697</b>

### Installation of Energy Saving Equipments

Adopting new technology is an ongoing process for the company. During the year electrical power 529465 kwh was reduced by replacing conventional lights with LED lights giving savings of INR 22,84,068 and installation of energy efficient equipment replacing old types gave savings of INR 5,20,19,453 reducing electrical power by 491200 kwh by investing INR 30,40,000. Thus, by investing INR 81,97,008, savings of INR 5,42,33,697 was made i.e. payback period of two months.

	Savings(₹)
Installation of Wind driven turbo-Ventilator(21MW CPP)	2,56,66,645
Installation of Lightning Transformer(21 MW CPP)	71,29,624
Installation of Wind driven Turbo-ventilator(13.2 MW CPP)	1,71,11,097
662 nos of LED lights(from 70 Watt to 250 Watt lights changed in lower Watt LED) installed to which saving of KWH is 1242 per day	17,35,932
Installed load tap changer at lighting transformer which saves 200 KWh/day	2,04,088
LED lights provided which saved 21 KWh/day	17,274
Plant conventional lights replacement with LED lights 17500 KWh	78,750
Replacement of old CFL/Metal Halide lighting by LED lighting	1,66,301
Installation of 60 W LED light in place of 400 W metal Halide at various locations	67,416
Installation of energy efficient screw blower in place of low pressure reciprocaing compressor	19,08,000
Replacement of old CFL/Metal Halide/HPS/HPSV lightings by LED lighting	1,48,570
<b>Total</b>	<b>5,42,33,697</b>

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

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

The company has taken up technology upgradation and R&D activities in the areas of Process Improvement, Sustainable Development and Energy Management with estimated investment of INR 41,63,58,000 and major ones are

- i. Replacement of conventional grate cooler of Kiln 3 at Nimbahera plant with latest state of art IKN pendular cooler with hot air circulation and replacing conventional burner by multi channel burner has given reduction of 216852 gega joules of thermal energy and improved efficiency/output of the kiln from 4680 TPD to 5000 TPD. The project completed in September'16 and savings of INR 5,61,80,342 accrued for the year 2016-17. Total investment on this project was INR 39,69,62,000.
- ii. Liquid Mix Waste as Alternative Fuel is in use at Nimbahera/Mangrol plant which has reduced thermal energy by 38369 gega joules. The project accrued savings of INR 73,31,365 in the year 2016-17.
- iii. Use of ETP Sludge, GEIPL waste, Plastic waste etc. at Muddapur Plant which reduced Coal use equivalent to 39820 giga joules and accrued savings of INR 1,26,84,383 in the year 2016-2017.
- iv. Energy Management System at a cost of INR 78,95,000 is under installation at Gotan Plant which will optimise power consumption with respect to operation and will give savings of INR 31,58,000 per annum.
- v. Further, an amount of INR 1,15,01,000 has been planned for Nimbahera & Mangrol plant for energy conservation measures at Nimbahera & Mangrol plant.

**ANNEXURE D**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L17229UP1994PLC017199
2	Registration Date	24-11-1994
3	Name of the Company	J.K.Cement Limited
4	Category/Sub-category of the Company	Public Company Limited by Shares
5	Address of the Registered office & contact details	Kamla Tower, Kanpur Uttar Pradesh-208001 India Ph. No. 91 512 2371478-81 Fax.No. 91 512 233 2665 Website-www.jkcement.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	JayKay Enterprises Ltd. Kamla Tower, Kanpur Uttar Pradesh-208001 India Ph. No. 91 512 2371478-81 Fax.No. 91 512 233 2665 Website-www.jaykayenterprises.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement and Cement Products	3242	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	J.K. Cement (Fujairah)FZC	NA	Subsidiary	100	2(87)
2	J.K. Cement Works (Fujairah)FZC	NA	Step Down Subsidiary	90	2(87)
3	JayKaycem (Central)Ltd.	U72305UP1987PLC009162	Subsidiary	100	2(87)
4	Bander Coal Company Pvt.Ltd.	U10200MH2009PTC193985	Associate	37.5	2(6)



## ANNEXURE D (CONTD.)

### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1,66,88,839	20	1,66,88,859	23.87%	1,46,88,839	20	1,46,88,859	21.01%	-11.98%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	3,01,60,732	100	3,01,60,832	43.13%	3,01,60,732	100	3,01,60,832	43.13%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other	16,880	-	16,880	0.02%	16,880	-	16,880	0.02%	0.00%
<b>Sub Total (A) (1)</b>	<b>4,68,66,451</b>	<b>120</b>	<b>4,68,66,571</b>	<b>67.02%</b>	<b>4,48,66,451</b>	<b>120</b>	<b>4,48,66,571</b>	<b>64.16%</b>	<b>-4.27%</b>
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>4,68,66,451</b>	<b>120</b>	<b>4,68,66,571</b>	<b>67.02%</b>	<b>4,48,66,451</b>	<b>120</b>	<b>4,48,66,571</b>	<b>64.16%</b>	<b>-4.27%</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	56,30,787	23,809	56,54,596	8.09%	80,03,894	23,779	80,27,673	11.48%	41.97%
b) Banks / FI	9,871	5,532	15,403	0.02%	13,168	5,392	18,560	0.03%	20.50%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies	37,57,774	10	37,57,784	5.37%	36,01,961	10	36,01,971	5.15%	-4.15%
g) FIs	73,05,312	25,072	73,30,384	10.48%	90,302	24,782	1,15,084	0.16%	-98.43%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(1)</b>	<b>1,67,03,744</b>	<b>54,423</b>	<b>1,67,58,167</b>	<b>23.97%</b>	<b>1,17,09,325</b>	<b>53,963</b>	<b>1,17,63,288</b>	<b>16.82%</b>	<b>29.81%</b>
(2) Non-Institutions									
a) Bodies Corp.	11,11,700	11,204	11,22,904	1.61%	9,46,204	11,083	9,57,287	1.37%	-14.75%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	26,88,088	4,75,387	31,63,475	4.52%	27,39,185	4,62,164	32,01,349	4.58%	1.20%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9,46,000	0	9,46,000	1.35%	11,58,358	0	11,58,358	1.66%	22.45%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Trusts	1,019	1,537	2,556	0.00%	497	1,537	2,034	0.00%	20.42%
Escrow Account	160		160	0.00%	160	0	160	0.00%	0.00%
Societies	81,913	33,798	1,15,711	0.17%	79,413	33,798	1,13,211	0.16%	2.16%
Clearing Members	45,372		45,372	0.06%	73,656	0	73,656	0.10%	62.34%
Foreign Bodies	28,397	495	28,892	0.04%	27,491	495	27,986	0.04%	3.14%
Foreign Portfolio Investment	8,77,442	-	8,77,442	1.00%	77,63,350	0	77,63,350	11.10%	784.77%
<b>Sub-total (B)(2)</b>	<b>57,80,091</b>	<b>5,22,421</b>	<b>63,02,512</b>	<b>9.01%</b>	<b>1,27,88,314</b>	<b>5,09,077</b>	<b>1,32,97,391</b>	<b>19.01%</b>	<b>110.98%</b>
<b>Total Public (B)</b>	<b>2,24,83,835</b>	<b>5,76,844</b>	<b>2,30,60,679</b>	<b>32.98%</b>	<b>2,44,97,639</b>	<b>5,63,040</b>	<b>2,50,60,679</b>	<b>35.83%</b>	<b>8.67%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>				0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>6,93,50,286</b>	<b>5,76,964</b>	<b>6,99,27,250</b>	<b>100.00%</b>	<b>6,93,64,090</b>	<b>5,63,160</b>	<b>6,99,27,250</b>	<b>100.00%</b>	<b>100.00%</b>

## ANNEXURE D (CONTD.)

### (ii) Shareholding of Promoter

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gaur Hari Yadupati Singhania	8,216	0.01%	0	20	0.00%	0	-
2	Yadupati Singhania	1,42,76,002	20.42%	0	1,22,84,198	17.57%	0	*
3	Juggilal Kamlatpat Holding Ltd.	72,94,418	10.43%	0	-	0.00%	0	**
4	Yadu International Ltd.	2,26,55,100	32.40%	0	2,99,49,518	42.83%	0	-
	<b>TOTAL</b>	<b>4,42,33,736</b>	<b>63.26%</b>	<b>0</b>	<b>4,22,33,736</b>	<b>60.40%</b>	<b>-</b>	<b>-</b>

#### Note Reason for change in shareholding

- \* 8196 shares transfer from Dr. Gaur Hari Yadupati Singhania in favour of Shri Yadupati Singhania during the year.  
2000000 shares disposed by Shri Yadupati Singhania during the year.
- \*\* 7294418 shares disposed by M/s Juggilal Kamlatpat Holding Ltd, during the year.

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

S.No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			4,42,33,736	63.26%	4,42,33,736	63.26%
2	Changes during the year		(-) Shares disposed by Shri Yadupati Singhania during the year.	20,00,000	2.86%	20,00,000	2.86%
3	At the end of the year			4,22,33,736	60.40%	4,22,33,736	60.40%

Note (+)/(-) between promoters shareholding not considered as a change.

### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Fidelity Investment trust Fidelity series Emerging Markets Fund	3207997	4.587%	3180810	4.548%
2	HDFC Standard Life Insurance Co. Ltd.	2793369	3.994%	2681330	3.834%
3	Frankin Templeton Investment Funds	1563896	2.236%	2228036	3.186%
4	Frankin Templeton Mutual Fund A/C Franklin India Prima Fund	1291475	1.846%	1259609	1.801%
5	Templeton Global Investment Trust- Templeton Emerging Market Small cap Fund	1463742	2.093%	761388	1.088%
6	General Insurance Corporation of India	745050	1.065%	700060	1.001%
7	Reliance Capital Trustee Co. Ltd.-A/c Reliance Small Cap Fund	-		586000	0.838%
8	DSP Black Micro Cap Fund	-		551981	0.789%
9	Mirae Asset Emerging Bluechip Fund	-		541776	0.774%
10	DSP Blackrock Micro Cap Fund	-		533019	0.762%
	<b>Total</b>	<b>11065529</b>	<b>15.824%</b>	<b>13024009</b>	<b>18.62%</b>



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

S.No	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>A. DIRECTORS</b>							
<b>1</b>	<b>Dr. Gaur Hari Singhania</b> Chairman (Demised on 4.2.2015)						
	At the beginning of the year	01.4.2016	By Transmission	8216	0.01%	8,216	0.01%
	Changes during the year			-8196	0.01%	-8196	0.01%
	At the end of the year	31.03.2017		20	0.00%	20	0.00%
<b>2</b>	<b>Shri Yadupati Singhania</b> Chairman & Managing Director						
	At the beginning of the year	01.4.2016		14276002	20.42%	14276002	20.42%
	Changes during the year		By Transmission	8196	0.01%	8196	0.01%
			By Disposal	-2000000	2.86%	-2000000	2.86%
	At the end of the year	31.03.2017		12284198	17.57%	12284198	17.57%
<b>3</b>	<b>Smt. Sushila Devi Singhania</b> Non- Executive, Non Independent Director						
	At the beginning of the year	01.4.2016		920957	1.32%	920957	1.32%
	Changes during the year						
	At the end of the year	31.03.2017		920957	1.32%	920957	1.32%
<b>4</b>	<b>Shri K.B. Agarwal</b> Non- Executive, Independent Director						
	At the beginning of the year	01.4.2016		300	0.00%	300	0.00%
	Changes during the year						
	At the end of the year	31.03.2017		300	0.00%	300	0.00%
<b>5</b>	<b>Shri K.N. Khandelwal</b> Non- Executive, Non Independent Director						
	At the beginning of the year	01.4.2016		1000	0.00%	1000	0.00%
	Changes during the year						
	At the end of the year	31.03.2017		1000	0.00%	1000	0.00%
<b>6</b>	<b>Shri Achintya karati</b> Non- Executive, Independent Director						
	At the beginning of the year	01.4.2016		640	0.00%	640	0.00%
	Changes during the year						
	At the end of the year	31.03.2017		640	0.00%	640	0.00%
<b>B. KEY MANAGERIAL PERSONNEL</b>							
<b>7</b>	<b>Shri Ajay Kumar Saraogi</b> President (Corporate Affairs) & CFO						
	At the beginning of the year	01.4.2016		3340	0.00%	3340	0.00%
	Changes during the year						
	At the end of the year	31.03.2017		3340	0.00%	3340	0.00%
<b>8</b>	<b>Shri Shambhu Singh</b> A.V.P.(Legal)& Company Secretary						
	At the beginning of the year	01.4.2016		5	0.00%	5	0.00%
	Changes during the year						
	At the end of the year	31.03.2017		5	0.00%	5	0.00%

## ANNEXURE D (CONTD.)

### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. ₹/ Lacs)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,40,447.55	4,880.61	13,974.70	2,59,302.86
ii) Interest due but not paid	211.79	-	776.50	988.29
iii) Interest accrued but not due	1,496.60	-	-	1,496.60
<b>Total (i+ii+iii)</b>	<b>2,42,155.94</b>	<b>4,880.61</b>	<b>14,751.20</b>	<b>2,61,787.75</b>
<b>Change in Indebtedness during the financial year</b>				
	6,203.86	124.93	3,745.10	10,073.89
* Addition				-
* Reduction				-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,46,806.07	5,005.54	17,671.71	2,69,483.32
ii) Interest due but not paid	1,463.51	-	824.58	2,288.09
iii) Interest accrued but not due	90.22	-	-	90.22
<b>Total (i+ii+iii)</b>	<b>2,48,359.80</b>	<b>5,005.54</b>	<b>18,496.29</b>	<b>2,71,861.63</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager	(₹/Lac)
			Total Amount
	Name	Shri Yadupati Singhania	
	Designation	Chairman & Managing Director	
1	Gross salary		240
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		600.00
	- others, specify		420.00
5	Others, please specify		
	<b>Total (A)</b>	-	<b>1,260.00*</b>
	Ceiling as per the Act		1,907.62

\* Excludes perquisites

#### B. Remuneration to other Directors

S.No	Particulars of Remuneration	Name of Directors				(₹/Lac)
		Dr. K.B Agarwal	Shri Achintya Karati	Shri Suparas Bhandari	Shri J. N. Godbole	Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	6.78	3.76	4.27	4.27	19.08
	Commission	8.00	8.00	8.00	8.00	32.00



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S.No	Particulars of Remuneration	Name of Directors					(₹/Lac)
							Total Amount
	Others, please specify						-
	<b>Total (1)</b>	<b>14.78</b>	<b>11.76</b>	<b>12.27</b>	<b>12.27</b>		<b>51.08</b>
2	Other Non-Executive Directors						-
	Fee for attending board committee meetings	4.52	1.50	4.52	4.02	2.26	16.82
	Commission	8.00	8.00	8.00	8.00	8.00	40.00
	Remuneration paid for availing professional services		111.31				111.31
	<b>Total (2)</b>	<b>12.52</b>	<b>120.81</b>	<b>12.52</b>	<b>12.02</b>	<b>10.26</b>	<b>168.13</b>
	<b>Total (B)=(1+2)</b>	<b>27.3</b>	<b>132.57</b>	<b>24.79</b>	<b>24.29</b>	<b>10.26</b>	<b>219.21</b>
	Total Managerial Remuneration					-	<b>1,479.21</b>
	Overall Ceiling as per the Act						4,196.76

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

S.No	Particulars of Remuneration	Name of Key Managerial Personnel		(₹/Lac)
				Total Amount
	Name	Shri Ajay Kumar Saraogi	Shri Shambhu Singh	
	Designation	CFO	CS	
		President (Corporate Affair) & CFO	AVP (Legal) & Co. Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	197.34	38.15	235.49
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	<b>Total</b>	<b>197.34</b>	<b>38.15</b>	<b>235.49</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



**ANNEXURE E****BUSINESS RESPONSIBILITY REPORT 2016-17****SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN):	L17229UP1994PLC017199
2. Name of the Company	JK Cement Limited (JKCL)
3. Registered Address	Kamla Tower, Kanpur – 208001, Uttar Pradesh, India
4. Website	http://www.jkcement.com/
5. Email id	shambhu.singh@jkcement.com
6. Financial Year reported	FY 2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and cement related products.

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

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

8. List three key products / services that the Company manufactures / provides (as in balance sheet):	<ol style="list-style-type: none"> <li>1. Grey Cement</li> <li>2. White Cement</li> <li>3. White Cement based Wall Putty</li> <li>4. Water Proof Compound</li> <li>5. Tile Adhesive</li> <li>6. Primaxx</li> </ol>
9. Total number of locations where business activity is undertaken by the Company	Head Office in Kanpur, Corporate Office in New Delhi and Cement Plants in Nimbahera, Mangrol and Gotan in Rajasthan, Mudhapur in Karnataka and Jharli in Haryana, Katni in M.P.
Number of International Locations (Provide details of major 5)	--
Number of National Locations	Head Office in Kanpur, Corporate Office in New Delhi and Cement Plants in Nimbahera, Mangrol and Gotan in Rajasthan, Mudhapur in Karnataka and Jharli in Haryana, Katni in M.P.
10. Markets served by the Company - Local / State / National / International	<p>White Cement &amp; White Cement Based Wall Putty –Pan India</p> <p>Grey Cement - Andhra Pradesh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu &amp; Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab &amp; Chandigarh, Rajasthan, Uttaranchal, Uttar Pradesh</p>

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1. Paid up capital (INR)	: 6992.72 lacs
2. Total turnover (INR)	: 432783.99lacs
3. Total profit after taxes (INR)	: 25989.14lacs
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	
During the year, an amount of INR 322.68 lacs was spent on CSR activities. This represents 2.72 % of average net profit after tax for three financial year immediately preceding the FY 2016-17.	



## ANNEXURE E (CONTD.)

5. List of activities in which expenditure in 4 above has been incurred:
- 1) Education ₹ 61.88 lacs
  - 2) Vocational Training / Skill Development ₹ 9.5 lacs
  - 3) Rural Infrastructure Development ₹ 189.27 lacs
  - 4) Community Hygiene & Others ₹ 62.03 lacs

### SECTION C: OTHER DETAILS

- 1. Does the Company have any Subsidiary Company / Companies?**  
JKCL has one step down subsidiary, i.e. J.K Cement Works (Fujairah) FZC and one subsidiary Jaykaycem (Central) 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).**  
No subsidiary company of JKCL participates in the BR Initiatives of JKCL.
- 3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?**  
No, none of the entity / entities with whom company does business participates in the BR initiatives of the JKCL.

### SECTION D: BR INFORMATION

- 1. Details of Director / Directors responsible for BR:**
- a) Details of the Director / Directors responsible for implementation of the BR policy / policies:**
- DIN Number : 00050364  
Name : Shri Yadupati Singhania  
Designation : Chairman and Managing Director
- b) Details of the BR Head:**
- Name : Shri Shambhu Singh  
Designation : Company Secretary and Asst. Vice President(Legal)  
Telephone no. : +91-512-2371478-81  
e-mail id : shambhu.singh@jkcement.com
- 2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):**  
The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

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

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

### 3. Governance related to BR:

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

JKCL inspires to become a recognized sustainable brand name in India and globally. In this regard, as part of our regular compliance and legal reviews, company also evaluates sustainability related risks. Further, sustainability performance is evaluated and compiled annually as part of stand-alone sustainability reporting exercise, data for which is externally assured by an independent third party. Outcomes of the above mentioned initiatives are presented to our management team and Board for their information and consideration, allowing them to review company's sustainability performance on continual basis, at least once annually.

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

JKCL has been publishing a stand-alone sustainability

report since FY 2013-14 based on Global Reporting Initiative (GRI) guidelines. The latest report was released for FY 2015-16, based on GRI G4 guidelines and can be accessed at the following link: <http://www.jkcement.com/pdf/sustainability-report-2015-16.pdf>

### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

Matters of ethical conduct, transparency and accountability are fundamental to the way we conduct our business. A culture of integrity and ethics is fostered throughout the Company by strong set of policies and guidelines.

At JKCL, our Board, senior management, shareholders, employees and other stakeholders, including business partners, have all helped us to take required steps to conduct our operations in an ethical manner. We have a detailed Code of Ethics and Business Conduct that outlines



## ANNEXURE E (CONTD.)

our commitment on conducting our business in accordance with the applicable laws, rules and regulations with the highest standards of business ethics. A copy of our code of conduct is available on the company's website [www.jkcement.com](http://www.jkcement.com). The code provides avenues and procedures to report unethical conduct, and to help foster a culture of honesty and accountability. The Code is applicable for all members of the organization.

Further, JKCL has safeguards in place which discourages bidders to engage in any corrupt practices during tendering process. The philosophy of JKCL in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organisation with the primary objective of enhancing shareholders' value while being a responsible corporate citizen.

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

JKCL received 21 shareholder complaints during the FY 2016-17. Additionally 6 Demat requests involving 23 Equity shares were pending from previous financial year. Of these, all requests were successfully resolved within 30 days.

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

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

At JKCL, we aim to mitigate environmental impacts due to our business operations and follow precautionary approach wherever we suspect that the risk of our actions might cause harm to environment. In this regard, we strive to deliver products viz. Grey Cement, White Cement & White Cement based Wall Putty, Water Proof Compound, Tile Adhesive and recently launched Primaxx also to society that can add value in terms of environmental capital, financial profitability and inclusive growth. We have deployed best in class technology and processes to manufacture cement and generate power which use resources optimally by investing in process equipment and systems intended for economical use of energy and reducing the impacts of our cement manufacturing activities. We have also implemented a fully integrated EHS management system in our manufacturing plants which includes ISO-9001, ISO-14001, OHSAS-18001, ISO-50001 and SA-8000 standards.

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

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

At JKCL, we encourage manufacturing of eco-efficient blended cements which do not consume as much natural resources as in normal OPC. We are closely monitoring and working on improving our resource, raw materials, energy, water, waste and air emissions footprint as part of manufacturing processes. Our manufacturing operations consumes alternative materials like fly ash, pond ash etc. which helps in conserving natural raw materials used for the cement production. Further, alternative fuels such as agro waste, carbon black, fibre mass, ETP sludge, liquid mixed waste and solid mixed waste are in Kiln firing as well as in thermal power generation which helps in the substitution of fossil fuels and allow better management of industrial waste. Recycling water, rainwater harvesting and recharging of ground water are standard operating procedures at all our manufacturing sites.

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

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

At JKCL, procurement practices and selection criteria are focused on protection of environment, societal interest and cost effective procurement seeking resources efficiency, improving the quality of products and services and ultimately optimising the cost. Although currently the company does not has dedicated policy for sustainable sourcing, However, it is taking steps for promoting sustainable sourcing practices as feasible and applicable, including procurement of some other raw materials, indirect materials and services. Here, company's code of conduct, human rights aspects, procedures and practices are strictly followed.

The Company believes that sustainability in logistics can be achieved by using less fuel consuming transport

## ANNEXURE E (CONTD.)

option or selecting the vendors which are close to our manufacturing locations. We are importing coal in bulk size vessels in collaboration with suppliers. This consumes lesser fuel as compared to smaller size shipment in terms of per ton of material sailed. Engagement of transporters is done based on conditions like young vehicles, need for drivers to carry pollution certificates, drivers and support staff to always carry safety aprons, helmets, driving license etc. The Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets.

**4. Has the Company taken any steps to procure goods and services from local and 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 always given preference to local vendors (within India) when it comes to sourcing materials. The Company believes in long term partnership with the vendors by having rate contracts with them and providing periodical feedback on their performances in terms of quality, delivery, services, environmental health and safety etc., which helps the vendors to improve their performance by taking corrective actions on the parameters where they are found lacking.

At JKCL, our primary raw material, i.e. limestone, is sourced (mined) and transported from company owned mines from nearby areas within India, through bulk carrier dumper trucks or through conveyer belts, thus limiting our sourcing and transportation impacts. The Company also gives priority to local suppliers in procurement of stores and spares and other consumables. Only in exceptional cases, wherein our expectations are not met within the local market or due to lack of availability of required product or services, we procure from outside India.

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

The cement manufacturing process as such does not involve production of any by products or waste. However, the fly

ash generated from the Company's captive power plant during power generation is utilised in blended cements. In this regard, we use alternative materials such as fly ash, bed ash, pond ash etc. that are waste materials generated from other industries to substitute the raw material required for cement production. Further unburnt petcoke from power plant having GCV of Indian coal is being used in kiln firing as part of meeting fuel requirement.

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

- 1. Please indicate the total number of employees :** 2855  
Permanent Employees (as on 31st March, 2017)
- 2. Please indicate the total number of employees hired on temporary / contractual / casual basis**

Category of employees	No of employees
Sub-contracted employees	2836

- 3. Please indicate the number of permanent women employees:**  
45 women employees in Plants, Head office, Corporate office and Marketing function. (as on 31st March, 2017)
- 4. Please indicate the number of permanent employees with disabilities :** 7.
- 5. Do you have an employee association that is recognised by the Management? :**  
No, as such there are no recognized trade unions affiliated to various central trade union bodies in Grey Cement Plants except in case of Gotan White Plant. The Company's shop floor associates and office associates are members of their respective unions.
- 6. What percentage of your permanent employees is member of this recognised employee association? :**  
At JK Cement, none of our permanent employees are part of the recognized trade unions in our manufacturing plants, however, at Gotan White we have around 90% of workers are member of the recognized employee associations.



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

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

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

We undertake significant efforts to enhance our workforce skills levels through various learning and development programs. Various training types identified for and provided to our employees include functional, behavioural and Health Safety and Environment (HSE) trainings. We conduct in-house, on-the-job and external trainer led trainings for our employees. Here, Safety has been a key thrust area for JKCL. Basic safety induction and training is given to all employees upon their induction in the company. Further, at our manufacturing locations, specific safety trainings are provided to employees based on their job profiles, including for temporary and contractual workforce.

Category	Grey Cement (North Region)	Grey Cement (South Region)	White Cement	HO & Marketing
<b>Permanent Employees</b>	100%	100%	100%	48%
<b>Permanent Women Employees</b>	77%	100%	NA	83%
<b>Casual/Temporary/Contractual Employees</b>	60%	100%	100%	Nil
<b>Employees with Disabilities</b>	50%	100%	100%	Nil

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

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

Yes. The Company has identified and mapped its key internal and external stakeholders. The Company employs various mechanisms and practices for engaging with stakeholders for fruitful dialogue and continued relationship. The Company engages with them to understand their needs and concerns, and undertakes action to address them.

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

The company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth. In this regard, we have also identified various projects aimed at benefitting the community from the low socio economic strata.

The Company is actively working towards their inclusive growth as part of company's CSR efforts.

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

Having identified the need of the communities spread around JKCL's significant area of operations, the Company is running education, community hygiene, infrastructure development, livelihood support and vocational training and skill development programs for the marginalized and disadvantaged stakeholders. To achieve the same, we have a well-established CSR policy which reflects our objective of economic and social development to create a positive impact.

**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 currently does not have a policy on human rights, however the Company respects and complies with internationally recognized human rights, at all locations and is committed to making certain that it is not complicit in human rights abuses. Further, the Company's Code of Conduct, Harassment and Whistle Blower Policies all cover aspects on human rights, and are applicable for all company employees and business partners including the contractors and suppliers.

## ANNEXURE E (CONTD.)

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

In total, 21 complaints have been received from the Shareholders and all complaints have been resolved by the management successfully. There were no complaints regarding breach of human rights aspects during the reporting period.

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

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

JKCL's Health, Safety and Environment policies, rules and regulations are applicable for all stakeholders, i.e. employees, contractors and other business partners, involved in JKCL's business activities.

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

The Company is aware that climate change is becoming top priority across world. In this regard, we also understand our role and responsibility towards mitigating the effects of climate change while committing to environment protection.

At JK Cement, we strive to integrate responsible environmental practices into business operations that can add value in terms of environmental capital and financial profitability and have taken adequate measures towards the same. We are aiming for responsible use of natural resources, reduction in air emissions, targeted investments in viable technologies that promise profitable growth and corporate ethics that extend beyond compliance with the law and focus on integrity. We are convinced that, with this approach, we are conducting business in a sustainable manner while building the basis for a successful future for our Company and the Planet. For instance, we have installed in-house cooler modification and De-Bottlenecking to increase the existing production capacity of Line No.3 in Nimabahera and Line no. 2 in Mangrol facility respectively. This will help in improving our environment footprint regarding use of natural resources.

#### 3. Does the Company identify and assess potential environmental risks?

The Company follows a structured risk management approach which encompasses identifying potential risks,

assessing their potential impact, mitigating them through taking timely action and continuous monitoring. For us, the environmental performance improvement remains an important pillar of our business success. We are committed towards Environmental, Health and Safety (EHS) management. We have also implemented a fully integrated EHS management system in our manufacturing plants which includes ISO-9001, ISO-14001, OHSAS-18001, ISO-50001 and SA-8000 standards. In addition, we regularly conduct EHS management system audits by third-party certification agencies to maintain the requirements of global standards.

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

Currently no projects related to Clean Development Mechanism have been taken up by company.

#### 5. Has the Company undertaken any other initiatives on clean technology, energy efficiency and renewable energy and so on? If yes, please give hyperlink to web page and others.

Over the years, JKCL has taken numerous initiatives from clean and green technology perspective. Some of these include Waste Heat Recovery, Solar Energy, Rain water Harvesting, Energy Efficiency projects, increased use of alternative raw materials and fuels etc. Details of these initiatives are covered in the Corporate Sustainability Report issued by the Company every year. To fulfil the minimum requirement of green energy, we have also purchased wind energy.

#### 6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year under review?

Yes.

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

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

### Principle 7: 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 chambers or association? If yes, name only those major ones that your business deals with.

The Company is member of various trade and chambers or association, where senior management of the company



## ANNEXURE E (CONTD.)

represent JKCL and engage on discussions across various topics on best practices, upcoming regulations, information sharing etc. Some of these associations include:

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

**2. Have you advocated / lobbied through the above associations for the advancement or improvement of public good?**

Yes / No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others).

No

**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, provide details thereof.**

The Company considers social development as an important aspect of its operations. As a responsible Corporate, the Company has been undertaking Socio-Economic Development Projects/ Programs and also supplementing the efforts of the local institutions/NGOs/local Government/ implementing agencies in the field of Education, Community Development, Entrepreneurship etc. to meet priority needs of the marginalized and underserved communities with the aim to help them become self-reliant. Our mission is to aid in uplifting the local stakeholders and also address the socio-economic issues which they might have. The Company's primary focus, from CSR perspective, is on education, community hygiene, infrastructure development, livelihood support, vocational training & skill development.

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

The projects / initiatives are taken in line with our CSR Policy, implemented either through in-house teams or in support with other external competent authorities such as NGOs / government structures based on skill, resources and competence required.

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

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

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

INR 322.68 lacs was spent during the financial year 2016-17 on CSR initiatives across our major manufacturing locations. This represents 2.72% of average net profit after tax for three financial year immediately preceding the financial year.

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

The Company has a process of engaging with local community to understand their concerns. The CSR interventions are carried out on a need based approach which is developed after consultations with the local community to ensure that the activities are adopted by them. This continuous engagement with the communities allows better acceptance and adaptation of the initiatives.

**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 is pending, as at the end of the financial year?**

We received 1295 complaints in Grey & White Cement during the year in FY 2016-17, out of which 1291 complaint were resolved successfully by 31st March, 2017. Out of the four remaining complaints, three cases were pending in Grey Cement and one case was pending in White Cement as on 31st March'17.

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

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



## ANNEXURE E (CONTD.)

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

Particulars	Remarks/Status
The Competition Commission of India (CCI) issued an Order dated 31.8.2016, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company is ₹ 128.54 Crore.	The Company has filed appeal against the order of Competition Commission of India before the Competition Appellate Tribunal (Tribunal). The Tribunal vide Order dated 21st November, 2016 and 16th Feb. 2017 has stayed the operation of the Commission's Order, subject to deposit of ₹ 6.56 Crore in the form of Fixed Deposit of six month's duration. However, it was also ordered that if the Appeal is dismissed, then the balance amount of penalty shall have to be deposited with interest @ 12% per annum from the date of CCI's Order i.e. 31st August, 2016.
	The Tribunal's Order dated 21st November, 2016 and 16th Feb. 2017 has been complied with and the Appeal is now pending for final hearing.
State of Haryana has filed a complaint alleging cartelization in the tender for supply of cement by some cement companies including the Company.	CCI vide Order dated 19th January, 2017 has held cement companies including the Company guilty of violating provisions of the Competition Act and imposed penalty to the tune of 0.3% of the average turnover of last three financial years. Accordingly, the penalty on the Company works out to ₹ 6.48 Crores. The Company preferred stay petition and appeal against CCI's Order before the Tribunal.
	The Tribunal vide Order dt. 3.4.17 issued notice and stayed operation of CCI's Order dt. 19.1.17. Stay petition and appeal are yet to be heard by Tribunal.

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

Consumer Satisfaction Survey is carried out by the Company continually to gauge consumer sentiments and to take appropriate measures to increase customer satisfaction. Based on the inputs received from our Business Organizers, we accordingly define our action plan in order to achieve high customer satisfaction.



# REPORT ON CORPORATE GOVERNANCE

## 1. CORPORATE GOVERNANCE

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

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

### 1.2 Governance Structure

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

## 2. BOARD OF DIRECTORS

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

its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

### Committee of Directors

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

### Management Structure

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

### Board of Directors

#### (i) Composition of the Board

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

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

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

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

The Board meets at least once a quarter to review the quarterly financial results and operations of your

Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2017 four Board Meetings were held on the following dates: (i) 28th May, 2016 (ii) 6th August, 2016 (iii) 29th October, 2016 (iv) 4th February, 2017

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

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

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

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

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

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

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



(iv) **Non-Executive Directors'**

**Compensation and disclosures**

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

(v) **Other provisions as to Board and Committees**

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

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

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

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

**Board Training and Induction**

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

**Meetings of Independent Directors**

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

- review the performance of Non- Independent Directors and the Board as a whole,

- review the performance of the Chairman and Managing Director of the Company, taking into account the views of Non-Executive directors,

- assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, the Independent Directors met on February 4, 2017 without the presence of Non-Independent Directors and management personnel to discuss the aforesaid issue.

#### Performance evaluation of Independent Directors

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

#### Familiarization Program for Directors

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

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

- **Agenda:** All the meetings are conducted as per well designed and structured agenda and in line with the compliance requirement under the Companies Act, 2013 Rules framed thereunder and applicable Secretarial Standards prescribed by ICSI. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the earlier meetings. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification/approval.

- **Invitees & Proceedings:** Apart from the Board members, the Company Secretary, the CFO, the Special Executives, Business Heads are invited to attend all the Board Meetings. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO briefs on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Chairman and Managing Director, the CFO and other senior executives briefs on capex proposals & progress, operational health & safety, marketing & cement industry scenario and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board Meeting.

- **Post Meeting Action:** Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Chairman & Managing Director, CFO and Company Secretary for the action taken/ pending to be taken.

- **Support and Role of Company Secretary:** The Company Secretary is responsible for convening the Board and Committee Meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects. Compliance Officer: Mr. Shambhu Singh, Company Secretary is the Compliance Officer for complying with the provisions of the Securities Laws.

#### Directors' Profile

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

##### Mr. Yadupati Singhania aged about 63 years

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

- Helped to evolve India's cement industry for over three decades;
- Played a pivotal role in the introduction of international quality white cement in India;
- Director of the Employers Association of Northern India and Chancellor of Sir Padampat Singhania University, Udaipur;
- President of Kanpur Productivity Council and member of the Board of Governors of the National Council for Cement and Building Material and Jodhpur Chamber of Commerce;
- Member of the Managing Committee of Cement Manufacturers Association;

- Deeply involved in social entrepreneurship;
  - Member of Rotary Club;
- Smt. Sushila Devi Singhania aged about 81 years**  
**Non-Executive, Non-Independent Director (Graduate of Arts)**
- Scion of renowned Jalan family representing Surajmall Nagarmall group, famous industrial house;
  - Having keen interest in industry and commerce;
  - A Member of Managing Committee of Seth Anandram Jaipuria School, Kanpur, President of Juari Devi Girls Inter College, Kanpur and President of Juari Devi Girls Post Graduate College, Kanpur;
  - Has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities;
  - Acting as Director of M/s. Yadu International Ltd and M/s. G.H.Securities Private Limited;

**Mr. Achintya Karati aged about 71 years**  
**Non-Executive, Independent Director (Law Graduate from Calcutta University)**

- Served as Senior Advisor to ICICI Securities Limited and also with ICICI Prudential Life Insurance Company Limited;
- Vast experience in finance and legal affairs, spanning over three decades;
- Diverse expertise across commercial, legal and secretarial matters;
- Retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile Industrial Credit and Investment Corporation of India Limited) in March 2004;
- Served as Deputy Zonal Manager (North) and Head of Major Client Group (North) in ICICI Limited;

**Mr. Jayant Narayan Godbole aged about 72 years**  
**Non-Executive, Independent Director (B.Tech (Hons) from IIT Mumbai, Certificate in Financial Management)**

- Possesses more than 4 decades rich experience in the field of conceiving, implementing and operating mega projects abroad;
- He functioned as Chairman and Managing Director of IDBI in 2005 at the time of retirement. During his stints with IDBI and IIBI he was responsible for Corporate Finance, restructuring and rehabilitation of sick units, Venture capital, merchant banking and investors' relation;



- Stabilised the Corporate Debt Restructuring (CDR) mechanism in India as the Chairman of an Empowered Group;

**Mr. K. N. Khandelwal aged about 72 years**  
**Non-Executive, Non-Independent Director (Commerce Graduate and a Chartered Accountant)**

- Served as President (Finance and Accounts) of Jaykay Enterprises Limited;
- Commenced his career with J.K. Synthetics Limited in 1969;

**Dr. K. B. Agarwal aged about 77 years**  
**Non-Executive, Independent Director (Graduate of Law, PhD, ICWA and CS)**

- Rich experience in Finance, Accounts and Capital Market;
- Former President of Merchants' Chamber of U.P. and U.P. Stock Exchange Limited. Associated with FICCI and ASSOCHAM, and was also involved with various Government committees;

**Mr. Paul Heinz Hugentobler aged about 68 years**  
**Non-Executive, Non-Independent Director (Civil Engineer & Degree in Economic Science)**

- A Swiss national, he Joined Holcim Group Support Ltd as Project Manager in 1980;
- He is graduated in Civil Engineering from Swiss Federal Institute of Technology, Zurich and Economic Science from Graduate School of Economics and Business of St. Gallen.;
- Served in Holcim Ltd. as Area Manager for the Asia Pacific Region;
- From 1999 to 2000, he also served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand and till now he continues to be a Director;
- Until his retirement in February 2014, he was appointed as a member of the Executive Committee at Holcim Ltd. with the responsibility for South Asia and ASEAN except the Philippines;
- He joined J.K. Cement Ltd. as a Director w.e.f 17th May, 2014.

**Mr. Raj Kumar Lohia aged about 62 years**  
**Non-Executive, Independent Director (Bachelor of Arts in Economics)**

- A leading industrialist of Kanpur;
- 3 decades of rich experience in commerce and industry;

- Director of the Company since 2004 and also on the Board of other companies;
- Recipient of several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship;

**Mr. Suparas Bhandari aged about 71 years**

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

- Founder Chairman and Managing Director of Agriculture Insurance Company of India Limited with extensive insurance industry experience for more than four decades;
- Served as the General Manager of Oriental Insurance Company of India Limited and Assistant General Manager of United Insurance Company of India Limited;

**Mr. Shyam Lal Bansal aged about 62 years**

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

- Possess 39 Years of vast experience in the field of Banking and Finance in Public Sector Banks;
- Superannuated as Chairman & Managing Director from Oriental Bank of Commerce;
- Actively involved as an Executive Director in The Financial Inclusion Plan of United Bank of India in the Whole of West Bengal and North East, as part of the Bank's responsibility as SLBC convener in Tripura and West Bengal and Lead Bank responsibility in 10 districts in Assam;
- Acting as Independent Director in NIIT Institute of Finance, Banking and Insurance Training Limited and IL & FS Tamil Nadu Power Company Limited;
- Contributing value addition through vast knowledge and experience to Educational and Commercial Organization;

**3. AUDIT COMMITTEE**

**(i) Broad Terms of Reference**

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

the audit committee shall include the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013;
  - (b) changes if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;



- (7) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

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

**(iii) Composition of the Committee**

Following Directors were the members of the Audit Committee:

- (1) Dr. K. B. Agarwal (Chairman) Independent, Non-Executive Director
- (2) Shri A. Karati, Independent, Non-Executive Director
- (3) Shri J. N. Godbole Independent, Non-Executive Director
- (4) Shri K.N. Khandelwal, Non-Independent, Non-Executive Director
- (5) Shri R.K. Lohia, Independent, Non-Executive Director

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

**(iv) Meetings and Attendance**

During the financial year ended 31st March, 2017 four meetings were held on (1) 28th May, 2016 (2) 6th August, 2016 (3) 29th October, 2016 (4) 4th February, 2017.



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

S.No.	Name of Director	No. of Meetings attended
1	Dr. K. B. Agrawal	4
2	Shri K.N. Khandelwal	4
3	Shri R.K. Lohia	3
4	Shri Achintya Karati	4
5	Shri J.N Godbole	4

**4. NOMINATION AND REMUNERATION COMMITTEE**

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

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

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

**(ii) Composition of the Committee**

Remuneration Committee of the Company as on 31st March, 2017 comprised of:

- (1) Shri Raj Kumar Lohia (Chairman): Independent, Non-Executive Director
- (2) Shri A. Karati : Independent, Non-Executive Director

(3) Shri J.N. Godbole: Independent, Non-Executive Director

(4) Shri Suparas Bhandari: Independent, Non-Executive Director

Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

**(iii) Meetings and Attendance**

During the financial year ended 31st March, 2017 Two meetings were held on (1)28th May, 2016 (2) 4th February,2017

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

S.No.	Name of Director	No. of Meetings attended
1	Shri A. Karati	2
2	Shri J.N.Godbole	2
3	Shri R.K Lohia	1
4	Shri Suparas Bhandari	2

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

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

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

**The number of Equity Shares held by Non-Executive Directors of the Company as on 31.03. 2017 are as under:**

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



**Details of Remuneration paid to the Directors for the year ended 31st March, 2017**

S.No.	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1.	Smt. Sushila Devi Singhania	-	-	800000	452250	1252250
2.	Shri Yadupati Singhania*	24000000	42000000*	60000000	-	126000000
3.	Shri A. Karati	-	-	800000	376875	1176875
4.	Shri J.N. Godbole	-	-	800000	427125	1227125
5.	Dr. K.B. Agarwal	-	-	800000	678375	1478375
6.	Shri K.N. Khandelwal	-	-	800000	402000	1202000
7.	Shri Raj Kumar Lohia	-	-	800000	452250	1252250
8.	Shri Suparas Bhandari	-	-	800000	427125	1227125
9.	Mr. Paul Heinz Hugentobler	-	11130942**	800000	150750	12081692
10.	Shri Shyam Lal Bansal	-	-	800000	226125	1026125

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

includes Performance Incentive of ₹ 120 Lacs

\*\*Paid in professional capacity.

**5. STAKE HOLDERS' RELATIONSHIP COMMITTEE - MANDATORY COMMITTEE**

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

The terms of reference of the Committee are:

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

/ interest, change of address for correspondence etc. and to monitor action taken;

9. Monitoring expeditious redressal of investors / stakeholders grievances;
10. All other matters incidental or related to shares, debentures and other securities of the Company.

**(i) Composition**

The Committee as on 31st March, 2017 comprises of:

- (1) Dr. K.B. Agarwal (Chairman): Independent, Non-Executive Director.
- (2) Shri Suparas Bhandari: Independent, Non-Executive Director
- (3) Shri K.N. Khandelwal: Non-Independent, Non-Executive Director.
- (4) Shri Raj Kumar Lohia: Independent, Non-Executive Director.

Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

**(ii) Functions**

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 21 complaints during the F.Y. 2016-17 and all the 21 complaints were redressed. No investor grievance has remained unattended/ pending for more than thirty days. Investor's complaints received through SEBI are redressed at www.scores.gov. in. However, Seventeen requests

for dematerialisation involving 245 equity shares of the Company remained to be attended as at 31.03. 2017 was attended/ disposed of after 31.03.17 but within stipulated period of 30 days.

### (iii) Meeting and Attendance

During the financial year ended 31st March, 2017 four meetings were held on (1) 28th May, 2016 (2) 6th August, 2016 (3) 29th October, 2016 and (4) 4th February, 2017

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

S.No.	Name of Director	No. of Meetings attended
1	Dr. K. B. Agrawal	4
2	Shri K.N. Khandelwal	4
3	Shri Raj Kumar Lohia	3
4	Shri Suparas Bhandari	4

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE - MANDATORY COMMITTEE

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

### (i) Composition of the Committee

Smt. Sushila Devi	Non-Executive, Non-Independent Director
Dr. K.B.Agarwal	Non-Executive, Independent Director
Shri J.N.Godbole	Non-Executive, Independent Director
Shri Suparas Bhandari	Non-Executive, Independent Director

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy',

## 8. GENERAL BODY MEETINGS

Dates, time and places of last General meetings held are given below

Financial Year	Date	Time	Place
2013-14 (AGM)	26th July, 2014	12 Noon	Auditorium of the Merchants' Chamber of U.P., Kanpur
2014-15 (AGM)	1st August, 2015	12 Noon	Auditorium of the Merchants' Chamber of U.P., Kanpur
2015-16 (AGM)	6th August, 2016	11 A.M.	Auditorium of the Merchants' Chamber of U.P., Kanpur.

Twelve special resolutions were passed in the Annual General Meeting of the Company held on 26th July, 2014. Two special resolutions were passed in the Annual General Meeting of the Company held on 1st August, 2015. Four special resolutions were passed in the Annual General Meeting of the company held on 6th August, 2016. There were no matters required to be dealt/ passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 110

observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

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

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be more undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.
- To observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

### (ii) CSR committee attendance

Two CSR committee meetings were held during the year on (1)28th May,2016 and (2)4th February,2017

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

S.No.	Name of Director	No. of Meetings attended
1	Smt. Sushila Devi Singhania	2
2	Dr. K. B. Agrawal	2
3	Shri J.N.Godbole	2
4	Shri Suparas Bhandari	2

## 7. CMD/CFO CERTIFICATION

The Chairman and Managing Director and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Listing Regulations, for the year ended 31.03.2017

of the Companies Act, 2013. The Chairman of the Audit Committee was present at AGMs held on 26th July, 2014, 1st August, 2015 and 6th August, 2016 to answer the queries of the shareholders.

#### Disclosures

- (i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries/ Associates or relatives conflicting with Company's



interest. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the Annual Report.

- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.
- (iii) The Company has complied with the mandatory requirements of Listing Regulations. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

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

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

Mr. Paul Heinz Hugentobler (DIN 00452691) aged about 68 years is a Swiss national, he joined Holcim Group Support Ltd. as Project Manager in 1980. He is graduated in Civil Engineering from Swiss Federal Institute of Technology, Zurich and Economic Science from Graduate School of Economics and Business of St. Gallen. He served in Holcim Ltd. as Area Manager for the Asia Pacific Region. From 1999 to 2000, he served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand and till now he continues to be a director. Until his retirement in February 2014, he was appointed as a member of the Executive Committee at Holcim Ltd with the responsibility for South Asia and ASEAN except the Philippines. He joined J.K. Cement Ltd. as a Director w.e.f 17th May, 2014.

#### Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non- Executive Directors and members of the Senior Management. A copy of the Code has been hosted on the Company's website

www.jkcement.com. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them hereinafter.

#### 9. MEANS OF COMMUNICATIONS

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

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website www.jkcement.com. Further, Shareholding pattern and quarterly corporate governance report is uploaded on the NSE Electronic Application Processing System (NEAPS) maintained by NSE and www.listing.bseindia.com maintained by BSE.

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

As per SEBI Circular dated 24th April, 2009 bearing reference no. SEBI/CFD/ DIL/LA/1/2009/24/04, every Company is required to report the details of the shares lying in the Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is reported that as on 31.03.2017, 160 number of equity shares of 3 (three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd, Kanpur (DP.Id. IN301330 Client ID 19881648).

#### Prevention of Insider Trading

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

### 10. GENERAL SHAREHOLDERS INFORMATION

<b>(i) Annual General Meeting</b>	
Date and Time	Saturday the 29th July, 2017 at 12:30 P.M.
Venue	Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.
<b>(ii) Financial Calendar</b>	
(a) First Quarter Results	Within 45 days from the close of Quarter Ending June, 2017
(b) Second Quarter Results	Within 45 days from the close of Quarter Ending September, 2017
(c) Third Quarter Results	Within 45 days from the close of Quarter Ending December, 2017
(d) Result for the year ending 31st March 2018	Within 60 days from the close of Quarter/Year Ending March, 2018

**(iii) Date of Book Closure**

Thursday the 20th July, 2017 to Saturday 29th July, 2017 (both day inclusive).

a payout of 20% to 25% of Net profit as dividend (including tax)

**(iv) Dividend payment date**

The Board of Directors of the Company have recommended a dividend of ₹ 8 per share for the year 2016-17 which shall be payable on or after 29th July, 2017.

**(v) Listing on Stock Exchanges**

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2016-17.

**Dividend Policy**

The Company has been declaring/paying dividend every year since 2006-07 consistently. It is maintaining

**(vi) Stock Code**

BSE 532644  
NSE JKCEMENT  
ISIN NUMBER INE823G01014

**(vii) Market Price Data****STOCK MARKET DATA (BSE) & SENSEX**

MONTH	BSE HIGH ₹	BSE LOW ₹	BSE SENSEX HIGH	BSE SENSEX LOW
APRIL, 2016	687.10	590.00	26,100.54	24,523.20
MAY, 2016	609.00	550.00	26,837.20	25,057.93
JUNE, 2016	671.00	573.75	27,105.41	25,911.33
JULY, 2016	732.10	665.00	28,240.20	27,034.14
AUGUST, 2016	847.00	705.80	28,532.25	27,627.97
SEPTEMBER, 2016	885.40	764.45	29,077.28	27,716.78
OCTOBER, 2016	990.00	845.00	28477.65	27,488.30
NOVEMBER, 2016	967.00	630.00	28,029.80	25,717.93
DECEMBER, 2016	749.00	631.00	26,803.76	25,753.74
JANUARY, 2017	747.00	680.00	27,980.39	26,447.06
FEBRUARY, 2017	905.00	715.00	29,065.31	27,590.10
MARCH, 2017	943.00	838.00	29,824.62	28,716.21

**STOCK MARKET DATA (NSE) & NIFTY**

MONTH	NSE HIGH ₹	NSE LOW ₹	NSE NIFTY HIGH	NSE NIFTY LOW
APRIL, 2016	684.40	590.10	7,992.00	7,516.85
MAY, 2016	640.00	555.00	8,213.60	7,678.35
JUNE, 2016	672.00	572.00	8,308.15	7,927.05
JULY, 2016	733.00	665.10	8,674.70	8,287.55
AUGUST, 2016	847.90	704.10	8,819.20	8,518.15
SEPTEMBER, 2016	885.00	760.05	8,968.70	8,555.20
OCTOBER, 2016	1008.50	852.15	8,806.95	8,506.15
NOVEMBER, 2016	970.00	628.10	8,669.60	7,916.40
DECEMBER, 2016	748.45	632.70	8,274.95	7,903.70
JANUARY, 2017	744.80	680.00	8,672.70	8,133.80
FEBRUARY, 2017	904.50	715.45	8,982.15	8,537.50
MARCH, 2017	944.00	836.00	9,218.40	8,860.10

**(viii) Registrar/Transfer Agent**

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

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

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

Fax: (0512) 2332665/2399854;

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

**(ix) Share Transfer System**

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



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

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

No of Equity Shares Held	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
UP TO 500	81024	98.72	2409048	3.45
501 TO 1000	590	0.72	421187	0.60
1001 TO 2000	185	0.23	271900	0.39
2001 TO 3000	70	0.08	178235	0.25
3001 TO 4000	26	0.03	94018	0.13
4001 TO 5000	22	0.03	101815	0.15
5001 TO 10000	49	0.06	358474	0.51
10001 AND ABOVE	107	0.13	66092573	94.52
TOTAL	82073	100.00	69927250	100.00

(xi) **Category of Shareholders as on 31st March, 2017**

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
Promoters and Promoter group	24	00.03	44866571	64.16
Mutual Funds / UTI	66	00.08	8027673	11.48
Financial Institutions / Banks	111	00.13	18560	00.03
Insurance Companies	10	00.01	3601971	05.15
Foreign Institutional Investors	23	00.03	115084	00.16
Foreign Portfolio Investors Corp.	67	00.08	7763350	11.10
Bodies Corporate	717	00.88	957287	01.37
Individuals	80865	98.53	4359602	06.24
Other	190	00.23	217152	00.31
TOTAL	82073	100.00	69927250	100.00

(xii) **Dematerialisation of Shares**

The Company's Equity shares have been allotted ISIN (INE823G01014) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) 69364090 Equity share representing 99.19 % of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2017.

(xiii) **The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.**

(xiv) **Plant Location**

Company has following plants

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

**(xv) Address for Correspondence**

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

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

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

**Vigil Mechanism**

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

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

The policies are also posted on the Company's website.

**Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education & Protection Fund**

During the year under review, the final dividend amount for the year ended 31st March, 2009 and the interim dividend for the year 31st March, 2010 remaining unclaimed and unpaid were transferred to the Investor Educational and Protection Fund.

**Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account**

Pursuant to the provisions of Section 124 and 125 of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account. The process of transfer of the share to the Suspense Account could not be completed, due to lack of clarity in the said Rules from the Ministry of Corporate Affairs (MCA).

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules".

Further action in this regard would be taken after MCA notifies the revised rules.

**Disclosure relating to Demat Suspense Account/ Unclaimed Suspense Account**

In accordance with the Regulation 39 of the listing Regulations, shareholders whose certificates were returned undelivered and lying with the Company are to be transferred and held by the Company in the dematerialized mode in the "Unclaimed Suspense Account". The Company sent individual correspondence to all those shareholders and some of these shares are released to the shareholders after proper verification of their identity, once the request is received from the shareholders.

The voting rights on these shares will remain frozen till the rightful owner claims the shares.



## COMPLIANCE CERTIFICATE OF THE STATUTORY AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the same is annexed to this report.

### Declaration

Compliance with the Code of Business Conduct and Ethics

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct and Ethics for the year ended 31st March, 2017.

For J.K. Cement Ltd

Place : Kanpur  
Dated : 13th May, 2017

**Yadupati Singhania**  
Chairman & Managing Director



## **CHAIRMAN & MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATION**

As required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we have certified to the Board that for the financial year ended 31st March, 2017, the Company has complied with the requirements of the Regulations.

For J.K. Cement Ltd

**Yadupati Singhania**  
Chairman & Managing Director

Place : Kanpur  
Dated : 13th May, 2017

**A.K. Saraogi**  
President (C/A) & Chief Financial Officer



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of **J.K. Cement Limited**

We have examined the compliance of conditions of Corporate Governance by J.K.Cement Limited ('the Company') for the year ended 31 March, 2017, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C,D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

We conduct our examination in accordance with the guidance note on reports or certificates for special purpose (Revised 2016) 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, Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above -mentioned Listing Agreement / Listing Regulations, as applicable.

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

For- P.L.Tandon & Co.  
Chartered Accountants  
Firm Registration No 000186C

**P.P. Singh**  
(Partner)

Membership Number 072754

Place : Kanpur  
Date : 13<sup>th</sup> May, 2017

# INDEPENDENT AUDITOR'S REPORT

To The Members of J.K.CEMENT LIMITED

## REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of J.K. Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

## AUDITOR'S RESPONSIBILITY

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

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

We draw attention to Note No 36 (A)(6) of the statement which describes the following matters:

- (a) In terms of order dated 31st August 2016, the Competition Commission of India ('CCI') has imposed penalty of ₹ 128.54 crore for alleged contravention of the provisions of the Competition Act, 2002 by the Company. The Company had filed an appeal against CCI Order before the Competition Appellate Tribunal ('COMPAT'). COMPAT has granted stay on the CCI Order on the condition that the Company deposits penalty amounting to ₹ 6.56 crore which has since been deposited. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no



provision has been made. Our opinion is not modified in respect of this matter.

- (b) In terms of order dated 19th January 2017, the CCI has imposed penalty of ₹ 9.28 crore pursuant to a reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 in August 2012 by the Company. The Company has filed an appeal before COMPAT. The Company believes it has a good case and considering the uncertainty relating to the outcome of this matter, no provision has been made. Our opinion is not modified in respect of this matter.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2- As required by Section 143(3) of the Act, 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being

appointed as a director in terms of Section 164(2) of the Act.

- (f) 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".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; (Refer Note No.36)
- II. The company does not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
- IV. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management (Refer Note No10 (iv)).

For P.L. TANDON & Co.  
Chartered Accountants  
Registration Number: 000186C

Place : KANPUR  
Date : 13th May, 2017

P.P.SINGH  
(PARTNER)  
Membership Number: 072754

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Re: J.K. CEMENT LIMITED

### The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2017, We report that:

i. In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets other than furniture and fixtures and office equipments.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed /transfer deed/ conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and building are held in the name of the company as at the balance sheet date, except the following:

Particular of land	Gross Block as at 31-03-2017 (₹ In lacs)	Net Block as at 31-03-2017 (₹ In lacs)	Remarks
i. Leasehold land (one case)	1353.07	306.36	The title deeds are in the name of erstwhile company that merged with the company pursuant to a scheme of amalgamation and arrangement as approved by the honorable High Court.
ii. Freehold land (Four cases)	225.64	225.64	

ii. In respect of its Inventories:

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.

- iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :

- (a) The Company had granted Unsecured Loans to one company the terms and conditions of loans are not prima-facie prejudicial to the interest of the company. The company had repaid the loan during the year therefore other clauses are not applicable.

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made.

- v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, therefore, the provisions of paragraph 3(v) of the Companies (Auditor's Report ) order, 2016, are not applicable to the company.

- vi. We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government, for maintenance of cost records under sub section (1) of section 148 of the Companies Act,2013 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.

- vii. According to the information and explanations given to us, in respect of statutory and other dues:

- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material Statutory dues were in arrear as at 31st March, 2017 for a period more than six months from the date they became payable.



- (b) According to the records of the company, income tax, sales tax, service tax, duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute, are as follows :-

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which Amount Relates	Forum where Dispute is Pending
Finance Act 2008 (State)	Environment and Health Cess	3239.34	2008-09 to 2015-16	Jodhpur High Court and Bangalore High Court
State Sales Tax Act	Sales Tax	887.72	1991-92 onwards	Various Court in Uttar Pradesh and Rajasthan
Rajasthan Entry Tax	Entry Tax	2392.49	July, 2006 Onwards	Appeal with Jodhpur High Court
Rajasthan Entry Tax	Interest on Entry Tax	2737.76	2002-03 Onwards	Appeal with Jodhpur High Court
Uttar Pradesh Entry Tax	Interest on Entry Tax	314.47	2008-09 and 2009-10	Appeal with Supreme Court
Central Excise Act,1944	Excise Duty including Interest thereon	419.02	1989	Supreme Court
Finance Act, 1994	Service Tax	1085.42	June, 2007 to March, 2008	Central Excise Department
Central Excise Act,1944	Excise Duty including Interest	1662.53	July, 1999 to March, 2008	Central Excise Department
Service Tax	Service Tax on GTA	228.89	-	Central Excise Department

- viii. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to banks, government or dues to debenture holder.
- ix. In our opinion and according to the information and explanations given to us, the debentures and term loans have been applied for the purposes for which they were obtained.
- x. According to the information and explanations give to us, no material fraud by the company or on the company by its officer or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Therefore the provisions of paragraph 3 (xii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the
- company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non- cash transactions with directors or persons connected with him, Therefore the provisions of paragraph 3 (xv) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xvi. The company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934.

For P.L. TANDON & Co.  
Chartered Accountants  
Registration Number: 000186C

P.P.SINGH  
(PARTNER)

Place; KANPUR  
Date : 13th May, 2017

Membership Number: 072754

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF J.K. CEMENT LIMITED**

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

We have audited the internal financial controls over financial reporting of J.K. CEMENT LIMITED (“the Company”) as of 31st March 2017 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITORS’ RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.L. TANDON & Co.  
Chartered Accountants  
Registration Number: 000186C

Place; KANPUR  
Date : 13th May, 2017

P.P.SINGH  
(PARTNER)  
Membership Number: 072754



# BALANCE SHEET

as at 31<sup>st</sup> March, 2017

	Note	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,67,445.95	3,52,056.03	3,32,975.22
Capital work-in-progress		10,482.45	15,240.46	19,117.98
Other intangible assets	3	556.98	199.76	197.51
Financial assets				
(i) Investments	4	47,037.88	37,326.62	28,715.68
(ii) Other	5	14,243.27	13,730.62	6,019.46
Other non-current assets	6	8,907.44	12,785.10	11,215.52
<b>Total non-current assets</b>		<b>4,48,673.97</b>	<b>4,31,338.59</b>	<b>3,98,241.37</b>
<b>Current assets</b>				
Inventories	7	49,806.98	42,893.12	50,978.54
Financial assets				
(i) Current investments	8	6,526.00	6,337.79	3,224.71
(ii) Trade receivables	9	14,813.42	16,569.39	13,940.46
(iii) Cash and cash equivalents	10	41,785.02	36,734.94	38,354.13
(iv) Bank balances other than (iii) above	11	99.20	109.74	114.62
(v) current financial assets	12	4,521.82	5,687.22	3,145.97
Current tax assets (net)	13	-	547.36	467.43
Other current assets	14	17,419.33	16,161.84	18,686.34
<b>Total current assets</b>		<b>1,34,971.77</b>	<b>1,25,041.40</b>	<b>1,28,912.20</b>
<b>Total assets</b>		<b>5,83,645.74</b>	<b>5,56,379.99</b>	<b>5,27,153.57</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	6,992.72	6,992.72	6,992.72
Other equity	16	1,85,038.76	1,62,036.70	1,54,863.67
<b>Total equity</b>		<b>1,92,031.48</b>	<b>1,69,029.42</b>	<b>1,61,856.39</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	17	2,31,845.63	2,30,226.15	2,15,218.86
(ii) Other financial liabilities	18	17,671.71	13,974.70	11,687.35
Long-term provisions	19	2,237.99	1,828.53	1,659.47
Deferred tax liabilities (net)	20	21,401.44	21,652.25	20,747.20
Other non-current liabilities	21	5,271.37	5,652.69	6,051.88
<b>Total non-current liabilities</b>		<b>2,78,428.14</b>	<b>2,73,334.32</b>	<b>2,55,364.76</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	22	16,577.24	19,499.40	26,189.31
(ii) Trade payables	23	20,517.96	28,064.66	22,925.76
(iii) Other financial liabilities	24	65,996.85	57,994.83	53,519.57
Other current liabilities	25	8,335.82	7,052.08	5,897.73
Short-term provisions	26	1,601.60	1,405.28	1,400.05
Current tax Liability (net)	13	156.65	-	-
<b>Total Current liabilities</b>		<b>1,13,186.12</b>	<b>1,14,016.25</b>	<b>1,09,932.42</b>
<b>Total liabilities</b>		<b>3,91,614.26</b>	<b>3,87,350.57</b>	<b>3,65,297.18</b>
<b>Total equity and liabilities</b>		<b>5,83,645.74</b>	<b>5,56,379.99</b>	<b>5,27,153.57</b>

The accompanying notes to the financial statements

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

For P.L.Tandon and Co.,  
Chartered Accountants

ICAI Firm Regn. No. 000186C

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

P.P. Singh  
Partner  
Membership No - 072754

Smt.Sushila Devi Singhania  
Director

Yadupati Singhania  
Chairman & Managing Director

Achintya Karati  
Jayant Narayan Godbole  
Kailash Nath Khandelwal  
Krishna Behari Agarwal  
Paul Heinz Hugentobler  
Raj Kumar Lohia  
Shyam Lal Bansal  
Suparas Bhandari

Directors

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

A.K. Saraogi  
President (Corp.Affairs) & CFO  
Shambhu Singh  
Company Secretary



# STATEMENT OF PROFIT AND LOSS

For the year ended 31<sup>st</sup> March, 2017

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	27	4,42,070.71	4,13,119.44
Other income	28	5,118.68	5,710.59
<b>Total income</b>		<b>4,47,189.39</b>	<b>4,18,830.03</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	69,552.72	66,579.74
Purchase of Stock in Trade		92.50	151.78
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	30	(325.67)	828.86
Employee benefits expense	31	27,545.54	23,485.88
Finance costs	32	26,564.75	27,074.71
Depreciation and amortization expense	33	17,609.58	16,411.62
Other expenses	34	2,71,775.18	2,70,084.20
<b>Total Expenses</b>		<b>4,12,814.60</b>	<b>4,04,616.79</b>
<b>Profit/(loss) before tax &amp; Exceptional items</b>		<b>34,374.79</b>	<b>14,213.24</b>
Exceptional Items		1,931.62	-
<b>Profit/(loss) before tax &amp; after exceptional items</b>		<b>32,443.17</b>	<b>14,213.24</b>
<b>Tax expense:</b>			
Current tax		7,047.08	3,060.00
MAT Credit entitlement		(7,047.08)	(3,060.00)
Earlier Years Tax Adjustments		(2.75)	(700.07)
Deferred tax		6,488.28	4,580.81
<b>Profit/ (loss) for the year</b>		<b>25,957.64</b>	<b>10,332.50</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		48.17	243.61
Income tax relating to remeasurement of defined benefit plans		(16.67)	(84.31)
		<b>31.50</b>	<b>159.30</b>
<b>Total comprehensive income for the year</b>		<b>25,989.14</b>	<b>10,491.80</b>
<b>Earnings per equity share (₹)</b>	35		
Basic		37.12	14.78
Diluted		37.12	14.78

₹/Lacs

The accompanying notes to the financial statements

This is the Statement of Profit & Loss referred to in our report of even date

For P.L.Tandon and Co.,  
Chartered Accountants

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

ICAI Firm Regn. No. 000186C

P.P. Singh  
Partner  
Membership No - 072754

Smt.Sushila Devi Singhania  
Director

Yadupati Singhania  
Chairman & Managing Director

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

Shambhu Singh  
Company Secretary

Achintya Karati  
Jayant Narayan Godbole  
Kailash Nath Khandelwal  
Krishna Behari Agarwal  
Paul Heinz Hugentobler  
Raj Kumar Lohia  
Shyam Lal Bansal  
Suparas Bhandari

Directors

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

# STATEMENT OF CASH FLOW

for the year ended 31<sup>st</sup> March, 2017

	₹/Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	32,443.17	14,213.24
Adjustment for :-		
Depreciation	17,609.58	16,411.62
Loss on the sale of fixed assets	2,708.67	16.20
Ind(AS) adjustment	379.43	47.74
OCI adjustment	31.50	159.30
Interest paid	26,764.59	26,721.77
Interest received	(4,015.82)	(4,084.72)
Profit on sale of current Investment	(239.67)	(165.51)
Net fair value gain on financial assets measured at fair value through profit or loss	(148.80)	(745.07)
Government grant	(4,811.31)	(1,615.30)
Mines restoration charges	21.48	7.72
Dividend Income	-	(7.81)
<b>Operating Profit Before Working Capital Changes</b>	70,742.82	50,959.18
Movements in working capital :-		
Increase / (Decrease) in Trade Payables	(7,546.70)	5,138.90
Increase / (Decrease) in Other financial liabilities	11,853.68	6,511.81
Increase / (Decrease) in Other liabilities	5,713.73	2,370.47
Increase / (Decrease) in provisions	584.30	166.57
(Increase) / Decrease in Inventories	(6,913.86)	8,085.42
(Increase) / Decrease in Trade receivables	1,774.19	(2,628.93)
(Increase) / Decrease in Other financial assets	2,709.07	(9,629.28)
(Increase) / Decrease in Other assets	2,620.17	954.92
<b>Cash Generated From Operations</b>	81,537.40	61,929.06
Less : Income Tax Paid (inclusive of tax deducted at source)	(6,032.33)	(3,055.62)
<b>Net Cash From Operating Activities</b>	75,505.07	58,873.44
<b>B. CASH USED IN INVESTING ACTIVITIES</b>		
Movement in fixed deposit	10.54	4.88
Net (purchase) of current Investment	(188.21)	(3,113.08)
Net (purchase) of Investment	(9,471.59)	(8,445.43)
Interest received	2,090.09	4,206.66
Dividend Received	-	7.81
Net (purchase) of Fixed Asset	(31,307.38)	(31,633.36)
<b>Net Cash Used In Investing Activities</b>	(38,866.55)	(38,972.52)



# STATEMENT OF CASH FLOW

for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>C. CASH USED IN FINANCING ACTIVITIES</b>		
Net proceeds from Long Term Borrowings	1,619.48	15,007.29
Net (Repayment) of Short Term Borrowings	(2,922.16)	(6,689.91)
Interest Expense Paid (inclusive of tax deducted at source)	(26,919.25)	(26,470.98)
Dividend paid	(3,366.51)	(3,366.51)
<b>Net Cash Used in Financing Activities</b>	<b>(31,588.44)</b>	<b>(21,520.11)</b>
<b>Net Increase/( Decrease ) in Cash and Cash Equivalents</b>	<b>5,050.08</b>	<b>(1,619.19)</b>
Cash and Cash Equivalents at the beginning of the year	36,734.94	38,354.13
Cash and Cash Equivalents at the end of the year	41,785.02	36,734.94
	<b>5,050.08</b>	<b>(1,619.19)</b>

## Notes :

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

As per our report of even date attached

For P.L.Tandon and Co.,  
Chartered Accountants  
ICAI Firm Regn. No. 000186C

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

**P.P. Singh**  
Partner  
Membership No - 072754

**Smt.Sushila Devi Singhania** Director  
**Yadupati Singhania** Chairman & Managing Director

**A.K. Saraogi**  
President (Corp.Affairs) & CFO  
**Shambhu Singh**  
Company Secretary

**Achintya Karati**  
**Jayant Narayan Godbole**  
**Kailash Nath Khandelwal**  
**Krishna Behari Agarwal**  
**Paul Heinz Hugentobler**  
**Raj Kumar Lohia**  
**Shyam Lal Bansal**  
**Suparas Bhandari**

Directors

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

# STATEMENT OF CHANGE IN EQUITY

for the year ended 31st March, 2017

## (A) EQUITY SHARE CAPITAL

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Amount	No. of Shares	Amount
	₹/Lacs			
Balance at the beginning of the year	6,99,27,250.00	6,992.72	6,99,27,250.00	6,992.72
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	6,99,27,250.00	6,992.72	6,99,27,250.00	6,992.72

## (B) OTHER EQUITY

	Reserves and Surplus				Remeasurement of defined benefit plans (Other Comprehensive Income)	Total
	Securities premium account	Debenture redemption reserve	General reserve	Retained earnings		
<b>Balance at 1st April 2015</b>	25,988.60	6,662.50	66,501.31	55,711.26	-	1,54,863.67
Impacts due to Ind AS Adjustments	-	-	-	47.74	-	47.74
<b>Restated balance at 1st April 2015</b>	<b>25,988.60</b>	<b>6,662.50</b>	<b>66,501.31</b>	<b>55,759.00</b>	<b>-</b>	<b>1,54,911.41</b>
Profit for the year	-	-	-	10,332.50	-	10,332.50
Other comprehensive income/ (loss) for the year	-	-	-	-	159.30	159.30
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,332.50</b>	<b>159.30</b>	<b>10,491.80</b>
Transfer to general reserve	-	-	3,000.00	(3,000.00)	-	-
Transfer to debenture redemption reserve	-	1,581.95	-	(1,581.95)	-	-
Dividend paid	-	-	-	(2,797.09)	-	(2,797.09)
Dividend distribution tax	-	-	-	(569.42)	-	(569.42)
<b>Balance at 31st March 2016</b>	<b>25,988.60</b>	<b>8,244.45</b>	<b>69,501.31</b>	<b>58,143.04</b>	<b>159.30</b>	<b>1,62,036.70</b>
<b>Restated balance at the beginning of the reporting period</b>	<b>25,988.60</b>	<b>8,244.45</b>	<b>69,501.31</b>	<b>58,143.04</b>	<b>159.30</b>	<b>1,62,036.70</b>
Impacts of Ind AS Adjustments of earlier year	-	-	-	555.72	-	555.72
Profit for the year	-	-	-	25,957.64	-	25,957.64
Add: Transfer from Profit & Loss Account	-	1,710.65	-	-	-	1,710.65
Other comprehensive income for the year	-	-	-	-	31.50	31.50
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,710.65</b>	<b>-</b>	<b>26,513.36</b>	<b>31.50</b>	<b>28,255.51</b>
Adjustment during the year	-	-	(176.29)	-	-	(176.29)
Transfer to/(from) general reserve	-	-	5,000.00	(5,000.00)	-	-
Transfer to debenture redemption reserve	-	-	-	(1,710.65)	-	(1,710.65)
Dividend paid	-	-	-	(2,797.09)	-	(2,797.09)
Dividend distribution tax	-	-	-	(569.42)	-	(569.42)
<b>Balance at 31st March 2017</b>	<b>25,988.60</b>	<b>9,955.10</b>	<b>74,325.02</b>	<b>74,579.24</b>	<b>190.80</b>	<b>1,85,038.76</b>



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

## I. SIGNIFICANT ACCOUNTING POLICIES

### I Reporting Entity

J K Cement Limited (“J K Cement Limited” or “the Company”) is a public limited company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh – 208 001. J K Cement Limited’s equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

### II Significant Accounting Policies

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

#### 1. Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (‘the Act’) and other relevant provisions of the Act.

The financial statement up to year ended 31 March, 2016 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The financial statements for the year ended 31 March, 2017 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 42.

These financial statements were authorised for issue by the Board of Directors on 13.05.2017.

#### 2. Basis of measurement

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

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

#### 3. Functional and presentation currency

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

#### 4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

#### A. Judgements

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

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

#### B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31 March 2017 is included below:

- Measurement of defined benefit obligations: key actuarial assumptions
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

- Useful life and residual value of fixed assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows

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

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

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

All other assets are classified as non-current.

An liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

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

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

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

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

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

### Transition to Ind AS

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

### Subsequent Measurement

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

### Depreciation

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions due to machinery spares is provided retrospectively from the date the related assets are put to use. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

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

## 7. Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 3 years.

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

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

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

## 8. Financial instruments

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

### Financial Assets

#### Initial recognition and measurement

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

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

#### Classifications

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

#### Business model assessment

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

### Debt instruments at amortised cost

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

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

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

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

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

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

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

### Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

All other Financial Instruments are classified as measured at FVTPL.

## Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

## Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The

impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

### Subsequent measurement

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

#### Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

### Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

### Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## 9. Inventories

### i) Inventories are valued as follows:

Raw materials, packing materials, stores and spares	Lower of cost and net realisable value. Cost is determined on a moving weighted average basis. Materials and other items held for use in the production of inventories are at cost not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads. Cost of finished goods includes excise duty, wherever applicable.
Waste	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and to make the sale.

- ii) Work-in-progress, finished goods and traded goods have been valued as per the principles and basis consistently followed.
- iii) Provision for obsolete/ old inventories is made, wherever required.
- iv) Inter unit transfers of material for further processing is being made at market rate prevailing at the time of such transfers and inventories of such "transfers" could not be identified separately. Therefore for the purpose of determining weighted average cost, transfer price has been considered. In the opinion of the management such valuation have no material impact on inventory valuation and such stock at the year-end are shown as part of raw materials inventory.

## 10. Provisions Contingent Liabilities and Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognized in the financial statements. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

## Mines Restoration Expenditure

The expenditure on restoration of the mines based on technical estimates by Internal/External specialists is recognized in the accounts. The total estimated restoration expenditure is apportioned over the estimated quantity of mineral resources (likely to be made available) and provision is made in the accounts based on minerals mined during the year.

## 11. Revenue Recognition

### (a) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts and volume rebates.

(b) Revenue (other than sale) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(c) Interest income is recognized using the EIR method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

(d) Insurance Claims: Claims lodged with the insurance Companies are accounting on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

## 12. Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as income on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 13. Employee benefits

### (i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

### (iii) Defined benefit plans

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense



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(income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

**a) Gratuity**

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund formed by the Company. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

**(iv) Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

**a) Leave encashment**

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

**14. Foreign currency transactions**

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

**15. Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**16. Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

**i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

## ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## 17. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 18. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. Refer note 37 for segment information presented.

## 19. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 20. Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



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Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 21. Non Current Assets held for sale

The company classifies non current assets and (or disposal groups) 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 expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely those significant changes to the plan will be made or that the plan will be withdrawn.

## 22. Investment Property (Property Held For Earning Income Eg Rent)

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of businesses are classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Investment properties are depreciated using the straight-line method over their estimated useful lives.

## 23. EPS

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit for the year by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Dividend Income from investments is recognized when the right to receive payment is established.

The company reports separately both assets and liabilities, and income and expenses. Offsetting in the statements of profit and loss or balance sheet, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both to understand the transactions, other events and conditions that have occurred and to assess the entity's future cash flows. The company presents income, by netting the income with related expenses arising on the same transaction. The company presents on a net basis gains and losses arising from a group of similar transactions. However the company presents such gains and losses separately if they are material.

### Abbreviation Used

a.	CGU	Cash Generating Unit
b.	OCI	Other Comprehensive Income
c.	FVOCI	Fair Value through Other Comprehensive Income
d.	FVTPL	Fair Value through Profit & Loss
e.	EIR	Effective Interest rate

## II. REPORTING ENTITY

J K Cement Limited ("J K Cement Limited" or "the Company") is a public limited company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh – 208 001. J K Cement Limited's equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

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to the financial statements for the year ended 31<sup>st</sup> March, 2017

## 2. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2015	Ind AS Adj	Opening as per Ind AS	As at 1 April 2015	Ind AS Adj	Opening as per Ind AS	As at 1 April 2015	As at 31 March 2016
<b>Tangible Assets</b>								
Freehold land	18,319.04	(3,082.44)	15,236.60	2,017.89	-	-	17,254.49	
Factory building	22,803.76	3,353.45	22,803.76	3,353.45	1,576.09	3,577.44	19,226.32	21,004.32
Non factory buildings	23,957.95	2,601.19	23,957.95	2,601.19	543.48	2,090.61	21,867.34	23,925.05
Plant and equipment	3,36,953.34	17,839.88	3,36,953.34	17,839.88	726.06	77,198.19	2,59,755.15	2,64,877.35
Plant & equipment- Others #	1,368.71	3,311.61	1,368.71	3,311.61	183.67	38.93	1,329.78	4,457.72
Vehicles	3,016.44	254.48	3,016.44	254.48	373.53	1,200.44	1,816.00	1,652.28
Furniture and fixtures	2,834.08	298.13	2,834.08	298.13	295.32	1,256.70	1,577.38	1,579.85
Railway sidings #	2,250.62	4,219.58	2,250.62	4,219.58	300.45	747.18	1,503.44	5,422.57
Rolling stock	89.43	-	89.43	-	8.19	47.47	41.96	33.77
Other assets	846.06	177.73	846.06	177.73	105.43	680.63	165.43	237.73
<b>Assets under Finance Lease</b>								
Leasehold land	9,097.20	3,082.44	12,179.64	1,490.88	57.43	1,723.82	10,455.82	11,610.90
<b>Total</b>	<b>4,21,536.63</b>	<b>35,564.82</b>	<b>4,21,536.63</b>	<b>35,564.82</b>	<b>783.49</b>	<b>88,561.41</b>	<b>3,32,975.22</b>	<b>3,52,056.03</b>
Capital work-in-progress	19,117.98	-	19,117.98	-	-	-	19,117.98	15,240.46
<b>Total</b>	<b>4,40,654.61</b>	<b>35,564.82</b>	<b>4,40,654.61</b>	<b>35,564.82</b>	<b>783.49</b>	<b>88,561.41</b>	<b>3,52,093.20</b>	<b>3,67,296.49</b>

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2016	Ind AS Adj	Opening as per Ind AS	As at 31 March 2016	Ind AS Adj	Opening as per Ind AS	As at 31 March 2016	As at 31 March 2017
<b>Tangible Assets</b>								
Freehold land	17,254.49	7,970.65	17,254.49	7,970.65	20.90	-	17,254.49	25,204.24
Factory building	26,157.21	4,390.49	26,157.21	4,390.49	525.63	2,615.72	21,004.32	23,459.25
Non factory buildings	26,559.14	4,448.36	26,559.14	4,448.36	1.16	2,634.09	23,925.05	27,663.32
Plant and equipment	3,54,569.33	15,130.30	3,54,569.33	15,130.30	8,870.32	89,691.98	2,64,877.35	2,60,807.02
Plant & equipment-Others #	4,680.32	348.81	4,680.32	348.81	296.04	222.60	4,457.72	4,510.49
Vehicles	3,128.14	660.80	3,128.14	660.80	380.33	1,475.86	1,652.28	1,793.05
Furniture and fixtures	3,129.54	369.78	3,129.54	369.78	7.69	1,549.69	1,579.85	1,643.65
Railway sidings #	6,470.20	556.82	6,470.20	556.82	(3,270.50)	1,047.63	5,422.57	8,483.71
Rolling stock	89.43	-	89.43	-	89.43	55.66	33.77	25.58
Other assets	1,023.79	265.93	1,023.79	265.93	-	786.06	237.73	337.29
<b>Assets under Finance Lease</b>								
Leasehold land	13,665.70	2,649.46	13,665.70	2,649.46	49.48	2,054.80	11,610.90	13,518.35
<b>Total</b>	<b>4,56,727.29</b>	<b>36,791.40</b>	<b>4,56,727.29</b>	<b>36,791.40</b>	<b>6,585.01</b>	<b>1,04,671.26</b>	<b>3,52,056.03</b>	<b>3,67,445.95</b>
Capital work-in-progress	15,240.46	4,758.01	15,240.46	4,758.01	-	-	15,240.46	10,482.45
<b>Total</b>	<b>4,71,967.75</b>	<b>36,791.40</b>	<b>4,71,967.75</b>	<b>36,791.40</b>	<b>11,343.15</b>	<b>1,04,671.26</b>	<b>3,67,296.49</b>	<b>3,77,928.40</b>

\* Cost incurred by company ownership of which vest with State Electricity Boards & Indian Railways.



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to the financial statements for the year ended 31<sup>st</sup> March, 2017

## 3. OTHER INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2015	Opening as per Ind AS	As at 31 March 2016	As at 1 April 2015	Ind AS Adj	As at 31 March 2016	As at 1 April 2015	As at 31 March 2016
Intangible Assets								
Computer Software	1,110.27	1,110.27	1,148.99	912.76		949.23	197.51	199.76
Goodwill	742.70	742.70	742.70	742.70		742.70	-	-
<b>Total</b>	<b>1,852.97</b>	<b>1,852.97</b>	<b>1,891.69</b>	<b>1,655.46</b>	<b>36.47</b>	<b>1,691.93</b>	<b>197.51</b>	<b>199.76</b>

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2016	Opening as per Ind AS Adj	As at 31 March 2017	As at 31 March 2016	Ind AS Adj	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017
Intangible Assets								
Computer Software	1,148.99	1,148.99	1,684.64	949.23		1,127.66	199.76	556.98
Goodwill	742.70	742.70	742.70	742.70		742.70	-	-
<b>Total</b>	<b>1,891.69</b>	<b>1,891.69</b>	<b>2,427.34</b>	<b>1,691.93</b>	<b>178.43</b>	<b>1,870.36</b>	<b>199.76</b>	<b>556.98</b>



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
			₹/Lacs
<b>4. INVESTMENTS</b>			
<b>A. Investment in equity instruments (fully paid-up)</b>			
<b>Unquoted</b>			
<b>Subsidiary Companies</b>			
-36538 (31st March 2016 : 36538, 1st April 2015 : 36538) equity shares of J. K. Cement (Fujairah) FZC.** (Face value AED1000)	5,043.18	5,043.18	5,043.18
- 6590070 (31st March 2016 : 6590070, 1st April 2015 : nil) equity shares of Jaykaycem Central Limited	659.01	659.01	-
<b>Others</b>			
- 5200 (31st March 2016 : 3400, 1st April 2015 : 8000) equity shares of ReNew Wind Energy AP (Pvt.) Ltd. (Face value ₹ 10)	5.20	3.40	8.00
- 3140101 (31st March 2016 : 3140101, 1st April 2015 : 3140101) equity shares of VS Legnite Power Pvt. Ltd. (Face value ₹ 10) at FVTPL	-	107.71	107.71
- 375000 (31st March 2016 : 375000 1st April 2015 : 375000) equity shares of Bander Coal Company Pvt. Ltd.(Face Value ₹ 10)- joint operation	37.50	37.50	37.50
<b>B. Investment in preference shares (fully paid up)</b>			
<b>Unquoted</b>			
<b>Subsidiary Companies</b>			
- 18300 (31st March 2016 : 18300, 1st April 2015 : 18300) 3% cumulative 11 years compulsory convertible (Face value AED1000) preference shares in J. K. Cement (Fujairah) FZC.#	2,717.30	2,717.30	2,717.30
- 33027 (31st March 2016 : 33027, 1st April 2015 : 33027) 3% cumulative 12 years compulsory convertible (Face value AED 1000) preference shares in J. K. Cement (Fujairah) FZC.#	4,886.70	4,886.70	4,886.70
- 34370(31st March 2016 : 26534, 1st April 2015 : 18362) 3% cumulative 11 years redeemable (Face value AED1000) preference shares in J. K. Cement (Fujairah) FZC.#	6,074.73	4,790.79	3,133.84
- 34370 (31st March 2016 : 26534, 1st April 2015 : 25707) 3% cumulative 12 years redeemable (Face value AED1000) preference shares in J. K. Cement (Fujairah) FZC.#	6,074.73	4,790.79	4,387.41
- 3759 (31st March 2016 : 3759, 1st April 2015 : 3759) 3% cumulative 13 years compulsory convertible (Face value AED1000) preference Share in J.K.Cement(Fujairah) FZC#	668.30	668.30	668.30
- 15521 (31st March 2016 : 15521, 1st April 2015 : 10931) 3% cumulative 14 year compulsory convertible (Face value AED1000) preference Share in J.K.Cement(Fujairah) FZC#	2,626.07	2,626.07	1,852.75
- 34370 (31st March 2016 : 26534, 1st April 2015 : 11017) 3% cumulative 13 years Redeemable (Face value AED1000) preference shares in J.K.Cement (Fujairah)FZC#	6,074.72	4,790.79	1,880.27
- 34370 (31st March 2016 : 26533, 1st April 2015 : 13405) 3% cumulative 14 years Redeemable (Face value AED1000) preference shares in J.K.Cement (Fujairah)FZC#	6,074.72	4,790.60	2,287.83
- Share Application Money-Redeemable preference Shares	0.08	0.11	773.43
- Share Application Money-Redeemable preference Shares	-	1,318.83	835.92



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>4. INVESTMENTS (CONTD.)</b>			
<b>Others at FVTPL</b>			
- 2785552 (31st March 2016 : 2785552, 1st April 2015 : 2785552) 0.01% cumulative redeemable Preference shares in VS Legnite Power Pvt. Ltd. (Face value ₹ 10)	-	95.54	95.54
<b>Investment In Debenture (Jaykaycem (Central) Ltd)</b>			
Unquoted Investments			
46000000 Zero Percent Unsecured Compulsorily convertible Debenture Of ₹ 10 each	4,600.00	-	-
<b>Investment In Mutual Fund</b>			
5000000 HDFC fmp 1302D Sep2016(1)Regular-Growth -Series-37 Maturity date2020	500.00	-	-
5000000 HDFC fmp 1188D Mar-2017(1)-Regular-Growth-Series38- Maturity date-29-6-2020	500.00	-	-
<b>Investments in Bonds</b>			
50 State bank of India SR-111 8.39 BD perpetual Bonds Face value per Bonds ₹ 1000000 purchased @991285	495.64	-	-
	<b>47,037.88</b>	<b>37,326.62</b>	<b>28,715.68</b>
<b>Aggregate amount of unquoted investment</b>	<b>45,542.24</b>	<b>37,326.62</b>	<b>28,715.68</b>

**Notes:**

\*\* 19538 Equity Shares are pledged with IDBI.

#199149 Preference Shares are pledged with IDBI.

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>5. OTHER NON-CURRENT FINANCIAL ASSETS</b>			
Fixed Deposits	10,394.66	10,620.91	2,155.85
Advance to Employees	130.93	89.01	129.69
Vehicle Loan Recoverable	12.03	82.55	150.61
Security Deposits	3,705.65	2,938.15	3,583.31
	<b>14,243.27</b>	<b>13,730.62</b>	<b>6,019.46</b>

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>6. OTHER NON-CURRENT ASSETS</b>			
Capital Advances	8,854.83	12,737.58	11,148.14
Prepaid Rent	26.92	26.36	41.51
Deferred Employee Compensation	25.69	21.16	25.87
	<b>8,907.44</b>	<b>12,785.10</b>	<b>11,215.52</b>

# NOTES

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	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>7. INVENTORIES</b>			
(Valued at lower or/and cost or net realisable value )			
Raw Materials	7,206.33	5,464.66	5,785.26
Work-in-Process	7,395.02	6,978.10	9,027.74
Finished goods	7,776.74	7,861.01	6,648.71
Stock-in-Trade	16.45	23.43	14.95
Consumable Stores and Spares	26,074.18	21,320.47	29,215.54
<b>Goods in transit :</b>			
- Raw Materials	-	1.91	1.20
- Consumable Stores and Spares	1,338.26	1,243.54	285.14
	<b>49,806.98</b>	<b>42,893.12</b>	<b>50,978.54</b>

Stock of Stores, Spare parts also includes stock of Project material aggregate to ₹ Nil (31 March 2016 is ₹ 156.57 lacs and 1st April 2015 ₹ 937.50 Lacs).

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>8. CURRENT INVESTMENTS</b>			
Investment in Mutual Funds at FVTPL			
Quoted			
- Nil ( 31st March 2016 : 92772.634, 1st April 2015 : nil) units in IDBI Liquid Fund made Growth	-	1,501.48	-
- Nil (31st March 2016 : 84283.316, 1st April 2015 : nil) units in SBI Premium Liquid Fund	-	2,002.64	-
-6568620.89 (31st March 2016 : 3489841.073, 1st April 2015 : nil) units in ICICI Prudential Regular Income	1,076.47	522.57	-
- 1774748.873 (31st March 2016 : 1774748.873, 1st April 2015 : nil) units in HDFC Short Term Fund-Growth	575.19	525.15	-
- Nil(31st March 2016 : nil, 1st April 2015 : 50000000) units in BOI AXA FIXED MATURITY PLAN-SERIES13(380)	-	-	548.52
- Nil( 31st March 2016 : nil, 1st April 2015 : 5000000) units in Baroda Pioneer FMP-372 Days	-	-	545.45
- Nil(31st March 2016 : nil, 1st April 2015 : 5000000) units in HDFC FMP-SERIES 29	-	-	546.68
- 2721606.837(31st March 2016 : 493622.399, 1st April 2015 : 493622.3986) units in Edelweiss Erstwhile J.P.Morgan Active Bond Fund Institutional	372.44	67.09	62.71
- Nil(3 1st March 2016 : 2721606.837, 1st April 2015 : 2721606.837) units in JP morgan govt. Securities fund-regular plan Growth option	-	339.27	320.03
-Nil( 31st March 2016 : 2638078.471, 1st April 2015 : 2638078.471) units in SBI magnum Guilt Fund	-	848.33	801.04
- Nil (31st March 2016 : 1652073.352, 1st April 2015 : nil) units in SBI magnum Guilt Fund	-	531.26	-
-Nil (31st March 2016 : nil, 1st April 2015 : 26741.654) units in IDBI Liquid Fund	-	-	400.28
- 3180661.58(31st March 2016 : nil, 1st April 2015 : nil) units in Axis Mutual Fund	500.81	-	-
- 39292.91(31st March 2016 : nil, 1st April 2015 : nil) units in SBI Premier Liquid fund	1,000.28	-	-
-46894.59 (31st March 2016 : nil, 1st April 2015 : nil) units in HDFC Liquid Fund Growth	1,500.46	-	-
-86538.37( 31st March 2016 : nil,1st April 2015 : nil) units in IDBI Liquid Fund -Regular Plan-Growth	1,500.35	-	-
	<b>6,526.00</b>	<b>6,337.79</b>	<b>3,224.71</b>
<b>Aggregate Amount of quoted investments</b>	<b>6,526.00</b>	<b>6,337.79</b>	<b>3,224.71</b>



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>9. TRADE RECEIVABLES</b>			
<b>Secured</b>			
Considered good	6,224.79	3,401.95	3,178.70
<b>Unsecured</b>			
Considered good	8,588.63	13,167.44	10,761.76
Considered doubtful	739.12	602.00	566.22
Less: Provision for doubtful balances	739.12	602.00	566.22
	<b>14,813.42</b>	<b>16,569.39</b>	<b>13,940.46</b>

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>10. CASH AND CASH EQUIVALENTS</b>			
i. Balance with banks:			
- In current accounts	3,173.20	4,141.79	7,207.06
- In Fixed Deposits			
a) Upto 3 months	8,288.98	2,919.59	2,507.83
b) more than 3 months & upto one year	30,421.23	29,764.84	28,753.61
Less: Overdraft against Fixed Deposits	(151.93)	(121.29)	(145.97)
ii. Cash on hand	28.31	27.27	28.03
iii. Cheques in hand	25.23	2.74	3.57
	<b>41,785.02</b>	<b>36,734.94</b>	<b>38,354.13</b>

iv. Disclosures as required by notification no. 244 dated 30.03.2017 issued by Government of India.

Particulars	Specified Denomination Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	36.43	6.86	43.29
(+) Permitted receipts		84.06	84.06
(-) Permitted payments		60.22	60.22
(-) Amount deposited in Banks	36.43	0.10	36.53
Closing cash in hand as on 30.12.2016		30.60	30.60

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>11. OTHER BANK BALANCES</b>			
<b>Earmarked balances with banks:</b>			
Bank balances other than mentioned in Note No 10	99.20	109.74	114.62
	<b>99.20</b>	<b>109.74</b>	<b>114.62</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>12. OTHER CURRENT FINANCIAL ASSETS</b>			
Other Loans and Advances - Doubtful	49.63	31.41	31.93
Provision for doubtful advances	(49.63)	(31.41)	(31.93)
	-	-	-
Loans and Advances to Related Parties*	-	4,221.79	1,471.75
Other Loans and Advances**	1,585.59	368.35	391.11
Advance to Employees	170.79	258.13	322.22
Interest Accrued	2,757.80	832.07	954.01
Others	7.64	6.88	6.88
	<b>4,521.82</b>	<b>5,687.22</b>	<b>3,145.97</b>

\* Pertains to Jaykaycem (Central) Ltd. ₹ NIL (31 March 2016 ₹ 4206.79 Lacs and 1 April 2015 is ₹ 1456.75 Lacs) and Loan - J.K.Cement (Western) Ltd. ₹ NIL (31 March 2016 is ₹ 15 Lacs and 1 April 2015 is ₹ 15 Lacs)

\*\*Includes Government Subsidy of ₹ 1403.11 Lacs (31 March 2016 is NIL).

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>13. CURRENT TAX (NET)</b>			
Advance tax (Net of provision for income tax of ₹ 7047.08 Lacs)	(156.65)	547.36	467.43
	<b>(156.65)</b>	<b>547.36</b>	<b>467.43</b>

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>14. OTHER CURRENT ASSETS</b>			
Balances with excise and custom department	5,806.66	5,273.86	10,886.66
Prepayments			
- Rent	18.85	15.15	15.15
- Expenses	2,368.01	2,127.40	473.15
Advances recoverable in cash or in kind	7,871.93	6,954.80	5,237.38
Deferred employee compensation	15.45	13.59	13.59
Others	1,338.43	1,777.04	2,060.41
	<b>17,419.33</b>	<b>16,161.84</b>	<b>18,686.34</b>

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>15. SHARE CAPITAL</b>			
<b>Authorised:</b>			
8,00,00,000 (As at 31 March 2016 and 1 April 2015 - 8,00,00,000) equity shares of ₹ 10/- each			
<b>Issued, subscribed &amp; fully paid up:</b>			
6,99,27,250 (As at 31 March 2016 and 1 April 2015 - 6,99,27,250) equity Shares of ₹ 10/- each	6,992.72	6,992.72	6,992.72
	<b>6,992.72</b>	<b>6,992.72</b>	<b>6,992.72</b>



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

### a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

### b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	₹/Lacs Amount
Outstanding at the 1 April 2015	6,99,27,250	6,992.72
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2016	6,99,27,250	6,992.72
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	6,99,27,250	6,992.72

### c. Shareholders holding more than 5% shares in the company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
<b>Yadu International Ltd</b>	<b>2,99,49,518</b>	<b>42.83%</b>	2,26,55,100	32.40%	2,26,55,100	32.40%
Yadupati Singhania	1,22,84,198	17.57%	1,42,76,002	20.41%	1,42,79,843	20.42%
Juggilal Kamlapat Holding Ltd.	-	-	72,94,418	10.43%	72,28,418	10.34%

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>16. OTHER EQUITY</b>			
<b>a. Securities premium reserve</b>			
Balance at the beginning of the year	25,988.60	25,988.60	25,988.60
Add: Transfer from retained earnings	-	-	-
Balance at the end of the year	<b>25,988.60</b>	<b>25,988.60</b>	<b>25,988.60</b>
<b>b. Debenture redemption reserve</b>			
Balance at the beginning of the year	8,244.45	6,662.50	5,030.00
Add: Transfer from retained earnings	1,710.65	1,581.95	1,632.50
Balance at the end of the year	<b>9,955.10</b>	<b>8,244.45</b>	<b>6,662.50</b>
<b>c. General reserve</b>			
Balance at the beginning of the year	69,501.31	66,501.31	64,540.05
Less :Adjustment during the year	176.29	-	2,038.74
Add: Transfer from retained earnings	5,000.00	3,000.00	4,000.00
Balance at the end of the year	<b>74,325.02</b>	<b>69,501.31</b>	<b>66,501.31</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	₹/Lacs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>16. OTHER EQUITY (CONTD.)</b>			
<b>d. Retained earnings</b>			
Balance at the beginning of the year	58,143.04	55,711.26	42,236.00
Add: Impacts of Ind AS Adjustments of earlier year	555.72	47.74	6,781.88
Add: Net profit for the year	25,957.64	10,332.50	15,692.39
Less: Transfer to general reserve	5,000.00	3,000.00	4,000.00
Less: Transfer to debenture redemption reserve	1,710.65	1,581.95	1,632.50
Less: Dividend on equity shares	2,797.09	2,797.09	2,797.09
Less: Dividend distribution tax on equity shares	569.42	569.42	569.42
	<b>74,579.24</b>	<b>58,143.04</b>	<b>55,711.26</b>
<b>e. Remeasurement of defined benefit plans</b>			
Balance at the beginning of the year	159.30	-	-
Addition during the year	31.50	159.30	-
Balance at the end of the year	<b>190.80</b>	<b>159.30</b>	-
	<b>1,85,038.76</b>	<b>1,62,036.70</b>	<b>1,54,863.67</b>

## Nature and purpose of other reserves/ other equity

### General reserve

The Company appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act

### Remeasurement of defined benefit plans

"Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- actuarial gains and losses
- the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)"

### Dividend

The following dividends were paid by the Company for the year.

	₹/Lacs	
	31 March 2017	31 March 2016
Final dividend for the year ended 31 March 2016 ₹ 4 per share (31 March 2015: ₹ 4 per share)	2,797.09	2,797.09
Dividend Distribution tax on final dividend	569.42	569.42
	<b>3,366.51</b>	<b>3,366.51</b>



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

After the reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences.

	₹/Lacs	
	31 March 2017	31 March 2016
Proposed dividend for the year ended 31 March 2017 ₹ 8 per share (31 March 2016: ₹ 4 per share)	5,594.18	2,797.09
Dividend Distribution tax on final dividend	1,138.84	569.42
	<b>6,733.02</b>	<b>3,366.51</b>

### Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company's target is to achieve a return on capital above 13.45%; in previous year the return was 7.26%. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 9.93% (Previous year: 10.06%).

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

	₹/Lacs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>17. BORROWINGS</b>			
<b>Secured</b>			
Non convertible debentures	66,197.39	66,100.23	59,491.94
Less: Current maturities of non convertible debentures (Refer note 24)	7,300.00	-	5,300.00
<b>Term loans (Secured)</b>			
- From banks	1,72,103.32	1,67,931.60	1,66,110.30
Less: Current maturities of term loans (Refer note 24)	11,246.98	13,721.75	12,291.48
- Vehicle loans	539.29	321.41	371.81
Less: Current maturities of Vehicle loans (Refer note 24)	239.79	174.63	183.02
- VAT loans from Government	7,318.54	5,537.02	2,879.24
<b>Unsecured</b>			
Deferred sales tax liabilities	5,005.54	4,880.61	5,016.97
Less: Current maturities of Deferred sales tax liabilities (Refer note 24)	531.68	648.34	876.90
	<b>2,31,845.63</b>	<b>2,30,226.15</b>	<b>2,15,218.86</b>



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

## a. Securities

(1) NCD as shown above includes ₹ 302.61 Lacs, 31 March 2016 ₹ 399.82, 1 April 2015 ₹ 483.51 Lacs towards amortised expenses.

i) Non Convertible Debentures(NCDs): ₹ 66500.00 lacs (₹ 66500.00 lacs)

ii) Security for NCDs for ₹ 36500.00 lacs ( ₹ 36500.00 lacs) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified in (2)(i)(b) below.

iii) Security for NCDs for ₹ 30000.00 lacs (₹ 30000.00 lacs)

Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of movable fixed assets pertaining to Company's existing cement plant at village Muddapur Karnataka.

(2) Term Loan as shown above includes ₹ 344.92 Lacs, 31 March 2016 ₹ 157.47, 1 April 2015 ₹ 152.82 Lacs towards amortised expenses.

### (i) Term Loans secured against Cement Plants at Rajasthan

a) From Canara Bank: ₹ 2475.56 lacs (₹ 3575.85 lacs) & From Export Import Bank of India: ₹ 4464.75 lacs (₹ 5000 lacs) Secured by equitable mortgage of immovable properties and hypothecation of movable assets pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.

b) From other Banks: ₹ 20256.25 lacs (₹ 18337.46 lacs) Secured by first pari-passu charge by way of equitable mortgage of all the immovable properties and hypothecation of all the movable assets of the Company both present and future save and except i) inventories, book debts, cash and bank balances and all assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Muddapur, Karnataka ii) properties for office and guest house including those having exclusive charge of other lenders iii) New Cement plant at Mangrol and Jharli and iv) Putty Plant at Katni, Madhya Pradesh.

### (ii) Term Loans secured against Cement Plant at Karnataka

a) From Indian Bank( Consortium of Banks) : ₹ NIL (₹ 930.45 lacs)

b) From Consortium of Banks: ₹ 8619.78 lacs (8436.78 lacs) Secured by First Pari-passu charge by way of equitable mortgage of all the immovable Properties (except mining land) and hypothecation of all moveable non current assets, present and future pertaining to J.K. Cement Works and Thermal power plant, Muddapur, Karnataka.

c) From State Bank of India: ₹ 3815.13 lacs (₹ 4360.73 lacs) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

d) From Allahabad Bank: ₹ 2031.21 lacs ( ₹ 2421.84 lacs) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

### (iii) Term Loans secured against Cement Plant at Rajasthan and Haryana

From Consortium of Banks : ₹ 119092.56 lacs (₹ 119803.64 lacs) Secured by First charge by way of mortgage, on all the immovable properties, both present and future, of the new cement Plants at Mangrol, Rajasthan including captive power plant of 25 MW and waste heat recovery based power plant of 10 MW and split Grinding Unit at Jharli, Haryana (save and except mining land) and hypothecation of all the movable fixed assets of the above plants (save and except Current Assets), both present and future and second charge on all current assets, present and future, pertaining to the above plants (subject to prior charge created or to be created on the Current Assets in favour of the Working Capital Lenders for securing the Working Capital Facilities).

### (iv) Term loan secured against Putty Plant at Katni, Madhya Pradesh: Rs.9300.00 lacs (₹ 3800.00 lacs)

Secured against exclusive charge on entire movable fixed assets ( by way of hypothecation) and on immovable fixed assets related to the Wall Putty project at Katni, Madhya Pradesh(excluding current assets and mining land, if any).

### (v) Term Loans secured against the Properties: ₹ 2392.98 lacs (₹ 1422.32 lacs)

Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable assets pertaining to the specified properties.



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

### b. Term of repayment and interest are as follows :

Loan From	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	Carrying Amount		
				As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Term Loan - Mangrol / Jharli Plant</b>						
- IDBI Bank Ltd.	Quarterly	2030-31	10.00%	12870.00	13500.00	12825.00
- Allahabad	Quarterly	2030-31	10.00%	9900.00	12499.94	11875.22
- Andhra Bank	Quarterly	2030-31	10.00%	9899.64	12390.27	11875.00
- Axis Bank	Quarterly	2030-31	10.00%	12543.13	-	-
- Canara Bank	Quarterly	2030-31	10.00%	7425.00	9912.95	9500.00
- Dena Bank	Quarterly	2030-31	10.00%	7487.38	10000.16	8900.00
- Exim Bank	Quarterly	2030-31	10.00%	17325.00	-	-
- Indian Bank	Quarterly	2030-31	10.00%	9899.08	10001.51	8900.00
- Indian Overseas Bank	Quarterly	2030-31	10.00%	-	10005.91	8900.00
- Jammu & Kashmir Bank	Quarterly	2030-31	10.00%	4826.25	6501.63	5785.04
- Oriental Bank of Commerce	Quarterly	2030-31	10.00%	5568.75	7498.26	6675.00
- State Bank of India	Quarterly	2030-31	10.00%	7488.33	9993.79	8900.18
- Union Bank of India	Quarterly	2030-31	10.00%	6435.00	7500.00	6675.00
- United Bank of India	Quarterly	2030-31	10.00%	7425.00	9999.23	8900.00
<b>Refinanced Loan - Karnataka Plant</b>						
- State Bank of India	Quarterly	2021-22	8.50%	7279.83	7895.65	-
- Andhra Bank	Quarterly	2021-22	9.75%	488.37	540.82	-
- Indian Bank	Quarterly	2021-22	9.75%	851.58	930.45	-
- Indian Overseas Bank				-	0.34	
<b>Term Loan 1 - Karnataka Plant</b>						
- IDBI Bank Ltd.				-	-	2343.60
- Andhra Bank				-	-	1241.40
- Canara Bank				-	-	1624.92
- Dena Bank				-	-	876.46
- Exim Bank				-	-	714.10
- Indian Bank				-	-	1750.00
- Indian Overseas Bank				-	-	1560.00
- Jammu & Kashmir Bank				-	-	1124.95
- United Bank of India				-	-	1750.00
<b>Term Loan 2 - Karnataka Plant</b>						
- IDBI Bank Ltd.				-	-	627.86
- Andhra Bank				-	-	396.65
- Dena Bank				-	-	590.05
- Indian Bank				-	-	785.70
- Jammu & Kashmir Bank				-	-	589.27
- United Bank of India				-	-	535.72
<b>Loan for Promoter's Cont. for Fujairah</b>						
- Dena Bank	Quarterly	2021-22	10.45%	3570.69	4463.59	5000.00
- Exim Bank	Quarterly	2019-20	9.75%	1134.32	1625.00	2125.00
- State Bank of India	Quarterly	2019-20	8.75%	4262.64	5301.35	6427.45
<b>Misc. Capex/Gen Corp Loan - 1</b>						
- IDBI Bank Ltd.	Quarterly	2018-19	9.60%	857.14	1285.71	1714.28
- Allahabad Bank	Quarterly	2018-19	10.70%	714.18	1607.10	2500.00
- State Bank of India	Quarterly	2017-18	9.00%	248.07	573.74	916.52

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

Loan From	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	Carrying Amount		
				As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Misc. Capex/Gen Corp Loan - 2</b>						
- Allahabad Bank	Quarterly	2023-24	10.20%	2031.21	2421.84	2500.00
- State Bank of India	Quarterly	2022-23	8.50%	3815.13	4360.73	5000.10
<b>Misc. Capex/Gen Corp Loan - 3</b>						
- Canara Bank	Quarterly	2019-20	10.25%	2475.58	3575.85	4722.22
- Exim Bank	Quarterly	2022-23	9.75%	4464.75	5000.00	5000.00
<b>SBI Corporate Loan</b>	Quarterly	2023-24	8.50%	9469.21	3480.98	-
<b>Property Loans</b>						
- Indian Bank	Quarterly	2018-19	10.40%	850.98	1422.32	1994.38
- Indian Bank	Quarterly	2020-21	9.25%	1542.00	-	-
- ING Vysya Bank				0.00	-	117.50
<b>Term Loan - New Putty Plant</b>						
- Exim - Putty, Katni	Quarterly	2023-24	9.75%	9300.00	3800.00	2000.00
<b>Non Convertible Debentures</b>						
<b>Series - A</b>						
- at 10.25%	Annual	2020-21	10.25%	9000.00	9000.00	9000.00
- at 10.50%	Annual	2020-21	10.50%	9000.00	9000.00	9000.00
- at 11.00%	Annual	2020-21	11.00%	7000.00	7000.00	7000.00
<b>Series - B</b>						
- at 11.00%	Annual	2020-21	11.00%	11500.00	11500.00	15000.00
<b>Series - C</b>						
- at 10.50%	Annual	2023-24	10.50%	8500.00	8500.00	8500.00
- at 11.00%	Annual	2023-24	11.00%	11500.00	11500.00	11500.00
<b>Series - D</b>						
- at 9.65%	Annual	2025-26	9.65%	10000.00	10000.00	-
				238948.24	234589.12	226238.57
<b>Less : Shown in current maturities of long term debt</b>				18,546.98	13,721.75	17,591.48
<b>Balance shown as above</b>				<b>2,20,401.26</b>	<b>2,20,867.37</b>	<b>2,08,647.09</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>18. OTHER NON-CURRENT FINANCIAL LIABILITIES</b>			
Security Deposits	17,671.71	13,974.70	11,687.35
	<b>17,671.71</b>	<b>13,974.70</b>	<b>11,687.35</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>19. LONG-TERM PROVISIONS</b>			
Provision for employee benefits (Refer note 40)			
- Gratuity	10.00	10.00	10.00
- Leave encashment	2,030.84	1,642.86	1,481.82
Provision for Mines Restoration Charges*	197.15	175.67	167.65
	<b>2,237.99</b>	<b>1,828.53</b>	<b>1,659.47</b>



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>* Provision for Mines Restoration charges:</b>			
Opening Balance	175.67	167.65	153.91
Addition during the year	21.48	8.02	13.74
Closing Balance	197.15	175.67	167.65

	As at 31 March 2017	As at 31 March 2016	₹/Lacs As at 1 April 2015
<b>20. DEFERRED TAX LIABILITIES (NET)</b>			
<b>A. The balance comprises temporary differences attributable to:</b>			
<b>Deferred tax liabilities</b>			
Property, plant and equipment	58,450.60	55,691.41	49,577.62
<b>Deferred tax assets</b>			
Unabsorbed depreciation & Losses	14,859.37	18,140.11	17,811.13
Employee benefits	840.64	700.75	616.53
Trade receivables	272.97	235.44	216.10
Liability on payment basis	3,021.94	3,771.44	2,949.31
Ind-AS adjustments	(25.02)	162.05	(31.95)
MAT Credit adjustment	18,079.26	11,029.37	7,269.30
	<b>21,401.44</b>	<b>21,652.25</b>	<b>20,747.20</b>

	As at 31 March 2016	Recognized in P&L	Recognized in OCI	₹/Lacs As at 31 March 2017
<b>B. Movement in deferred tax balances</b>				
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation & Losses	18,140.11	(3,280.74)	-	14,859.37
Employee benefits	700.75	139.89	-	840.64
Trade receivables	235.44	37.53	-	272.97
Liability on expenses	3,771.44	(749.50)	-	3,021.94
Ind-AS adjustments	162.05	(187.07)	-	(25.02)
MAT Credit Entitlement	11,029.37	7,049.89	-	18,079.26
<b>Sub- Total (a)</b>	<b>34,039.16</b>	<b>3,010.00</b>	-	<b>37,049.16</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	55,691.41	2,759.19	-	58,450.60
<b>Sub- Total (b)</b>	<b>55,691.41</b>	<b>2,759.19</b>	-	<b>58,450.60</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>21,652.25</b>	<b>(250.81)</b>	-	<b>21,401.44</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	₹/Lacs			
	As at 1 April 2015	Recognized in P&L	Recognized in OCI	As at 31 March 2016
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation & Losses	17,811.13	328.98	-	18,140.11
Employee benefits	616.53	84.22	-	700.75
Trade receivables	216.10	19.34	-	235.44
Liability on expenses	2,949.31	822.13	-	3,771.44
Ind-AS adjustments	-	-	-	-
MAT Credit Entitlement	7,269.30	3,760.07	-	11,029.37
<b>Sub- Total (a)</b>	<b>28,862.37</b>	<b>5,014.74</b>	<b>-</b>	<b>33,877.11</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	49,577.62	6,113.79	-	55,691.41
Ind-AS adjustments	31.95	(194.00)	-	(162.05)
<b>Sub- Total (b)</b>	<b>49,609.57</b>	<b>5,919.79</b>	<b>-</b>	<b>55,529.36</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>20,747.20</b>	<b>905.05</b>	<b>-</b>	<b>21,652.25</b>

	₹/Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>C. Amounts recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	NIL	NIL
	-	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	6,488.28	4,580.81
Earlier year Tax Adjustment	(2.75)	(700.07)
	<b>6,485.53</b>	<b>3,880.74</b>
<b>Total Tax Expense</b>	<b>6,485.53</b>	<b>3,880.74</b>

	₹/Lacs					
	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
<b>D. Amounts recognised in Other Comprehensive Income</b>						
Remeasurements of defined benefit liability	48.17	16.67	31.50	243.61	(84.31)	159.30
	<b>48.17</b>	<b>16.67</b>	<b>31.50</b>	243.61	(84.31)	159.30

	₹/Lacs			
	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Rate	Amount	Rate	Amount
<b>E. Reconciliation of effective tax rate</b>				
<b>Profit before tax from continuing operations</b>	34.61	32,443.17		14,213.24
Tax using the Company's domestic tax rate		11,227.93		4,918.92
Reduction in tax rate				
Tax effect of:				
Non-deductible expenses		1,344.28		123.41



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Rate	Amount	Rate	Amount
Tax-exempt income & incentives		(6,282.06)		(1,508.99)
Tax incentives				
Current-year losses for which no deferred tax asset is recognised				
Recognition of tax effect of previously unrecognised tax losses		187.92		216.36
Change in recognised deductible temporary differences		-		658.17
Changes in estimates related to prior years		-		172.94
Others		10.21		-
		<b>6,488.28</b>		<b>4,580.81</b>

### F. Tax losses carried forward

Unrecognised tax losses carried forward expire as follows.

	31 March 2017		31 March 2016		1 April 2015	
	Amount	Expiry date	Amount	Expiry date	Amount	Expiry date
Never expire	44,311.94	-	52,394.95	-	-	-

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>21. OTHER NON-CURRENT LIABILITIES</b>			
Deferred government subsidies			
- Capital subsidy sanctioned by Rajasthan government on fixed assets	5,271.37	5,652.69	6,051.88
	<b>5,271.37</b>	<b>5,652.69</b>	<b>6,051.88</b>

Government grants have been received against the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

	As at 31 March 2017	As at 31 March 2016
As at 1 April		
Current	399.19	399.19
Non Current	5,652.69	6,051.88
	<b>6,051.88</b>	<b>6,451.07</b>
Received during the year	185.93	-
Released to statement of profit or loss	606.88	399.19
As at 31 March		
Current	359.56	399.19
Non Current	5,271.37	5,652.69
	<b>5,630.93</b>	<b>6,051.88</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹/Lacs			
<b>CURRENT LIABILITIES</b>			
<b>22. SHORT TERM BORROWINGS</b>			
Loan repayable on demand (Secured)*			
- From banks	16,729.17	19,620.69	26,335.28
Less: Overdraft against Fixed Deposits	(151.93)	(121.29)	(145.97)
	<b>16,577.24</b>	<b>19,499.40</b>	<b>26,189.31</b>

\* Working Capital Facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the unit, ranking pari-passu inter se.

\* Cash credit account : ₹ 16729.17 (31 March 2016 is ₹ 19620.69 and 1 April 2015 is ₹ 26335.28)

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹/Lacs			
<b>23. TRADE PAYABLE</b>			
Micro, Small and Medium Enterprises	403.57	940.77	681.21
Other Trade Payables	20,114.39	25,318.60	19,384.98
Acceptances	-	1,805.29	2,859.57
	<b>20,517.96</b>	<b>28,064.66</b>	<b>22,925.76</b>

Trade Payable includes project creditors ₹ 558.04 Lacs (31 March 2016 is ₹ 1612.86 Lacs and 1 April 2015 is ₹ 1802.90 lacs) Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2017 as per the terms of Contract.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹/Lacs			
<b>24. OTHER FINANCIAL LIABILITIES</b>			
Current maturities of long-term debt	19,318.45	14,544.72	18,651.40
Employee payable	1,391.60	1,310.62	520.78
Interest accrued but not due on borrowings	1,463.51	1,496.60	1,201.57
Interest accrued and due on borrowings	90.22	211.79	256.01
Unpaid dividends	99.20	109.74	114.62
Unclaimed fraction money	9.23	9.23	9.24
Security deposits	843.12	801.27	663.22
Expenses & GRR payable	17,390.35	14,431.16	10,300.02
Others	25,391.17	25,079.70	21,802.71
	<b>65,996.85</b>	<b>57,994.83</b>	<b>53,519.57</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹/Lacs			
<b>25. OTHER CURRENT LIABILITIES</b>			
Advance From Customer	7,178.34	6,126.08	5,036.80
Others	1,157.48	926.00	860.93
	<b>8,335.82</b>	<b>7,052.08</b>	<b>5,897.73</b>



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹/Lacs			
<b>26. SHORT-TERM PROVISIONS</b>			
Employee benefits			
- Gratuity [Refer note 38]	318.13	204.16	469.07
- Bonus & Superannuation	895.27	829.15	568.94
- Leave Encashment	388.20	371.97	322.04
Others - Wealth Tax	-	-	40.00
	<b>1,601.60</b>	<b>1,405.28</b>	<b>1,400.05</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>27. REVENUE FROM OPERATIONS</b>		
Sale of products (including excise duty)	4,32,784.00	4,09,698.45
<b>Total (i)</b>	<b>4,32,784.00</b>	<b>4,09,698.45</b>
<b>Other operating revenue</b>		
Claims realised	511.69	508.31
Government grants	4,811.31	1,615.30
Miscellaneous income	3,963.71	1,297.38
<b>Total (ii)</b>	<b>9,286.71</b>	<b>3,420.99</b>
<b>Revenue from operations [(i) + (ii)]</b>	<b>4,42,070.71</b>	<b>4,13,119.44</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>28. OTHER INCOME</b>		
Interest income from financial assets measured at amortised cost		
- from bank deposits	3,267.94	3,058.06
- from others	1,620.41	1,026.66
Dividend income from investments measured at fair value through profit or loss	-	7.81
Net fair value gain on financial assets measured at fair value through profit or loss	(723.73)	745.07
Profit on sale of current investment (net)	239.67	165.51
Miscellaneous income	714.39	707.48
	<b>5,118.68</b>	<b>5,710.59</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>29. COST OF MATERIALS CONSUMED</b>		
Raw material Consumed	69,552.72	66,579.74
	<b>69,552.72</b>	<b>66,579.74</b>



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	₹/Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
<b>Closing Inventory</b>		
Work-in-Progress	(7,395.02)	(6,978.10)
Finished Goods	(7,776.74)	(7,861.01)
Traded Goods	(16.45)	(23.43)
<b>Total (A)</b>	<b>(15,188.21)</b>	<b>(14,862.54)</b>
<b>Opening Inventory</b>		
Work-in-Progress	6,978.10	9,027.74
Finished Goods	7,861.01	6,648.71
Traded Goods	23.43	14.95
<b>Total (B)</b>	<b>14,862.54</b>	<b>15,691.40</b>
<b>Total (A-B)</b>	<b>(325.67)</b>	<b>828.86</b>

	₹/Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	23,099.86	19,295.20
Contribution to provident and other funds	2,376.38	2,275.65
Staff welfare expenses	2,069.30	1,915.03
	<b>27,545.54</b>	<b>23,485.88</b>

	₹/Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>32. FINANCE COST</b>		
Interest expenses	26,764.59	26,721.77
Other Borrowing Costs (includes bank charges, etc.)	517.74	236.81
Exchange differences regarded as an adjustment to borrowing costs	(717.58)	116.13
	<b>26,564.75</b>	<b>27,074.71</b>

	₹/Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>33. DEPRECIATION AND AMOTISATION EXPENSE</b>		
Depreciation on tangible assets	17,431.15	16,375.15
Amortisation on intangible assets	178.43	36.47
	<b>17,609.58</b>	<b>16,411.62</b>



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>34. OTHER EXPENSES</b>		
Packing material consumed	15,822.98	15,794.78
Stores and spares consumed	10,517.04	8,841.48
Repairs and maintenance:		
- Buildings	1,241.63	1,104.31
- Plant and machinery	8,153.24	6,842.47
- Other Assets	134.41	141.44
Other manufacturing expenses	728.97	555.76
Power and fuel	62,526.27	74,354.43
Freight and forwarding	72,829.14	75,246.56
Selling and promotion expenses	11,741.76	10,445.34
Advertisement and publicity	3,257.70	3,266.74
Rent	1,921.10	1,658.79
Rates and taxes	461.03	91.29
Insurance	804.85	642.64
Lease rent and hire charges	51.22	44.19
Travelling and conveyance #	2,540.92	2,218.96
CSR expenses	322.69	464.05
Bad trade receivables / advances / deposits written off	1,000.00	133.62
Provision for doubtful trade receivables / advances / deposits	172.25	56.90
Net Loss on foreign currency transactions	0.03	3.49
Sales tax/VAT	1,089.70	683.76
Excise Duty	62,428.74	57,578.84
Loss on disposal of Fixed Assets	25.61	16.20
Miscellaneous expenses #	14,003.90	9,898.16
	<b>2,71,775.18</b>	<b>2,70,084.20</b>
# Details of payments to auditors		
As auditor:		
Audit fees	54.00	45.00
For other services	-	-
Certification fees and other matters	4.24	3.98
Re-imburement of expenses	1.39	2.48
	<b>59.63</b>	<b>51.46</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>35. EARNING PER SHARE</b>		
Total profit/ (loss) for the year	25,957.64	10,332.50
Weighted average number of equity shares of ₹ 10/- each (In lacs)	699.27	699.27
EPS - Basic and Diluted (₹)	<b>37.12</b>	<b>14.78</b>

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹/Lacs			
<b>36. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS</b>			
<b>A. Contingent liabilities (not provided for) in respect of:</b>			
1. Claim against the Company not acknowledged as debts:	19,709.99	17,519.27	15,596.90
<b>Other money for which the Company is contingently liable</b>			
2. In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts – no provision has been considered necessary by the Management			
a) Excise duty	1,662.53	1,732.71	1,636.40
b) Sales Tax	887.72	3,159.88	3,057.80
c) Service Tax	1,085.42	1,085.42	1,085.42
3. In respect of interest on “Cement Retention Price” realised in earlier years	1,231.06	1,210.68	1,190.30
4. In respect of interest of Rajasthan Entry Tax	4,150.61	3,718.82	3,272.60
5. In respect of penalty of non lifting of fly Ash	839.29	805.02	521.03
6. The Competition commission of India (CCI) has imposed penalty of ₹ 128.54 crores and ₹ 9.28 crores in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. COMPAT has stayed the CCI order in first matter on deposit of ₹ 6.56 crores and Appeal is being heard. In second matter stayed demand and appeal are yet to be heard. The Company, backed by a legal opinion, believes that it has a good case and accordingly no provision has been made in the Accounts.	13,782.00	-	12,854.00
7. In respect of demand made by Revenue Department, Karnataka for conversion of agricultural land into non agricultural land for mining purpose	560.17	-	-
<b>Financial Guarantees</b>			
8. Corporate guarantees given to Banks for finance provided to subsidiary Companies.	58,168.57	62,568.51	59,993.28
9. Other Financial Guarantees including of Joint Ventures.	613.89	613.89	952.89
<b>B. Commitments</b>			
Capital commitments			
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	1,319.83	3,988.13	5,679.22
<b>C. Contingent assets</b>			
a) Insurance Claims	1,228.41	-	-

## 37. SEGMENT INFORMATION

Segment information is presented in respect of the company’s key operating segments. The operating segments are based on the company’s management and internal reporting structure.

### Operating Segments

The Company’s Board of Directors have been identified as the Chief Operating Decision Maker (‘CODM’), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at company level, accordingly there is only one Reportable Segment for the Company which is “Cement”, hence no specific disclosures have been made.



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

## Entity wide disclosures

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
<b>A. Information about product revenue</b>		
Grey Cement	2,91,274.10	2,81,362.59
White and allied products	1,39,978.30	1,23,332.20

Present values have been taken as per Companies Act and grouped into Cement.

### B. Information about geographical areas

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets ) are in India

### C. Information about major customers (from external customers)

The Company has not derives revenues from the customers which amount to 10 per cent or more of an entity's revenues.

## 38. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹/Lacs		
Contribution to government Provident Fund	942.09	812.56
Contribution to Superannuation Scheme	398.25	406.94
Contribution to Family Pension Fund	444.72	429.99

### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2017	31 March 2016	1 April 2015
₹/Lacs			
Net defined benefit obligation	6,061.68	5,739.12	5,585.38

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	₹/Lacs		
	31 March 2017	31 March 2016	1 April 2015
<b>Total employee benefit asset</b>	<b>5,596.87</b>	5,388.80	4,970.51
Net defined benefit liability	<b>464.81</b>	350.32	614.87
Total employee benefit liabilities			
Non-current	<b>562.08</b>	557.55	540.97
Current	<b>5,499.60</b>	5,181.57	5,044.41

## B. Movement in net defined benefit (asset) liability - Gratuity (Funded)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2017			31 March 2016		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	5,739.12	5,388.80	350.32	5,585.38	4,970.51	614.87
<b>Included in profit or loss</b>						
Current service cost	347.70		347.70	332.69	-	332.69
Past service credit			-	-	-	-
Interest cost (income)	420.45	401.33	19.12	414.56	384.90	29.66
	<b>768.15</b>	<b>401.33</b>	<b>366.82</b>	<b>747.25</b>	<b>384.90</b>	<b>362.35</b>
<b>Included in OCI</b>						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:			-	-	-	-
- demographic assumptions			-	-	-	-
- financial assumptions	309.49		309.49	35.24	-	35.24
- experience adjustment	(197.53)	160.13	(37.40)	(87.78)		(87.78)
- Return on plan assets excluding interest income					105.29	(105.29)
	<b>111.96</b>	<b>160.13</b>	<b>272.09</b>	<b>(52.54)</b>	<b>105.29</b>	<b>(157.83)</b>
<b>Other</b>						
Contributions paid by the employer		204.16	(204.16)		469.07	(469.07)
Benefits paid	(557.55)	(557.55)	-	(540.97)	(540.97)	-
	<b>(557.55)</b>	<b>(353.39)</b>	<b>(204.16)</b>	<b>(540.97)</b>	<b>(71.90)</b>	<b>(469.07)</b>
<b>Balance as at 31 March</b>	<b>6,061.68</b>	<b>5,596.87</b>	<b>785.07</b>	5,739.12	5,388.80	350.32



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

### C. Movement in net defined benefit (asset) liability - Leave Encashment (Unfunded)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2017			31 March 2016		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	(2,014.84)	-	(2,014.84)	(1,803.87)	-	(1,803.87)
<b>Included in profit or loss</b>						
Current service cost	(382.01)	-	(382.01)	(339.38)	-	(339.38)
Past service credit	-	-	-	-	-	-
Interest cost (income)	(141.55)	-	(141.55)	(133.74)	-	(133.74)
	(523.56)	-	(523.56)	(473.12)	-	(473.12)
<b>Included in OCI</b>						
Remeasurements loss (gain)	-	-	-	-	-	-
- Actuarial loss (gain) arising from:	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(154.870)	-	(154.87)	-	-	-
- experience adjustment	(78.82)	-	(78.82)	83.61	-	83.61
- Return on plan assets excluding interest income		-	-	-	-	-
	(233.69)	-	(233.69)	83.61	-	83.61
<b>Other</b>						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	353.04	-	353.04	178.54	-	178.54
	353.04	-	353.04	178.54	-	178.54
<b>Balance as at 31 March</b>	<b>(2,419.05)</b>	<b>-</b>	<b>(2,419.05)</b>	<b>(2,014.84)</b>	<b>-</b>	<b>(2,014.84)</b>

### D. Plan assets

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd., whose pattern of investment is not available with the Company.

### E. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2017	31 March 2016	1 April 2015
Discount rate	6.90%	7.70%	7.70%
Expected rate of return on plan assets	8.50%	8.50%	8.50%
Mortality			
Turnover rate : Staff	5% of all ages	5% of all ages	5% of all ages
Turnover rate : Worker	1% of all ages	1% of all ages	1% of all ages
Expected rate of future salary increase	10%	10%	10%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2017, the weighted-average duration of the defined benefit obligation was 6 years (as at 31 March 2016: 6 years and as at 1 April 2015 6 years).

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## F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

### Gratuity

	₹/Lacs					
	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(381.71)	439.89	(332.81)	379.71		105.08
Expected rate of future salary increase (1% movement)	285.84	(280.87)	261.55	(254.04)		12.48
Mortality (1% movement)						
	(95.87)	159.02	(71.26)	125.67		117.56

### Leave Encashment

	₹/Lacs					
	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(190.45)	226.31	(144.25)	170.05		
Expected rate of future salary increase (1% movement)	217.45	(187.25)	164.76	(142.81)		
Mortality (1% movement)						

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

- G. Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the scheme's bond holdings.

**Life expectancy:** The pension and medical plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in increase in plans liability. This is particularly significant where inflationary

increases result in higher sensitivity to changes in life expectancy.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the pension obligations under the employee benefit plan term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2017 consists of government and corporate bonds, although the group also invests in equities, cash and mutual funds. The group believes that equities offer the best returns over the long term with an acceptable level of risk.



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## 39. RELATED PARTIES

(1) (a) Parties where the control/significant influence exists.

i) Yadu International Ltd

(b) Key Management Personnel & their Relatives:

i) Shri Yadupati Singhania	Chairman & Managing Director
ii) Smt. Shushila Devi Singhania	Relative of Chairman & Managing Director
iii) Shri Ajay Kumar Saraogi	President (Corp.Affairs) & CFO
iv) Shri Shambhu Singh	Company Secretary
v) Shri Achintya Karati	Non Executive Independent
vi) Shri Jayant Narayan Godbole	Non Executive Independent
vii) Dr. Krishna Behari Agarwal	Non Executive Independent
viii) Shri K.N.Khandelwal	Non Executive Non Independent
ix) Shri Raj Kumar Lohia	Non Executive Independent
x) Shri Suparas Bhandari	Non Executive Independent
xi) Mr. Paul Heinz Hugentobler	Non Executive Non Independent
xii) Shri Shyam Lal Bansal	Non Executive Independent

(c) Enterprises significantly influenced by Key Management Personnel or their Relatives.

- i) Jaykay Enterprises Ltd
- ii) J.K. Cotton Ltd.
- iii) Jaykaycem (Eastern) Ltd
- iv) J.K.Cement(Western) Ltd

(d) Subsidiary Companies.

- i) J.K. Cement (Fujairah) FZC (Holding Company of (ii) below)
- ii) J.K. Cement Works(Fujairah) FZC
- iii) Jaykaycem(Central) Ltd

(e) Joint Venture

- i) Bander Coal Company Pvt. Ltd

**(Related parties relationship is as identified by the Company and relied upon by the Auditors).**

(2) a) Following are the transactions with related parties as defined under section 188 of Companies Act 2013.

	₹/Lacs	
	For the year ended	
	31 March 2017	31 March 2016
(i) Jaykay Enterprises Ltd		
- Services received	34.47	34.17
- Rent paid	47.71	43.80
- Expenses Reimbursed	50.60	50.11
(ii) J.K. Cotton Ltd		
- Rent paid	45.42	45.02
- Purchases	0.21	1.81
(iii) J.K. Cement (Fujairah) FZC		
Loan Given:		
Balance as at beginning		
Amount paid against preference shares	4,375.74	
Received & adjusted during the year (for Invest)	4375.74	7224.55
Balance as at close of the year		
Corporate Guarantees	58168.57	62568.51
Interest recoverable on Redeemable Pref Shares	1499.95	



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	₹/Lacs	
	For the year ended	
	31 March 2017	31 March 2016
(iv) Bander Coal Company Pvt Ltd		
Corporate Guarantees		
(v) J.K. Cement(Western) Ltd		
Opening	15.00	15.00
Advances given during the year		
Received during the year	15.00	
Balance as at close of the year	-	15.00
(vi) Jaykaycem (Central) Ltd.		
Opening	4206.79	1456.75
Loan given during the year	65.40	2495.27
Interest	76.72	254.77
Amount received against loan and interest	4348.91	
Balance at close of the year		4206.79
Share acquired during the year		659.01
Debenture acquired during the year	4600.00	
Amount given in current deposit	55.00	
Amount received in current account	55.00	
(vii) Key Management Personnel and their relatives		
a) Shri Y.P. Singhanian (Chairman & Managing Director)		
-Remuneration	1266.92	726.85
b) Smt Sushila Devi Singhanian		
- Commission	8.00	7.00
- Sitting Fees	4.52	3.91
c) Shri Ajay Kumar Saraogi		
-Remuneration	197.34	171.91
d) Shri Shambhu Singh		
-Remuneration	38.15	31.82
e) Other Directors		
- Commission	64.00	49.00
-Sitting Fees	31.41	24.33
and ₹ 111.31 lacs (110.97 lacs) paid to other Director Mr. Paul Heinz Hugentobler on professional capacity.	111.31	110.94

## b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees (except corporate bank guarantees) provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



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	For the year ended	
	31 March 2017	31 March 2016
<b>c) Compensation of key management personnel of the Group</b>		
- short-term employee benefits	1368.91	1,004.80
- other long-term benefits	133.5	121.01

₹/Lacs

### 40(A). CORPORATE SOCIAL RESPONSIBILITY

- Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 308.58 lacs i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013
- Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 322.69 lacs. Further, no amount has been spent on construction/acquisition of an asset of the Company and entire amount is spent on cash basis.

### 40(B). OPERATING LEASE

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

## 41. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### I. Fair value measurements

#### A. Financial instruments by category

	31 March 2017			31 March 2016			1 April 2015		
	FVTPL	FVOCI	Amotised Cost	FVTPL	FVOCI	Amotised Cost	FVTPL	FVOCI	Amotised Cost
<b>Financial assets</b>									
Investments	285.13	-	46,752.75	1,047.06	-	36,279.56	(315.07)	-	29,030.75
Other non-current financial assets	(489.79)	-	14,733.06	(403.62)	-	14,134.24	(328.35)	-	6,019.46
Current investments	226.00	-	6,300.00	187.79	-	6,150.00	174.71	-	3,050.00
Trade receivables	-	-	14,813.42	-	-	16,569.39	-	-	13,940.46
Cash and cash equivalents	-	-	41,785.02	-	-	36,734.94	-	-	38,354.13
Bank balances other than mentioned above	-	-	99.20	-	-	109.74	-	-	114.62
Other current financial assets	75.00	-	4,446.82	81.82	-	5,605.40	72.59	-	3,145.97
	96.34	-	1,28,930.27	913.05	-	1,15,583.27	(396.12)	-	93,655.39
<b>Financial liabilities</b>									
Borrowings	-	2,31,845.63			2,30,226.15				2,15,218.86
Other financial liabilities	-	17,671.71			13,974.70				11,687.35
Short term borrowings	-	16,577.24			19,499.40				26,189.31
Trade payables	-	20,517.96			28,064.66				22,925.76
Other current financial liabilities	(358.99)	66,355.84		(173.91)	57,994.83		(141.03)		53,519.57
	(358.99)	3,52,968.38		(173.91)	3,49,759.74		(141.03)		3,29,540.85

₹/Lacs

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## B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

### Financial assets and liabilities measured at fair value - recurring fair value measurements

	₹/Lacs			
	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVTPL				
Investments				
Equity Shares			-	-
Preference shares	-	-	35,197.27	35,197.27
Mutual Funds	6,526.00	-	-	6,526.00
	<b>6,526.00</b>	<b>-</b>	<b>35,197.27</b>	<b>41,723.27</b>
Financial Investments at FVOCI				
Investments				
Equity shares	-	-	-	-
	-	-	-	-

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	₹/Lacs		
	As at 31 March 2017		
	Level 1	Level 2	Total
<b>Financial assets</b>			
Security deposits	-	-	Nil
<b>Total financial assets</b>	-	-	-
<b>Financial liabilities</b>			
Borrowings	-	-	Nil
<b>Total financial liabilities</b>	-	-	-

### Financial assets and liabilities measured at fair value - recurring fair value measurements

	₹/Lacs			
	As at 31 March 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVTPL				
Investments				
Equity Shares			107.71	107.71
Preference shares	-	-	30,156.89	30,156.89
Mutual Funds	6,337.79	-	-	6,337.79
Financial Investments at FVOCI				
Investments				
Equity shares	-	-	-	-
<b>Total financial assets</b>	<b>6,337.79</b>	<b>-</b>	<b>30,264.60</b>	<b>36,602.39</b>



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### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	₹/Lacs			
	As at 31 March 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	-	Nil
<b>Total financial assets</b>	-	-	-	-
<b>Financial liabilities</b>				
Borrowings	-	-	-	Nil
<b>Total financial liabilities</b>	-	-	-	-

### Financial assets and liabilities measured at fair value - recurring fair value measurements

	₹/Lacs			
	As at 31 March 2015			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Equity shares			107.71	107.71
Preference shares	-		21,909.94	21,909.94
Mutual Funds	3,224.71	-	-	3,224.71
<b>Financial Investments at FVOCI</b>	<b>3,224.71</b>	<b>-</b>	<b>22,017.65</b>	<b>25,242.36</b>
Investments				
Equity shares	-	-		-
<b>Total financial assets</b>	-	-	-	-

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	₹/Lacs		
	As at 1 April 2015		
	Level 1	Level 2	Total
<b>Financial assets</b>			
Security deposits	-	-	Nil
<b>Total financial assets</b>	-	-	-
<b>Financial liabilities</b>			
Borrowings	-	-	Nil
<b>Total financial liabilities</b>	-	-	-

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

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## Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

## Fair value measurements using significant unobservable inputs (level 3)

	₹/Lacs					
	Unlisted equity shares			Unlisted preference shares		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Opening balance	107.71	107.71	314.01	30,156.89	21,909.94	21,388.56
Acquisitions	-	-	-	5,694.62	7,514.95	-
Gains/losses recognised in profit or loss	107.71	-	206.30	(654.24)	732.00	521.38
<b>Closing balance</b>	<b>-</b>	<b>107.71</b>	<b>107.71</b>	<b>35,197.27</b>	<b>30,156.89</b>	<b>21,909.94</b>

## Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at			Significant unobservable inputs	Probability-weighted range	Sensitivity
	31 March 2017	31 March 2016	1 April 2015			
Unquoted preference shares	35,197.27	30,156.89	21,909.94	Expected cash inflows Risk-adjusted discount rate		
Unquoted equity shares	-	107.71	107.71			

## Valuation process

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

Discussions of valuation processes and results are held between the CFO and the finance team at least once every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs for unlisted equity securities, unlisted preference shares used by the Company are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the finance team.



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## C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Investments	47,037.88	47,037.88	37,326.62	37,326.62	28,715.68	28,715.68
Other non-current financial assets	14,243.27	14,243.27	13,730.62	13,730.62	5,691.11	5,691.11
Current investments	6,526.00	6,526.00	6,337.79	6,337.79	3,224.71	3,224.71
Trade receivables	14,813.42	14,813.42	16,569.39	16,569.39	13,940.46	13,940.46
Cash and cash equivalents	41,785.02	41,785.02	36,734.94	36,734.94	38,354.13	38,354.13
Bank balances other than mentioned above	99.20	99.20	109.74	109.74	114.62	114.62
Other current financial assets	4,521.82	4,521.82	5,687.22	5,687.22	3,218.56	3,218.56
	<b>1,24,405.59</b>	<b>1,24,405.59</b>	<b>1,10,699.36</b>	<b>1,10,699.36</b>	<b>89,926.09</b>	<b>89,926.09</b>
<b>Financial liabilities</b>						
Borrowings	2,31,845.63	2,31,845.63	2,30,226.15	2,30,226.15	2,15,218.86	2,15,218.86
Other financial liabilities	17,671.71	17,671.71	13,974.70	13,974.70	11,687.35	11,687.35
Short term borrowings	16,577.24	16,577.24	19,499.40	19,499.40	26,189.31	26,189.31
Trade payables	20,517.96	20,517.96	28,064.66	28,064.66	22,925.76	22,925.76
Other current financial liabilities	65,996.85	65,996.85	57,820.92	57,820.92	53,378.54	53,378.54
	<b>3,52,609.39</b>	<b>3,52,609.39</b>	<b>3,49,585.83</b>	<b>3,49,585.83</b>	<b>3,29,399.82</b>	<b>3,29,399.82</b>

₹/Lacs

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents, other bank balances, other financial liabilities, other current financial liabilities and other current financial assets are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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## ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

More than 85% of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognised against these customers. In monitoring customer credit risk, customers are Companyed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present

value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of trade receivables is INR 15552.54 lacs (31 March 2016 – INR17171.39 lacs, 1 April 2015 – INR 14506.86 lacs).

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Reconciliation of loss allowance provision – Trade receivables

	₹/Lacs	
	31 March 2017	31 March 2016
Opening balance	602.00	566.22
Changes in loss allowance	137.12	35.78
Closing balance	739.12	602.00

## iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local



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level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### (a) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	₹/Lacs		
	31 March 2017	As at 31 March 2016	1 April 2015
<b>Floating rate</b>			
Expiring within one year (bank overdraft and other facilities)	700.00	-	10,000.00
Expiring beyond one year (bank loans)	6,958.00	12,700.00	18,290.00
	<b>7,658.00</b>	12,700.00	28,290.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 9.65 years (as at 31 March 2016 - 8.36 years and as at 1 April 2015 - 8.47 years).

### (b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	₹/Lacs					
	Carrying Amounts 31 March 2017	Total	2 months or less	Contractual cash flows		
				2-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings (as per note no.17)	2,31,845.63	-				
Other non-current financial liabilities	17,671.71	17,671.71			17,671.71	
Short term borrowings	16,577.24	16,577.24		16,577.24		
Trade payables	20,517.96	20,517.96	20,517.96			
Other current financial liabilities	65,996.85	65,996.85	18,872.17	47,124.68		
<b>Total non-derivative liabilities</b>	<b>3,52,609.39</b>	<b>1,20,763.76</b>	<b>39,390.13</b>	<b>63,701.92</b>	<b>17,671.71</b>	-

	₹/Lacs					
	Carrying Amounts 31 March 2016	Total	2 months or less	Contractual cash flows		
				2-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings (as per note no.17)	2,30,226.15	-				
Other non-current financial liabilities	13,974.70	13,974.70			13,974.70	
Short term borrowings	19,499.40	19,499.40		19,499.40		
Trade payables	28,064.66	28,064.66	28,064.66			
Other current financial liabilities	57,820.92	57,820.92	15,953.57	41,867.35		
<b>Total non-derivative liabilities</b>	<b>3,49,585.83</b>	<b>1,19,359.68</b>	<b>44,018.23</b>	<b>61,366.75</b>	<b>13,974.70</b>	-



# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

	Carrying Amounts 1 April 2015	Total	2 months or less	Contractual cash flows			₹/Lacs
				2-12 months	1-5 years	More than 5 years	
<b>Non-derivative financial liabilities</b>							
Borrowings (as per note no.17)	2,15,218.86	-					
Other non-current financial liabilities	11,687.35	11,687.35			11,687.35		
Short term borrowings	26,189.31	26,189.31		26,189.31			
Trade payables	22,925.76	22,925.76	22,925.76				
Other current financial liabilities	53,378.54	53,378.54	11,076.82	42,301.72			
<b>Total non-derivative liabilities</b>	<b>3,29,399.82</b>	<b>1,14,180.96</b>	<b>34,002.58</b>	<b>68,491.03</b>	<b>11,687.35</b>		-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

#### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 March 2017		31 March 2016		1 April 2015		₹/Lacs
	USD	EUR	USD	EUR	USD	EUR	
<b>Financial assets</b>							
Trade payables	1138140.00	2089440.00	1630390.00	784000.00	4568680.00	289958.79	
Net statement of financial position exposure	1138140.00	2089440.00	1630390.00	784000.00	4568680.00	289958.79	

#### Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.



## NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

The following significant exchange rates have been applied

	Average Rates		Year end spot rates		
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	1 April 2015
	USD 1	66.97	65.31	64.84	66.33
EUR 1	73.50	72.10	69.25	75.09	67.51
GBP 1	-	-	-	-	-

₹/Lacs

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2017</b>				
USD (10% movement)	73.79	(73.77)	73.79	(73.79)
EUR (10% movement)	144.69	(144.69)	144.69	(144.69)
GBP (10% movement)	-	-	-	-
<b>31 March 2016</b>				
USD (10% movement)	108.15	(108.15)	108.15	(108.15)
EUR (10% movement)	58.87	(58.87)	58.87	(58.87)
GBP (10% movement)	-	-	-	-

₹/Lacs

### Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2017 and 31 March 2016, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal Amount		
	31 March 2017	31 March 2016	1 April 2015
<b>Fixed-rate instruments</b>			
Financial assets	75,462.73	72,831.91	61,574.64
Financial liabilities	1,04,186.52	1,00,034.19	88,132.68
	1,79,649.25	1,72,866.10	1,49,707.32
<b>Variable-rate instruments</b>			
Financial liabilities	2,48,422.87	2,49,725.55	2,41,408.17
	2,48,422.87	2,49,725.55	2,41,408.17

₹/Lacs

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

## Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	₹/Lacs			
	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2017</b>				
Variable-rate instruments	(1,785.42)	1,785.42	(1,785.42)	1,785.42
<b>Cash flow sensitivity</b>	<b>(1,785.42)</b>	<b>1,785.42</b>	<b>(1,785.42)</b>	<b>1,785.42</b>
<b>31 March 2016</b>				
Variable-rate instruments	(1,761.40)	1,761.40	(1,761.40)	1,761.40
<b>Cash flow sensitivity</b>	<b>(1,761.40)</b>	<b>1,761.40</b>	<b>(1,761.40)</b>	<b>1,761.40</b>

## 42. FIRST TIME ADOPTION OF IND AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS statement of financial position at 1st April 2015 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

### Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### A. Ind AS optional exemptions

##### (i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### (ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

#### B. Ind AS mandatory exceptions

##### (i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP."



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to the financial statements for the year ended 31<sup>st</sup> March, 2017

## (ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

## C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

### Reconciliation of equity

Particulars	As at 1 April 2015			As at 31 March 2016			
	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	5	3,33,598.56	(623.34)	3,32,975.22	3,48,883.95	3,172.08	3,52,056.03
Capital work-in-progress		19,117.98	-	19,117.98	15,240.46	-	15,240.46
Other intangible assets		197.51	-	197.51	199.76	-	199.76
Financial assets							
(i) Investments	2	28,400.60	315.08	28,715.68	36,279.56	1,047.06	37,326.62
(ii) Other non-current financial assets	10, 11	4,191.96	1,827.50	6,019.46	3,513.33	10,217.29	13,730.62
Other non-current assets	6,10	11,148.14	67.38	11,215.52	12,737.58	47.52	12,785.10
<b>Current assets</b>							
Inventories	5	50,978.54	-	50,978.54	47,424.30	(4,531.18)	42,893.12
Financial assets							
(i) Current investments	2	3,050.00	174.71	3,224.71	6,150.00	187.79	6,337.79
(ii) Trade receivables		13,940.46	-	13,940.46	16,569.39	-	16,569.39
(iii) Cash and cash equivalents	11	40,509.98	(2,155.85)	38,354.13	47,355.85	(10,620.91)	36,734.94
(iv) Bank balances other than (ii) above	11	114.62	-	114.62	109.74	-	109.74
(v) Other current financial assets	10, 12	3,073.38	72.59	3,145.97	5,605.39	81.83	5,687.22
Current tax assets (net)		467.43	-	467.43	547.36	-	547.36
Other current assets	6,10	18,657.60	28.74	18,686.34	16,133.10	28.74	16,161.84
<b>TOTAL ASSETS</b>		<b>5,27,446.76</b>	<b>(293.19)</b>	<b>5,27,153.57</b>	<b>5,56,749.77</b>	<b>(369.78)</b>	<b>5,56,379.99</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		6,992.72	-	6,992.72	6,992.72	-	6,992.72
Other equity	9	1,57,661.34	(2,797.67)	1,54,863.67	1,64,448.38	(2,411.68)	1,62,036.70
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	4	2,15,879.73	(660.88)	2,15,218.86	2,30,787.67	(561.52)	2,30,226.15
(ii) Other financial liabilities		11,687.35	-	11,687.35	13,974.70	-	13,974.70
Long-term provisions		1,659.47	-	1,659.47	1,828.53	-	1,828.53
Deferred tax liabilities (net)	8	20,715.25	31.95	20,747.20	21,814.74	(162.49)	21,652.25
Other non-current liabilities	1	-	6,051.88	6,051.88	-	5,652.69	5,652.69
Current liabilities							
Financial liabilities							
(i) Borrowings		26,189.31	-	26,189.31	19,499.40	-	19,499.40
(ii) Trade payables		22,925.76	-	22,925.76	28,064.66	-	28,064.66
(iii) Other financial liabilities		53,660.61	(141.03)	53,519.57	58,168.74	(173.91)	57,994.83
Other current liabilities	1	5,308.66	589.07	5,897.73	6,398.44	653.64	7,052.08
Short-term provisions	7	4,766.56	(3,366.51)	1,400.05	4,771.79	(3,366.51)	1,405.28
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,27,446.76</b>	<b>(293.19)</b>	<b>5,27,153.57</b>	<b>5,56,749.77</b>	<b>(369.78)</b>	<b>5,56,379.99</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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to the financial statements for the year ended 31<sup>st</sup> March, 2017

## Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	₹/Lacs
				Ind AS
<b>Revenue</b>				
Revenue from operations	1.	4,12,735.64	383.80	4,13,119.44
Other income	2	4,938.63	771.96	5,710.59
<b>Total income</b>		4,17,674.27	1,155.76	4,18,830.03
<b>Expenses</b>				
Cost of materials consumed	1	66,579.74	-	66,579.74
Purchase of Stock in Trade		151.78	-	151.78
Excise Duty Paid		57,578.84	-	57,578.84
Changes in inventories of finished goods, stock-in-Trade and work-in-progress		828.86	-	828.86
Employee benefits expense	3	23,144.62	341.26	23,485.88
Finance costs	4	26,959.06	115.66	27,074.71
Depreciation and amortization expense	5	15,628.13	783.49	16,411.62
Other expenses	6	2,12,490.20	15.15	2,12,505.36
<b>Total Expenses</b>		4,03,361.23	1,255.56	4,04,616.79
<b>Profit/(loss) before tax</b>		14,313.04	(99.80)	14,213.24
<b>Tax expense:</b>				
Current tax		2,359.93	-	2,359.93
MAT Credit entitlement		(3,060.00)	-	(3,060.00)
Deferred tax	8	4,859.56	(278.75)	4,580.81
<b>Profit/ (loss) for the period (A)</b>		10,153.55	178.95	10,332.50
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of defined benefit plans	3	-	243.61	243.61
Income tax relating to remeasurement of defined benefit plans	3	-	(84.31)	(84.31)
<b>Total other comprehensive income for the period (B)</b>		-	159.30	159.30
<b>Total comprehensive income for the period (A + B)</b>		10,153.55	338.25	10,491.80

## Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	₹/Lacs
	31 March 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>	<b>1,64,448.38</b>
<b>Adjustments:</b>	
Issue expenses amortised over the term of debentures on the basis of Effective Interest rate (EIR)	508.06
Borrowings - transaction cost adjustment	152.82
Government Grant received for modernisation of Gotan Plant amortised over the life of depreciable assets.	3,128.47
Government Grant received for modernisation of Gotan Plant transfer to Government Grant	(9,579.55)
Fair valuation of Financial guarantee given by J K Cement Limited to its subsidiary J K Fujairah (the credit needs to be recognised as a part of Finance Income)	174.71
Amortisation of waiver amount of interest free vehicle loan to employees during the tenure of the loan	(159.64)
Reversal of Dividend and DDT to be recognised in the year in which it is declared	3,366.51
Exchange rate difference on account of reinstatement of investment in J K Fujairah	704.40
Fair Valuation of equity shares other than subsidiaries, JV and associates is to be done through P/L subsequent to transition date	(389.32)
Depreciation of Stores and Spares transferred to Plant & Machinery	(575.60)
Deferral of revenue pertaining to FOC goods	(48.84)
Tax effects of adjustments	(31.95)
OCI on Actuarial Valuation	159.30
Profit & Loss on account of Remeasurement during year	178.95
<b>Total adjustments</b>	<b>(2,411.68)</b>
Net impact brought forward from Opening balance sheet	-



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to the financial statements for the year ended 31<sup>st</sup> March, 2017

<b>Total equity as per Ind AS</b>	<b>1,62,036.70</b>
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## Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	₹/Lacs
	Amount
<b>Profit after tax under India GAAP</b>	<b>10,153.55</b>
<b>Adjustments</b>	
Ind AS adjustments	(99.80)
Tax effects on Ind AS adjustments	(278.75)
<b>Total adjustments</b>	<b>178.95</b>
<b>Profit after tax as per Ind AS</b>	<b>10,332.50</b>
Other Comprehensive Income	159.30
<b>Total Comprehensive income for the year</b>	<b>10,491.80</b>

## Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	₹/Lacs		
	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	63,536.64	(4,663.20)	58,873.44
Net cash flow from investing activities	(34,990.53)	(3,981.99)	(38,972.52)
Net cash flow from financing activities	(21,729.80)	209.69	(21,520.11)
Net increase/(decrease) in cash and cash equivalents	6,816.31	(8,435.50)	(1,619.19)
Cash and cash equivalents as at 1 April 2015	40,770.57	(2,416.44)	38,354.13
<b>Cash and cash equivalents as at 31 March 2016</b>	<b>47,586.88</b>	<b>(10,851.94)</b>	<b>36,734.94</b>

### D: Notes to first-time adoption:

#### 1. Revenue

Under Ind AS, revenue from operations is presented as inclusive of excise duty as per Ind-AS 18. The excise duty paid is presented in cost of material consumed on the face of financial statements. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2016 by INR 57,060.38 Lacs. Adjustment to revenue also includes the Impact of Government Grant received for modernisation of Plant Gotan and Nimbahera plants is amortised over the life of depreciable assets. Deferral of revenue pertaining to free cost of goods has impacted in reduction of total revenue by INR 31.68 lacs.

#### 2. Other Income

Other income consist of Exchange gain arising on reinstatement of investment in JK Fujairah (redeemable preference shares) which is INR 732 Lacs, Gain on fair valuation of current investment which is INR 13.07 Lacs.

#### 3. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined

benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31st, 2016 decreased by ₹ 159.30. There is no impact on the total equity as at 31 March 2016.

#### 4. Finance cost

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, on account on long term borrowings, debentures and deferred sales tax loans, the profit for the year ended 31st March 2016 reduced by INR 115.6 Lacs as a result of the additional interest expense.

#### 5. Depreciation and Amortization Expenses

This is due to the impact of amortising Freehold mining land from inception till the date of transition which is based on extraction of minerals from the ore body. The profit for the

# NOTES

to the financial statements for the year ended 31<sup>st</sup> March, 2017

year ended 31st March 2016 have been reduced by INR 57.43 Lacs as a result of the this adjustment.

Capital stores and spares have been reclassified to plant, property and equipment, due to this transaction profit for the year ended 31st March 2016 has been reduced to INR 726.06 lacs.

## 6. Other Expenses

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by INR 56.66 Lacs as at 1st April 2015. The prepaid rent increased by INR 56.66 Lacs as at 1st April 2015. The profit for the year and total equity as at 31st March 2016 decreased by INR 1.14 Lacs due to amortisation of the prepaid rent of INR 15.15 Lacs which is partially off-set by the notional interest income of INR 13.74 Lacs recognised on security deposits.

## 7. Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such

dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 3,366.51 Lacs as at 31st March 2016 (1 April 2015 – ₹ 3,366.51 Lacs ) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

## 8. Deferred Tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

## 9. Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments on the date of transition.

## 10. Vehicle Loan

Impact of measuring the interest free vehicle loans to employees at fair value.

## 11. Classification of fixed deposits

Fixed deposit have been classified in between cash and cash equivalents and bank balances with others

## 12. Reclassification of MAT Credit Entitlement as per Ind AS -12

from short term loans and advances to deferred tax asset, and Deferred tax impact of Ind AS adjustments.

For P.L.Tandon and Co.,  
Chartered Accountants  
ICAI Firm Regn. No. 000186C

P.P. Singh  
Partner  
Membership No - 072754

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

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

Smt.Sushila Devi Singhania    Yadupati Singhania  
Director                                    Chairman & Managing Director

A.K. Saraogi  
President (Corp.Affairs) & CFO  
Shambhu Singh  
Company Secretary

Achintya Karati  
Jayant Narayan Godbole  
Kailash Nath Khandelwal  
Krishna Behari Agarwal  
Paul Heinz Hugentobler  
Raj Kumar Lohia  
Shyam Lal Bansal  
Suparas Bhandari

Directors



# INDEPENDENT AUDITOR'S REPORT

To The Members of J.K.CEMENT LIMITED

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of J.K. Cement Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its jointly controlled entity, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate, internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions

of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Group, and its jointly controlled entity as at 31st March, 2017, and their financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## OTHER MATTERS

- (a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 109141.92 lacs and net assets of ₹ 30 283.23 lacs as at their respective closing dates, total revenues of ₹ 27418.03 lacs and net cash inflows amounting to ₹ 372.49 lacs for the year ended on that date, as considered in the consolidated financial statements. Two of three subsidiaries are located outside India whose financial statements and other financial



information have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by other auditors under generally accepted auditing standards applicable in their country. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) We did not audit the financial statements of jointly controlled entity, whose financial statements reflect total assets of ₹ 15.19 lacs and net assets of ₹ 15.16 lacs as at 31st March, 2017, total revenues of ₹ 0.98 lacs and net cash outflows amounting to ₹ 0.28 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit ₹ 0.26 lacs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

#### EMPHASIS OF MATTER

We draw attention to Note No 38 (A)(vi) of the financial statement which describes the following matters:

- (a) In terms of order dated 31 August 2016, the Competition Commission of India ('CCI') has imposed penalty of ₹ 128.54 crore for alleged contravention of the provisions of the Competition Act, 2002 by the Company. The Company had filed an appeal against CCI Order before the Competition Appellate Tribunal ('COMPAT'). COMPAT has granted stay on the CCI Order on the condition that the Company deposits penalty amounting to ₹ 6.56 crore which has since been deposited. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been made. Our opinion is not modified in respect of this matter.
- (b) In terms of order dated 19 January 2017, the CCI has imposed penalty of ₹ 9.28 crore pursuant to a reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 in August 2012 by the Company. The Company has filed an appeal before COMPAT. The Company believes it has a good case and considering the uncertainty relating to the outcome of this matter, no provision has been made. Our opinion is not modified in respect of this matter.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and jointly controlled entity, as noted in the 'other matter' paragraph, 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 and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March,



2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March 2017 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 Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and jointly controlled entity , as noted in the ‘Other matter’ paragraph:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity. **( Refer Note 38 (A) and (B) to the consolidated financial statements).**

- (ii) The Group, its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2017.
- (iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March 2017.
- (iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November,2016 to 30th December , 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management.

For P.L. TANDON & Co.  
Chartered Accountants  
Registration Number: 000186C

Place: KANPUR  
Date: 13<sup>th</sup> May, 2017

P.P.SINGH  
(PARTNER)  
Membership Number: 072754

## **ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF J.K. CEMENT LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of J.K. CEMENT LIMITED (“the Holding Company”) and its subsidiary which is incorporated in India as of that date.

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

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

#### **AUDITOR’S RESPONSIBILITY**

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

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Holding Company and its subsidiary which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and

such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.L. TANDON & Co.  
Chartered Accountants  
Registration Number: 000186C

Place: KANPUR  
Date: 13<sup>th</sup> May, 2017

P.P.SINGH  
(PARTNER)  
Membership Number: 072754

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2017

	Note	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	4,51,839.02	4,23,331.67	4,04,673.69
Capital work-in-progress		12,674.80	32,108.64	33,714.47
Other intangible assets	3	2,332.12	2,021.88	2,065.46
Intangible assets under development		-	-	16.16
Financial assets				
(i) Investments	4	1,500.84	1,525.47	211.25
(ii) Others	5	14,264.06	13,812.25	6,131.49
Other non-current assets	6	9,773.30	12,980.61	11,261.54
<b>Total non-current assets</b>		<b>4,92,384.14</b>	<b>4,85,780.52</b>	<b>4,58,074.06</b>
<b>Current assets</b>				
Inventories	7	56,089.29	49,310.61	54,147.60
Financial assets				
(i) Current investments	8	6,526.00	6,337.79	3,224.71
(ii) Trade receivables	9	20,193.34	21,134.75	17,708.01
(iii) Cash and cash equivalents	10	42,624.56	37,202.27	39,284.20
(iv) Bank balances other(iii) than above	11	99.20	109.74	114.62
(v) Other current financial assets	12	4,925.82	1,745.18	4,815.27
Current tax assets (net)	13	-	547.47	467.52
Other current assets	14	17,583.05	16,318.55	18,822.66
<b>Total current assets</b>		<b>1,48,041.26</b>	<b>1,32,706.36</b>	<b>1,38,584.59</b>
<b>Total assets</b>		<b>6,40,425.40</b>	<b>6,18,486.88</b>	<b>5,96,658.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	6,992.72	6,992.72	6,992.72
Other equity	16	1,68,955.02	1,51,709.75	1,51,201.80
Equity attributable to equity holders of the J K Cement Ltd.		<b>1,75,947.74</b>	<b>1,58,702.47</b>	<b>1,58,194.52</b>
Non-controlling interests		398.74	975.46	1,277.33
<b>Total equity</b>		<b>1,76,346.48</b>	<b>1,59,677.93</b>	<b>1,59,471.85</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	17	2,90,623.46	2,87,106.61	2,72,347.84
(ii) Other financial liabilities	18	17,671.71	13,974.70	11,687.35
Long-term provisions	19	2,237.99	2,022.71	1,800.42
Deferred tax liabilities (net)	20	21,107.33	21,652.25	20,746.40
Other non-current liabilities	21	5,271.37	5,652.69	6,051.88
<b>Total non-current liabilities</b>		<b>3,36,911.86</b>	<b>3,30,408.96</b>	<b>3,12,633.89</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	22	22,441.35	24,935.55	29,924.88
(ii) Trade payables	23	23,371.51	30,469.10	30,711.18
(iii) Other financial liabilities	24	70,868.97	63,729.38	54,696.65
Other current liabilities	25	8,382.12	7,585.48	7,656.94
Short-term provisions	26	1,946.56	1,680.48	1,563.26
Current Tax liability (Net)	13	156.55	-	-
<b>Total Current liabilities</b>		<b>1,27,167.06</b>	<b>1,28,399.99</b>	<b>1,24,552.91</b>
<b>Total liabilities</b>		<b>4,64,078.92</b>	<b>4,58,808.95</b>	<b>4,37,186.80</b>
<b>Total equity and liabilities</b>		<b>6,40,425.40</b>	<b>6,18,486.88</b>	<b>5,96,658.65</b>

The accompanying notes to the financial statements

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

For P.L.Tandon and Co.,  
Chartered Accountants

ICAI Firm Regn. No. 000186C

P.P. Singh  
Partner  
Membership No - 072754

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

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

Smt.Sushila Devi Singhania  
Director

A.K. Saraogi  
President (Corp.Affairs) & CFO  
Shambhu Singh  
Company Secretary

Yadupati Singhania  
Chairman & Managing Director

Achintya Karati  
Jayant Narayan Godbole  
Kailash Nath Khandelwal  
Krishna Behari Agarwal  
Paul Heinz Hugentobler  
Raj Kumar Lohia  
Shyam Lal Bansal  
Suparas Bhandari

Directors



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2017

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	27	4,69,487.60	4,36,877.80
Other income	28	5,029.39	4,980.79
<b>Total income</b>		<b>4,74,516.99</b>	<b>4,41,858.59</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	73,794.08	70,947.77
Purchase of Stock in Trade		92.50	151.78
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	30	2,102.72	(1,418.37)
Employee benefits expenses	31	31,554.28	26,874.65
Finance costs	32	29,540.31	30,492.59
Depreciation and amortization expenses	33	21,694.99	19,739.57
Other expenses	34	2,85,244.97	2,85,706.40
<b>Total Expenses</b>		<b>4,44,023.85</b>	<b>4,32,494.39</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>30,493.14</b>	<b>9,364.20</b>
Exceptional items		1,931.62	-
<b>Profit/(loss) before tax</b>		<b>28,561.52</b>	<b>9,364.20</b>
<b>Tax expense:</b>			
Current tax		7,047.08	3,060.00
MAT Credit entitlement		(7,047.08)	(3,060.00)
Earlier Years Tax Adjustments		(2.75)	(700.07)
Deferred tax		6,488.28	4,580.81
<b>Profit/ (loss) for the year</b>		<b>22,075.99</b>	<b>5,483.46</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		48.17	243.61
Income tax relating to remeasurement of defined benefit plans		(16.67)	(84.31)
Exchange differences on translations		(1,896.15)	(2,117.90)
		<b>(1,864.65)</b>	<b>(1,958.60)</b>
<b>Total comprehensive income for the year</b>		<b>20,211.34</b>	<b>3,524.86</b>
<b>Profit attributable to:</b>			
Equity holders of the J K Cement Limited		22,652.72	5,785.32
Non-controlling interests		(576.73)	(301.86)
		<b>22,075.99</b>	<b>5,483.46</b>
<b>Other comprehensive income attributable to:</b>			
Equity holders of the J K Cement Limited		(1,864.65)	(1,958.60)
Non-controlling interests			
		<b>(1,864.65)</b>	<b>(1,958.60)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the J K Cement Limited		20,788.07	3,826.72
Non-controlling interests		(576.73)	(301.86)
		<b>20,211.34</b>	<b>3,524.86</b>
<b>Earnings per equity share (₹ )</b>			
Basic		32.39	8.27
Diluted		32.39	8.27

The accompanying notes to the financial statements

This is the Statement of profit and loss referred to in our report of even date

For P.L.Tandon and Co.,  
Chartered Accountants

ICAI Firm Regn. No. 000186C

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

P.P. Singh  
Partner  
Membership No - 072754

Smt.Sushila Devi Singhania  
Director  
Yadupati Singhania  
Chairman & Managing Director

A.K. Saraogi  
President (Corp.Affairs) & CFO  
Shambhu Singh  
Company Secretary

Achintya Karati  
Jayant Narayan Godbole  
Kailash Nath Khandelwal  
Krishna Behari Agarwal  
Paul Heinz Hugentobler  
Raj Kumar Lohia  
Shyam Lal Bansal  
Suparas Bhandari

Directors

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March, 2017

	₹ /Lacs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	28,002.98	10,096.19
Adjustment for :-		
Depreciation	21,694.99	19,739.57
Loss/ (profit) on the sale of fixed asset	2,709.83	13.19
Impairment of Asset/written off	38.29	16.29
Ind(AS) adjustment	379.43	47.74
OCI adjustment	31.50	159.30
Interest paid	29,571.26	30,370.76
Interest received	(3,365.71)	(4,084.72)
Profit on sale of current Investment	(239.67)	(165.51)
Net fair value gain on financial assets measured at fair value through profit or loss	(148.80)	(745.07)
Government grant	(4,811.31)	(1,615.30)
Mines restoration charges	21.48	7.72
Dividend Income	-	(7.81)
<b>Operating Profit Before Working Capital Changes</b>	<b>73,884.27</b>	<b>53,832.35</b>
Movements in working capital :-		
Increase / (Decrease) in Trade Payables	(7,097.59)	(538.48)
Increase / (Decrease) in Other financial liabilities	11,032.68	9,423.36
Increase / (Decrease) in Other liabilities	5,226.63	2,400.32
Increase / (Decrease) in provisions-Short term	654.06	278.56
Increase / (Decrease) in provisions- long term	(194.18)	53.23
(Increase) / Decrease in Inventories	(6,778.68)	4,836.99
(Increase)/ Decrease in Trade receivables	959.63	(1,953.38)
(Increase)/ Decrease in Other financial assets	1,984.65	(8,231.11)
(Increase)/ Decrease in Other assets	2,306.48	954.92
<b>Cash Generated From Operations</b>	<b>81,977.95</b>	<b>61,056.76</b>
Less : Income Tax Paid (inclusive of tax deducted at source)	(6,032.32)	(3,054.84)
<b>Net Cash From Operating Activities</b>	<b>75,945.63</b>	<b>58,001.92</b>
<b>B. CASH USED IN INVESTING ACTIVITIES</b>		
Movement in fixed deposit	10.54	4.88
Net (purchase) of current Investment	(188.21)	(3,113.08)
Net (purchase) of Investment	264.28	(1,880.71)
Interest received	2,091.46	4,207.95
Dividend Received	-	7.81
Net proceeds / (purchase) of Fixed Asset	(34,473.66)	(38,129.40)
Exchange Rate Fluctuation Reserve on Conversion	(992.55)	(1,858.70)
<b>Net Cash Used In Investing Activities</b>	<b>(33,288.14)</b>	<b>(40,761.25)</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advances to related party	(915.89)	-
Net (Repayment) of Long Term Borrowings	(689.94)	19,121.48
Net (Repayment) of Short Term Borrowings	(2,494.20)	(4,989.33)
Share Capital raised	-	-
Interest Expense Paid (inclusive of tax deducted at source)	(29,768.66)	(30,088.24)
Dividend paid	(3,366.51)	(3,366.51)
<b>Net Cash Used in Financing Activities</b>	<b>(37,235.20)</b>	<b>(19,322.60)</b>
<b>Net Increase/( Decrease ) in Cash and Cash Equivalents</b>	<b>5,422.29</b>	<b>(2,081.93)</b>
Cash and Cash Equivalents at the beginning of the year	37,202.27	39,284.20
Cash and Cash Equivalents at the end of the year	42,624.56	37,202.27
	<b>5,422.29</b>	<b>(2,081.93)</b>

## Notes :

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

For P.L.Tandon and Co.,  
Chartered Accountants  
ICAI Firm Regn. No. 000186C

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

**P.P. Singh**  
Partner  
Membership No - 072754

**Smt.Sushila Devi Singhania** Director  
**Yadupati Singhania** Chairman & Managing Director

**Achintya Karati**  
**Jayant Narayan Godbole**  
**Kailash Nath Khandelwal**  
**Krishna Behari Agarwal**  
**Paul Heinz Hugentobler**  
**Raj Kumar Lohia**  
**Shyam Lal Bansal**  
**Suparas Bhandari**

Directors

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

**A.K. Saraogi**  
President (Corp.Affairs) & CFO  
**Shambhu Singh**  
Company Secretary



# STATEMENT OF CHANGE IN EQUITY

for the year ended 31<sup>st</sup> March, 2017

## (A) EQUITY SHARE CAPITAL

	₹ /Lacs					
	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	6,99,27,250	6,992.72	6,99,27,250	6,992.72	6,99,27,250	6,992.72
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	6,99,27,250	6,992.72	6,99,27,250	6,992.72	6,99,27,250	6,992.72

## (B) OTHER EQUITY

	Reserves and Surplus					Other Comprehensive Income	Total
	Securities premium account	Debenture redemption reserve	General reserve	Retained earnings	-		
<b>Balance at 1 April 2015</b>	25,988.60	6,662.50	66,501.31	52,049.39	-	1,51,201.80	
Impacts due to Ind AS Adjustments	-	-	-	47.74	-	47.74	
<b>Restated balance at 1 April 2015</b>	<b>25,988.60</b>	<b>6,662.50</b>	<b>66,501.31</b>	<b>52,097.13</b>	<b>-</b>	<b>1,51,249.54</b>	
Profit for the year	-	-	-	5,785.32	-	5,785.32	
Other comprehensive income/ (loss) for the year	-	-	-	-	(1,958.60)	(1,958.60)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,785.32</b>	<b>(1,958.60)</b>	<b>3,826.72</b>	
Adjustments to current year	-	-	-	-	-	-	
Transfer to/(from) general reserve	-	-	3,000.00	(3,000.00)	-	-	
Transfer to debenture redemption reserve	-	1,581.95	-	(1,581.95)	-	-	
Dividend paid	-	-	-	(2,797.09)	-	(2,797.09)	
Dividend distribution tax	-	-	-	(569.42)	-	(569.42)	
<b>Balance at 31 March 2016</b>	<b>25,988.60</b>	<b>8,244.45</b>	<b>69,501.31</b>	<b>49,933.99</b>	<b>(1,958.60)</b>	<b>1,51,709.75</b>	
<b>Restated balance at the beginning of the reporting period</b>	<b>25,988.60</b>	<b>8,244.45</b>	<b>69,501.31</b>	<b>49,933.99</b>	<b>(1,958.60)</b>	<b>1,51,709.75</b>	
Profit for the year	-	-	-	22,652.72	-	22,652.72	
Other comprehensive income for the year	-	-	-	-	(1,864.65)	(1,864.65)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,652.72</b>	<b>(1,864.65)</b>	<b>20,788.07</b>	
Transfer to/(from) general reserve	-	-	5,000.00	(5,000.00)	-	-	
Transfer to debenture redemption reserve	-	1,710.65	-	(1,710.65)	-	-	
Adjustments during the year	-	-	(176.29)	-	-	(176.29)	
Dividend paid	-	-	-	(2,797.09)	-	(2,797.09)	
Dividend distribution tax	-	-	-	(569.42)	-	(569.42)	
<b>Balance at 31 March 2017</b>	<b>25,988.60</b>	<b>9,955.10</b>	<b>74,325.02</b>	<b>62,509.55</b>	<b>(3,823.25)</b>	<b>1,68,955.02</b>	



# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### Principles of Consolidation.

1. The consolidated financial statements of the Group have been prepared on the following basis:
  - (a) The consolidated financial statements of the Group are prepared in accordance with Accounting Standard IND(AS) 110 “ Consolidated Financial Statements” issued by ICAI.
  - (b) The financial statements of the Company, its Subsidiary Company and Joint Venture Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.
  - (c) Foreign Subsidiaries, being non integral foreign operations, revenue items are consolidated at the rate prevailing on the date of transactions. All assets and liability are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in Other Comprehensive Income in accordance with Ind AS.
  - (d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements.
  - (e) Calendar year as accounting year is adopted by J.K. Cement (Fujairah) FZC and J.K. Cement Works (Fujairah) FZC and the books are being prepared on year ending 31.12.2016.

2. The Companies considered in the consolidated financial statements are:

Name of the Company	Nature of Company	Country of Incorporation	Holding as on 31.03.2017	Date of period consolidation
J.K. Cement (Fujairah)FZC	Subsidiary	U.A.E.	100%	Calendar year 2016
J.K. Cement Works (Fujairah)FZC	Fellow Subsidiary	U.A.E.	90%	Calendar year 2016
Bander Coal Company Pvt Ltd	Joint Venture	India	37.5%	FY 2016-2017
Jaykaycem(Central)Ltd	Subsidiary	India	100%	FY 2016-2017

3. Investment in subsidiary company is expressed in Indian Rupees at the rate of exchange prevailing at the date of investment.
4. Other Significant Accounting Policies:  
These are set out under ‘Significant Accounting Policies’ as given in the Standalone Financial Statements of J.K. Cement Ltd.
5. The Subsidiary Companies have prepared the Financial Statements in accordance with International Financial Reporting Standards for Small and Medium Enterprises(IFRS for SME’s)

# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

## 2. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2015	Ind AS Adj	Opening as per Ind AS	Ind AS Adj	Additions	Disposal	As at 1 April 2015	As at 31 March 2016
<b>Tangible Assets</b>								
Freehold land	18,319.05	(3,082.44)	15,236.61	5,793.23	-	-	15,236.61	21,029.84
Buildings	63,772.20		63,772.20	5,957.25	2,941.99	(63.52)	57,859.13	60,810.87
Plant and equipment	3,92,174.24		18,141.20	1,075.02	14,995.50	(32.27)	3,14,265.35	3,16,303.76
Other assets	1,368.71		3,311.61		183.67		1,329.78	4,457.72
<b>Total</b>								
Vehicles	3,310.13		3,310.13	284.92	421.89	114.64	2,018.26	1,766.57
Furniture and fixtures	3,095.22		3,095.22	311.88	315.23	21.03	1,782.55	1,618.29
Railway sidings #	2,250.62		2,250.62	4,219.58	300.45		1,503.42	5,422.55
Rolling stock	89.43		89.43		8.19		41.96	33.77
Other assets	868.86		868.86	181.58	114.91	(10.45)	180.82	277.41
<b>Assets under Finance Lease</b>								
Leasehold land	9,097.20	3,082.44	12,179.64	1,490.88	57.43	378.76	10,455.81	11,610.89
<b>Total</b>	4,94,345.66	-	4,94,345.66	39,692.13	18,877.10	77.21	4,04,673.69	4,23,331.67
Capital work-in-progress	33,714.47		33,714.47				33,714.47	32,092.48
Intangible Asset under Development	16.16		16.16				16.16	16.16
<b>Total</b>	5,28,076.29	-	5,28,076.29	39,692.13	18,877.10	77.21	4,38,404.32	4,55,440.31

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2016	Ind AS Adj	Opening as per Ind AS	Ind AS Adj	Additions	Disposal	As at 31 March 2016	As at 31 March 2017
<b>Tangible Assets</b>								
Freehold land	21,029.84		21,029.84	7,970.65	20.90		21,029.84	28,979.59
Building	69,729.45		69,729.45	10,589.21	526.79		60,810.87	67,777.46
Plant and equipment	4,09,240.42		4,09,240.42	31,464.44	9,240.29		3,16,303.76	3,24,885.26
Plant & equipment-Others #	4,680.32		4,680.32	7.22			4,457.72	4,203.54
Vehicles	3,365.69		3,365.69	600.80	389.65		1,766.57	1,854.76
Furniture and fixtures	3,225.16		3,225.16	471.13	7.69		1,618.29	1,735.35
Railway sidings #	6,470.20		6,470.20	556.82	(3,270.50)		5,422.55	8,483.69
Rolling stock	89.43		89.43				33.77	25.58
Other assets	1,090.81		1,090.81	265.93			277.41	375.44
<b>Assets under Finance Lease</b>								
Leasehold land	13,665.70		13,665.70	2,649.46	49.48		11,610.89	13,518.35
<b>Total</b>	5,32,587.02	-	5,32,587.02	54,635.66	6,964.30		4,23,331.67	4,51,839.02
Capital work-in-progress	32,092.48		32,092.48				32,092.48	12,658.64
<b>Total</b>	5,64,679.50	-	5,64,679.50	54,635.66	26,398.14		4,55,424.15	4,64,497.66

# Cost incurred by company ownership of which vest with State Electricity Boards & Indian Railways.



# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

## 3. OTHER INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2015	Opening as per Ind AS	As at 31 March 2016	As at 1 April 2015	Ind AS Adj	As at 31 March 2016	As at 1 April 2015	As at 31 March 2016
<b>Intangible Assets</b>								
Computer Software	742.70	742.70	742.70					
Goodwill	1,110.26	1,110.26	1,148.98	912.75	36.47	949.22	197.51	199.76
Minning Rights	1,877.38	1,877.38	1,877.38	9.43	42.51	55.26	1,867.95	1,822.12
<b>Total</b>	<b>3,730.34</b>	<b>3,730.34</b>	<b>3,769.06</b>	<b>1,664.88</b>	<b>78.98</b>	<b>1,747.18</b>	<b>2,065.46</b>	<b>2,021.88</b>

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2016	Opening as per Ind AS Adj	As at 31 March 2017	As at 31 March 2016	Ind AS Adj	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017
<b>Intangible Assets</b>								
Computer Software	1,148.98	1,148.98	1,684.63	949.22	178.44	1,127.66	199.76	556.97
Goodwill	742.70	742.70	742.70	742.70	-	742.70	-	-
Minning Rights	1,877.38	1,877.38	1,877.38	55.26	46.97	102.23	1,822.12	1,775.15
<b>Total</b>	<b>3,769.06</b>	<b>3,769.06</b>	<b>4,304.71</b>	<b>1,747.18</b>	<b>225.41</b>	<b>1,972.59</b>	<b>2,021.88</b>	<b>2,332.12</b>

# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

	₹ /Lacs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>4. INVESTMENTS</b>			
<b>A. Investment in equity instruments (fully paid-up)</b>			
<b>Unquoted</b>			
-5200 (31st March 2016 : 3400, 1st April 2015 : 8000) equity shares of ReNew Wind Energy AP (Pvt.) Ltd. (Face value ₹ 10)	5.20	3.40	8.00
- 3140101 (31st March 2016 : 3,140,101, 1st April 2015 : 3,140,101) equity shares of VS Legnite Power Pvt. Ltd.@ (Face value ₹ 10) at FVTPL	-	107.71	107.71
<b>B. Investment in preference shares (fully paid up)</b>			
<b>Unquoted</b>			
- Share Application Money-Compulsory convertible preference Shares Others at FVTPL	-	1,318.82	-
- 2785552 (31st March 2016 : 2785552, 1st April 2015 : 2785552) 0.01% cumulative redeemable Preference shares in VS Legnite Power Pvt. Ltd. (Face value ₹ 10)	-	95.54	95.54
<b>C. Investment In Mutual Funds</b>			
<b>Quoted</b>			
50,00,000 HDFC fmp 1302D Sep2016(1)Regular-Growth -Series-37 Maturity date 2020	500.00	-	-
50,00,000 HDFC fmp 1188D Mar-2017(1)-Regular-Growth-Series38- Maturity date-29-6-2020	500.00	-	-
<b>D. Investments in Bonds</b>			
50 State bank of India SR-111 8.39 BD perpetual Bonds Face value per Bonds ₹ 1000000 purchased @991285	495.64		-
	<b>1,500.84</b>	<b>1,525.47</b>	<b>211.25</b>
<b>Aggregate amount of unquoted investment</b>	<b>5.20</b>	<b>1,525.47</b>	<b>211.25</b>

	₹ /Lacs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>5. OTHER NON-CURRENT FINANCIAL ASSETS</b>			
Fixed Deposits	10,413.25	10,638.44	2,168.98
Advance to Employees	130.93	89.01	129.69
Vehicle Loan Recoverable	12.03	82.55	178.34
Security Deposits	3,707.85	3,002.25	3,654.48
	<b>14,264.06</b>	<b>13,812.25</b>	<b>6,131.49</b>

	₹ /Lacs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>6 OTHER NON-CURRENT ASSETS</b>			
Capital Advances	9,720.69	12,933.09	11,194.16
Prepaid Rent	26.92	26.36	41.51
Deferred Employee Compensation	25.69	21.16	25.87
	<b>9,773.30</b>	<b>12,980.61</b>	<b>11,261.54</b>



## NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>7 INVENTORIES</b>			
(Valued at lower of cost or/and net realisable value)			
Raw Materials	9,142.96	6,347.46	6,897.77
Work-in-Process	7,933.27	9,801.12	9,815.70
Finished goods	8,032.86	8,260.75	6,836.28
Stock-in-Trade	16.45	23.43	14.95
Consumable Stores and Spares	29,625.49	23,632.40	30,296.56
<b>Goods in transit :</b>			
- Raw Materials	-	1.91	1.20
- Consumable Stores and Spares	1,338.26	1,243.54	285.14
	<b>56,089.29</b>	<b>49,310.61</b>	<b>54,147.60</b>

Stock of Stores, Spare parts also includes stock of Project material aggregate to ₹ Nil (31 March 2016 is ₹ 156.57 lacs and 1 April 2015 ₹ 937.50 Lac).

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>8. CURRENT INVESTMENTS</b>			
Investment in Mutual Funds at FVTPL	-	-	
<b>Quoted</b>	-	-	
- Nil ( 31st March 2016 : 92,772.634, 1st April 2015 : nil) units in IDBI Liquid Fund made Growth	-	1,501.48	-
- Nil (31st March 2016 : 84,283.316, 1st April 2015 : nil) units in SBI Premium Liquid Fund	-	2,002.64	-
-6568620.89 (31st March 2016 : 3,489,841.073, 1st April 2015 : nil) units in ICICI Prudential Regular Income	1,076.47	522.57	-
- 17,74,748.873 (31st March 2016 : 1,774,748.873, 1st April 2015 : nil) units in HDFC Short Term Fund-Growth	575.19	525.15	-
- Nil(31st March 2016 : nil, 1st April 2015 : 50,000,000) units in BOI AXA FIXED MATURITY PLAN-SERIES13(380)			548.52
- Nil( 31st March 2016 : nil, 1st April 2015 : 5,000,000) units in Baroda Pioneer FMP-372 Days			545.45
- Nil(31st March 2016 : nil, 1st April 2015 : 5,000,000) units in HDFC FMP-SERIES 29 (384DMARCH2014(1)			546.68
- 27,21,606.837(31st March 2016 : 493,622.399, 1st April 2015 : 493,622) units in Edelweiss Erstwhile J.P.Morgan Active Bond Fund Institutional	372.44	67.09	62.71
- Nil(31st March 2016 : 2,721,606.8, 1st April 2015 : 2,721,606.8) units in JP morgan govt.Securities fund-regular plan Growth option	-	339.27	320.03
-Nil( 31st March 2016 : 2,638,078.471, 1st April 2015 : 2,638,078.471) units in SBI magnum Guilt Fund	-	848.33	801.04
- Nil (31st March 2016 : 1,652,073.352, 1st April 2015 : nil) units in SBI magnum Guilt Fund	-	531.26	-
-Nil (31st March 2016 : nil, 1st April 2015 : 26,741.654) units in IDBI Liquid Fund	-	-	400.28
- 31,80,661.58(31st March 2016 : nil, 1st April 2015 : nil) units in Axis Mutual Fund	500.81	-	-

# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>8. CURRENT INVESTMENTS (CONTD.)</b>			
- 39,292.91(31st March 2016 : nil, 1st April 2015 : 26,741.6) units in SBI Premier Liquid fund	1,000.28	-	-
-46,894.59 (31st March 2016 : nil, 1st April 2015 : nil) units in HDFC Liquid Fund Growth	1,500.46	-	-
-86,538.37( 31st March 2016 : nil,1st April 2015 : nil) units in IDBI Liquid Fund -Regular Plan-Growth	1,500.35	-	-
Aggreagate amount of quoted Investments	<b>6,526.00</b>	<b>6,337.79</b>	<b>3,224.71</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>9 TRADE RECEIVABLES</b>			
<b>Secured</b>			
Considered good	11,604.71	7,967.31	6,946.25
<b>Unsecured</b>			
Considered good	8,588.63	13,167.44	10,761.76
Considered doubtful	739.12	602.00	566.22
Less: Provision for doubtful balances	(739.12)	(602.00)	(566.22)
	<b>20,193.34</b>	<b>21,134.75</b>	<b>17,708.01</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>10 CASH AND CASH EQUIVALENTS</b>			
i. Balance with banks:			
- In current accounts	4,007.82	4,600.65	8,132.12
- In Fixed Deposits			
a) upto 3 months	8,288.98	2,919.59	2,507.83
b) more than 3 months but upto a year	30,421.23	29,764.84	28,753.61
- Less: Overdraft against Fixed Deposits	(151.93)	(121.29)	(145.97)
	<b>42,566.10</b>	<b>37,163.79</b>	<b>39,247.59</b>
ii. Cash on hand	33.23	35.74	33.04
iii. Cheques in hand	25.23	2.74	3.57
	<b>42,624.56</b>	<b>37,202.27</b>	<b>39,284.20</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>11 OTHER BANK BALANCES</b>			
<b>Earmarked balances with banks:</b>			
Bank balances other than mentioned in Note No.10	99.20	109.74	114.62
	<b>99.20</b>	<b>109.74</b>	<b>114.62</b>



## NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>12 OTHER CURRENT FINANCIAL ASSETS</b>			
Unsecured Loans and Advances considered doubtful	49.63	31.41	31.93
Provision for doubtful advances	(49.63)	(31.41)	(31.93)
Loans and Advances to Related Parties	915.89	15.00	1,471.75
Other Loans and Advances *	2,085.94	632.78	2,060.31
Advance to Employees	292.41	258.13	322.22
Interest Accrued	1,258.12	832.39	954.11
Others	373.46	6.88	6.88
	<b>4,925.82</b>	<b>1,745.18</b>	<b>4,815.27</b>

\* includes Govt.subsidy ₹ 1403.11 Lacs (Previous year Nil)

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>13 CURRENT TAX (NET)</b>			
Advance tax (Net of provision for income tax of ₹ 7047.08 lacs)	(156.55)	547.47	467.52
	<b>(156.55)</b>	<b>547.47</b>	<b>467.52</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>14 OTHER CURRENT ASSETS</b>			
Balances with excise and custom department	5,806.66	5,273.86	10,887.79
Prepayments			
- Rent	18.85	15.15	15.15
- Expenses	2,531.73	2,284.11	608.34
Advances recoverable in cash or in kind	7,871.93	6,954.80	5,237.38
Deferred employee compensation	15.45	13.59	13.59
Others	1,338.43	1,777.04	2,060.41
	<b>17,583.05</b>	<b>16,318.55</b>	<b>18,822.66</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>15 SHARE CAPITAL</b>			
<b>Authorised:</b>			
8,00,00,000 (As at 31 March 2016 and 1 April 2015 - 8,00,00,000) equity shares of ₹ 10/- each			
<b>Issued, subscribed &amp; fully paid up:</b>			
6,99,27,250 (As at 31 March 2016 and 1 April 2015 - 6,99,27,250) equity Shares of ₹ 10/- each	6,992.72	6,992.72	6,992.72
	<b>6,992.72</b>	<b>6,992.72</b>	<b>6,992.72</b>



# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

## a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

## b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	₹ /Lacs Amount
Outstanding at the 1 April 2015	6,99,27,250	6,992.72
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2016	6,99,27,250	6,992.72
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	6,99,27,250	6,992.72

## c. Shareholders holding more than 5% shares in the company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Yadu International Ltd	2,99,49,518	42.83%	2,26,55,100	32.40%	2,26,55,100	32.40%
Yadupati Singhania	1,22,84,198	17.57%	1,42,76,002	20.41%	1,42,79,843	20.42%
Juggilal Kamapat Holding Ltd.	Nil	Nil	72,94,418	10.43%	72,28,418	10.34%

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>16. OTHER EQUITY</b>			
<b>a. Securities premium reserve</b>			
Balance at the beginning of the year	25,988.60	25,988.60	25,988.60
Add: Transfer from retained earnings			
Balance at the end of the year	25,988.60	25,988.60	25,988.60
<b>b. Debenture redemption reserve</b>			
Balance at the beginning of the year	8,244.45	6,662.50	5,030.00
Add: Transfer from retained earnings	1,710.65	1,581.95	1,632.50
Balance at the end of the year	9,955.10	8,244.45	6,662.50
<b>c. General reserve</b>			
Balance at the beginning of the year	69,501.31	66,501.31	64,540.05
Add: Transfer from retained earnings	5,000.00	3,000.00	4,000.00
Less: Adjustment during the year	(176.29)	-	(2,038.74)
Balance at the end of the year	74,325.02	69,501.31	66,501.31
<b>d. Retained earnings</b>			
Balance at the beginning of the year	49,933.99	52,049.39	39,321.88
Add: Impacts due to Ind AS Adjustments (Date of transition)	-	47.74	7,362.50
Add: Ind AS profit for the year (J K Cement Limited)	22,652.72	5,785.32	14,364.02
Less: Transfer to general reserve	5,000.00	3,000.00	4,000.00
Less: Transfer to debenture redemption reserve	1,710.65	1,581.95	1,632.50



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	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>16. OTHER EQUITY (CONTD.)</b>			
Less: Dividend on equity shares	2,797.09	2,797.09	2,797.09
Less: Dividend distribution tax on equity shares	569.42	569.42	569.42
	<b>62,509.55</b>	<b>49,933.99</b>	<b>52,049.39</b>
<b>e. Foreign Currency Translation Reserve</b>			
As per last Balance Sheet	-	-	1,683.69
Adjustment during the year	-	-	(398.69)
Transfer to Retained Earnings	-	-	(1,285.00)
<b>f. Other Comprehensive Income</b>			
Balance at the beginning of the year	(1,958.60)	-	-
Addition during the year	(1,864.65)	(1,958.60)	-
Balance at the end of the year	<b>(3,823.25)</b>	<b>(1,958.60)</b>	-
	<b>168955.02</b>	<b>151709.75</b>	<b>1,51,201.80</b>

### Nature and purpose of other reserves/ other equity

#### General reserve

The Company appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act

#### Other Comprehensive Income

##### a) Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) actuarial gains and losses
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

##### b) Foreign Currency Translations

Foreign Currency Translation adjustments on foreign subsidiaries.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ /Lacs			
<b>17 BORROWINGS</b>			
<b>Secured</b>			
Non convertible debentures	66,197.39	66,100.23	59,491.94
Less: Current maturities of non convertible debentures (Refer note 24)	7,300.00	-	5,300.00
Term loans (Secured)			
- From banks	2,33,666.65	2,30,486.75	2,24,371.72
Less: Current maturities of term loans (Refer note 24)	14,032.48	19,396.44	13,441.38
- Vehicle loans	539.29	339.84	408.27
Less: Current maturities of vehicle loans (Refer note 24)	239.79	193.06	202.02
- VAT loans from Government	7,318.54	5,537.02	2,879.24
<b>Unsecured</b>			
Deferred sales tax liabilities	5,005.54	4,880.61	5,016.97
Less: Current maturities of def.sales tax liabilities (Refer note 24)	531.68	648.34	876.90
	<b>2,90,623.46</b>	<b>2,87,106.61</b>	<b>2,72,347.84</b>

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## a. Securities

- (1) NCD as shown above includes ₹ 302.61 Lacs ( 31 March 2016 ₹ 399.82, 1 April 2015 ₹ 483.51 Lacs) towards amortised expenses.

Non Convertible Debentures(NCDs): ₹ 66500.00 lacs  
(₹ 66500.00 lacs)

- i) Security for NCDs for ₹ 36500.00 lacs ( ₹ 36500.00 lacs)  
Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified in (2)(i)(b) below .
- ii) Security for NCDs for ₹ 30000.00 lacs (₹ 30000.00 lacs)  
Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of movable fixed assets pertaining to Company's existing cement plant at village Muddapur Karnataka.
- (2) Term Loan as shown above includes ₹ 344.92 Lacs (31 March 2016 ₹ 157.47, 1 April 2015 ₹ 152.82 Lacs) towards amortised expenses

## (i) Term Loans secured against Cement Plants at Rajasthan

- a) From Canara Bank: ₹ 2475.56 lacs (₹ 3575.85 lacs)  
& From Export Import Bank of India: ₹ 4464.75 lacs (₹ 5000 lacs) Secured by equitable mortgage of immovable properties and hypothecation of movable assets pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.
- b) From other Banks: ₹ 20256.25 lacs (₹ 18337.46 lacs) Secured by first pari-passu charge by way of equitable mortgage of all the immovable properties and hypothecation of all the movable assets of the Company both present and future save and except i) inventories, book debts, cash and bank balances and all assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Muddapur, Karnataka ii) properties for office and guest house including those having exclusive charge of other lenders iii) New Cement plant at Mangrol and Jharli and iv) Putty Plant at Katni, Madhya Pradesh.

## (ii) Term Loans secured against Cement Plant at Karnataka

- a) From Indian Bank( Consortium of Banks) : ₹ NIL  
(₹ 930.45 lacs)

- b) From Consortium of Banks: ₹ 8619.78 lacs (8436.78 lacs) Secured by First Pari-passu charge by way of equitable mortgage of all the immovable Properties (except mining land) and hypothecation of all moveable non current assets, present and future pertaining to J.K. Cement Works and Thermal power plant, Muddapur, Karnataka.
- c) From State Bank of India: ₹ 3815.13 lacs(₹ 4360.73 lacs) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.
- d) From Allahabad Bank: ₹ 2031.21 lacs (₹ 2421.84 lacs) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

## (iii) Term Loans secured against Cement Plant at Rajasthan and Haryana

From Consortium of Banks : ₹ 119092.56 lacs (₹ 119803.64 lacs)  
Secured by First charge by way of mortgage, on all the immovable properties, both present and future, of the new cement Plants at Mangrol, Rajasthan including captive power plant of 25 MW and waste heat recovery based power plant of 10 MW and split Grinding Unit at Jharli, Haryana (save and except mining land) and hypothecation of all the movable fixed assets of the above plants (save and except Current Assets), both present and future and second charge on all current assets, present and future, pertaining to the above plants (subject to prior charge created or to be created on the Current Assets in favour of the Working Capital Lenders for securing the Working Capital Facilities).

## (iv) Term loan secured against Putty Plant at Katni, Madhya Pradesh: ₹ 9300.00 lacs (₹ 3800.00 lacs)

Secured against exclusive charge on entire movable fixed assets ( by way of hypothecation) and on immovable fixed assets related to the Wall Putty project at Katni, Madhya Pradesh(excluding current assets and mining land, if any).

## (v) Term Loans secured against the Properties: ₹ 2392.98 lacs (₹ 1422.32 lacs)

Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable assets pertaining to the specified properties.



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### (vi) Term Loans related to Cement Plant at Fujairah : ₹ 61563.33 lacs (₹ 62555.15 lacs)

First pari-passu charge on the entire movable and immovable fixed assets pertaining to J.K. Cement Works(Fujairah)FZC, UAE as per prevalent local laws in UAE.

Hypothecation of Inventories & assignment of trade receivables. Assignment of the rights under the Land Lease Agreement in respect of lease hold land(both plant and mining land). Corporate Guarantee of J.K. Cement Limited for entire tenor of loan  
Assignment of Insurance Contracts/Insurance proceeds arising from the Insurance Contracts.

#### b. Term of repayment and interest are as follows :

Loan From	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	₹ /Lacs		
				As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Term Loan - Mangrol / Jharli Plant</b>						
- IDBI Bank Ltd.	Quarterly	2030-31	10.00%	12,870.00	13,500.00	12,825.00
- Allahabad	Quarterly	2030-31	10.00%	9,900.00	12,499.94	11,875.22
- Andhra Bank	Quarterly	2030-31	10.00%	9,899.64	12,390.27	11,875.00
- Axis Bank	Quarterly	2030-31	10.00%	12,543.13	-	-
- Canara Bank	Quarterly	2030-31	10.00%	7,425.00	9,912.95	9,500.00
- Dena Bank	Quarterly	2030-31	10.00%	7,487.38	10,000.16	8,900.00
- Exim Bank	Quarterly	2030-31	10.00%	17,325.00	-	-
- Indian Bank	Quarterly	2030-31	10.00%	9,899.08	10,001.51	8,900.00
- Indian Overseas Bank	Quarterly	2030-31	10.00%	-	10,005.91	8,900.00
- Jammu & Kashmir Bank	Quarterly	2030-31	10.00%	4,826.25	6,501.63	5,785.04
- Oriental Bank of Commerce	Quarterly	2030-31	10.00%	5,568.75	7,498.26	6,675.00
- State Bank of India	Quarterly	2030-31	10.00%	7,488.33	9,993.79	8,900.18
- Union Bank of India	Quarterly	2030-31	10.00%	6,435.00	7,500.00	6,675.00
- United Bank of India	Quarterly	2030-31	10.00%	7,425.00	9,999.23	8,900.00
<b>Refinanced Loan - Karnataka Plant</b>						
- State Bank of India	Quarterly	2021-22	8.50%	7,279.83	7,895.65	-
- Andhra Bank	Quarterly	2021-22	9.75%	488.37	540.82	-
- Indian Bank	Quarterly	2021-22	9.75%	851.58	930.45	-
- Indian Overseas Bank				-	0.34	
<b>Term Loan 1 - Karnataka Plant</b>						
- IDBI Bank Ltd.				-	-	2,343.60
- Andhra Bank				-	-	1,241.40
- Canara Bank				-	-	1,624.92
- Dena Bank				-	-	876.46
- Exim Bank				-	-	714.10
- Indian Bank				-	-	1,750.00
- Indian Overseas Bank				-	-	1,560.00
- Jammu & Kashmir Bank				-	-	1,124.95
- United Bank of India				-	-	1,750.00
<b>Term Loan 2 - Karnataka Plant</b>						
- IDBI Bank Ltd.				-	-	627.86
- Andhra Bank				-	-	396.65
- Dena Bank				-	-	590.05
- Indian Bank				-	-	785.70
- Jammu & Kashmir Bank				-	-	589.27

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Loan From	Repayment Frequency	Year of Maturity	Rate of Interest p.a.	₹ /Lacs		
				As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- United Bank of India				-	-	535.72
<b>Loan for Promoter's Cont. for Fujairah</b>						
-Dena Bank	Quarterly	2021-22	10.45%	3,570.69	4,463.59	5,000.00
-Exim Bank	Quarterly	2019-20	9.75%	1,134.32	1,625.00	2,125.00
-State Bank of India	Quarterly	2019-20	8.75%	4,262.64	5,301.35	6,427.45
<b>Misc. Capex/Gen Corp Loan - 1</b>						
- IDBI Bank Ltd.	Quarterly	2018-19	9.60%	857.14	1,285.71	1,714.28
- Allahabad Bank	Quarterly	2018-19	10.70%	714.18	1,607.10	2,500.00
- State Bank of India	Quarterly	2017-18	9.00%	248.07	573.74	916.52
<b>Misc. Capex/Gen Corp Loan - 2</b>						
- Allahabad Bank	Quarterly	2023-24	10.20%	2,031.21	2,421.84	2,500.00
- State Bank of India	Quarterly	2022-23	8.50%	3,815.13	4,360.73	5,000.10
<b>Misc. Capex/Gen Corp Loan - 3</b>						
- Canara Bank	Quarterly	2019-20	10.25%	2,475.58	3,575.85	4,722.22
- Exim Bank	Quarterly	2022-23	9.75%	4,464.75	5,000.00	5,000.00
<b>SBI Corporate Loan</b>	Quarterly	2023-24	8.50%	9,469.21	3,480.98	-
<b>Property Loans</b>						
-Indian Bank	Quarterly	2018-19	10.40%	850.98	1,422.32	1,994.38
-Indian Bank	Quarterly	2020-21	9.25%	1,542.00	-	-
-ING Vysya Bank				-	-	117.50
<b>Term Loan - New Putty Plant</b>						
-Exim - Putty, Katni	Quarterly	2023-24	9.75%	9,300.00	3,800.00	2,000.00
<b>Term Loan - Fujairah Plant</b>						
- SBI Consortium	Quarterly	2024-25	3.25%+ 6 month LIBORE	61,563.33	62,555.15	58,261.42
<b>Non Convertible Debentures</b>						
<b>Series - A</b>						
- at 10.25%	Annual	2020-21	10.25%	9,000.00	9,000.00	9,000.00
- at 10.50%	Annual	2020-21	10.50%	9,000.00	9,000.00	9,000.00
- at 11.00%	Annual	2020-21	11.00%	7,000.00	7,000.00	7,000.00
<b>Series - B</b>						
- at 11.00%	Annual	2020-21	11.00%	11,500.00	11,500.00	15,000.00
<b>Series - C</b>						
- at 10.50%	Annual	2023-24	10.50%	8,500.00	8500.00	8,500.00
- at 11.00%	Annual	2023-24	11.00%	11,500.00	11500.00	11,500.00
<b>Series - D</b>						
- at 9.65%	Annual	2025-26	9.65%	10,000.00	10000.00	-
				3,00,511.57	297144.27	2,84,499.99
<b>Less : Shown in current maturities of long term debt</b>				21,332.48	19,396.44	18,741.38
<b>Balance shown as above</b>				<b>2,79,179.09</b>	<b>2,77,747.83</b>	<b>2,65,758.61</b>



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	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>18 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>			
Security Deposits	17,671.71	13,974.70	11,687.35
	<b>17,671.71</b>	<b>13,974.70</b>	<b>11,687.35</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>19 LONG-TERM PROVISIONS</b>			
Provision for employee benefits (Refer note 40)			
- Gratuity	10.00	10.00	10.00
- Leave encashment	2,030.84	1,837.04	1,622.77
Provision for Mines Restoration Charges*	197.15	175.67	167.65
	<b>2,237.99</b>	<b>2,022.71</b>	<b>1,800.42</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>* Provision for Mines Restoration charges:</b>			
Opening Balance	175.67	167.65	153.91
Addition during the year	21.48	8.02	13.74
Closing Balance	197.15	175.67	167.65

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>20 DEFERRED TAX LIABILITIES (NET)</b>			
The balance comprises temporary differences attributable to:			
<b>Deferred tax liabilities</b>			
Property, plant and equipment	58,450.60	55,691.41	49,577.62
<b>Deferred tax assets</b>			
Unabsorbed depreciation & Losses	14,859.37	18,140.11	17,811.13
Employee benefits	840.64	700.75	616.53
Trade receivables	272.97	235.44	216.10
Liability on payment basis	3,021.94	3,771.44	2,950.11
Ind-AS adjustments	269.09	162.05	(31.95)
MAT Credit adjustment	18,079.26	11,029.37	7,269.30
	<b>21,107.33</b>	<b>21,652.25</b>	<b>20,746.40</b>

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	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>21 OTHER NON-CURRENT LIABILITIES</b>			
Deferred government subsidies			
- Capital subsidy sanctioned by Rajasthan government on fixed assets	5,271.37	5,652.69	6,051.88
	<b>5,271.37</b>	<b>5,652.69</b>	<b>6,051.88</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>CURRENT LIABILITIES</b>			
<b>22. SHORT TERM BORROWINGS</b>			
Loan repayable on demand (Secured)*			
- From banks	22,593.28	25,056.84	30,070.85
Less: Overdraft against Fixed Deposits	(151.93)	(121.29)	(145.97)
	<b>22,441.35</b>	<b>24,935.55</b>	<b>29,924.88</b>

\* Working Capital Facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the unit, ranking pari-passu inter se.

\* Cash credit account : ₹ 16729.17 lacs (₹ 19620.69 lacs)

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders.

\* Short Term Loan/Over Draft Account : ₹ 5864.11 lacs (₹ 5436.15 lacs)

Working Capital facilities are secured by first charge on current assets of the Company namely inventories, book debts etc. and undated cheques covering the exposure.

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>23. TRADE PAYABLE</b>			
Micro ,Small and Medium Enterprises	403.57	940.77	681.21
Trade Payables	22,967.94	27,310.25	22,582.06
Acceptances	-	2,218.08	7,447.91
	<b>2,3371.51</b>	<b>30,469.10</b>	<b>30,711.18</b>

Trade Payables include project creditors for ₹ 558.04 lacs (31 March 2016 is ₹ 1776.10 lacs and 1 April 2015 is ₹ 4437.41 lacs).

Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March,2017 as per the terms of Contract.



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	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>24 OTHER FINANCIAL LIABILITIES</b>			
Current maturities of long-term debt	22,103.95	20,237.84	19,820.30
Employee payable	1,391.66	1,310.62	520.78
Interest accrued but not due on borrowings	1,463.51	1,496.60	1,201.57
Interest accrued and due on borrowings	90.22	253.22	264.19
Unpaid dividends	99.20	109.74	114.62
Unclaimed fraction money	9.23	9.23	9.24
Security deposits	843.12	801.27	663.22
Expenses & GRR payable	19,476.24	14,431.16	10,300.02
Others	25,391.84	25,079.70	21,802.71
	<b>70,868.97</b>	<b>63,729.38</b>	<b>54,696.65</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>25 OTHER CURRENT LIABILITIES</b>			
Advance from customers	7,178.34	6,126.08	5,036.80
Others	1,203.78	1,459.40	2,620.14
	<b>8,382.12</b>	<b>7,585.48</b>	<b>7,656.94</b>

	As at 31 March 2017	As at 31 March 2016	₹ /Lacs As at 1 April 2015
<b>26 SHORT-TERM PROVISIONS</b>			
Employee benefits			
- Gratuity	663.09	479.36	632.28
- Bonus & Superannuation	895.27	829.15	568.94
- Leave Encashment	388.20	371.97	322.04
Others - Wealth Tax	-	-	40.00
	<b>1,946.56</b>	<b>1,680.48</b>	<b>1,563.26</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>27 REVENUE FROM OPERATIONS</b>		
<b>Sale of products (including excise duty)</b>	4,60,200.01	4,32,910.30
<b>Total (i)</b>	<b>4,60,200.01</b>	<b>4,32,910.30</b>
<b>Other operating revenue</b>		
Claims realised	511.69	508.31
Government grants	4,811.31	1,615.30
Miscellaneous income	3,964.59	1,843.89
<b>Total (ii)</b>	<b>9,287.59</b>	<b>3,967.50</b>
<b>Revenue from operations [(i) + (ii)]</b>	<b>4,69,487.60</b>	<b>4,36,877.80</b>



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	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>28 OTHER INCOME</b>		
Interest income from financial assets measured at amortised cost		
- from bank deposits	3,269.26	3,059.57
- from others	970.31	1,026.66
Dividend income from investments measured at fair value through profit or loss	-	7.81
Net fair value gain on financial assets measured at fair value through profit or loss	(165.04)	13.08
Profit on sale of current investment (net)	239.67	165.51
Miscellaneous income	715.19	708.16
	<b>5,029.39</b>	<b>4,980.79</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>29 COST OF MATERIALS CONSUMED</b>		
Raw material Consumed	73,794.08	70,947.77
	<b>73,794.08</b>	<b>70,947.77</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
<b>Closing Inventory</b>		
Work-in-Progress	(7,933.27)	(9,801.12)
Finished Goods	(8,032.86)	(8,260.75)
Traded Goods	(16.45)	(23.43)
<b>Total (A)</b>	<b>(15,982.58)</b>	<b>(18,085.30)</b>
<b>Opening Inventory</b>		
Work-in-Progress	9,801.12	9,815.70
Finished Goods	8,260.75	6,836.28
Traded Goods	23.43	14.95
<b>Total (B)</b>	<b>18,085.30</b>	<b>16,666.93</b>
<b>Total (A-B)</b>	<b>2,102.72</b>	<b>(1,418.37)</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>31 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	26,816.09	22,573.68
Contribution to provident and other funds	2,524.13	2,292.29
Staff welfare expenses	2,214.06	2,008.68
	<b>31,554.28</b>	<b>26,874.65</b>



## NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>32 FINANCE COST</b>		
Interest expenses	29,572.58	30,372.27
Other Borrowing Costs (includes bank charges, etc.)	683.42	254.63
Exchange differences regarded as an adjustment to borrowing costs	(715.69)	(134.31)
	<b>29,540.31</b>	<b>30,492.59</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>33 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on tangible assets	21,469.58	19,660.59
Amortisation on intangible assets	225.41	78.98
	<b>21,694.99</b>	<b>19,739.57</b>

	For the year ended 31 March 2017	For the year ended 31 March 2016
₹ /Lacs		
<b>34 OTHER EXPENSES</b>		
Packing material consumed	16,988.00	16,835.97
Stores and spares consumed	11,059.49	9,205.65
Repairs and maintenance:		
- Buildings	1,257.04	1,142.19
- Plant and machinery	8,342.29	7,037.29
- Other Assets	134.41	141.44
Other manufacturing expenses	1,107.74	940.06
Rent	3,351.32	1,774.73
Rates and taxes	641.58	270.80
Insurance	967.32	792.81
Power and fuel	66,451.05	82,864.00
Excise Duty Paid	63,260.16	58,325.83
Lease rent and hire charges	51.22	54.55
Travelling and conveyance	2,777.98	2,366.17
CSR expenses	322.69	464.05
Bad trade receivables / advances / deposits written off	1,000.00	133.62
Provision for doubtful trade receivables / advances / deposits	172.25	56.90
Net Loss on foreign currency transactions	0.03	3.49
Loss on disposal of Fixed Assets	26.77	16.20
Miscellaneous expenses	15,037.52	10,878.40
Sales tax/VAT	1,089.70	683.76
Selling and promotion expenses	11,695.23	10,473.03
Freight and forwarding	76,146.69	77,971.25
Advertisement and publicity	3,364.49	3,274.21
	<b>2,85,244.97</b>	<b>2,85,706.40</b>

# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

	₹ /Lacs
	For the year ended 31 March 2017
	For the year ended 31 March 2016
<b>35 EARNING PER SHARE</b>	
Total profit/ (loss) for the year	22,652.72
Weighted average number of equity shares of ₹ 10/- each (In lacs)	699.27
EPS - Basic and Diluted (₹)	<b>32.39</b>
	<b>8.27</b>

## 36. RELATED PARTIES

(1) (a) Parties where the control/significant influence exists:-

i) Yadu International Ltd

(b) Key Management Personnel & their Relatives:

i) Shri Yadupati Singhania

Chairman & Managing Director

ii) Smt. Shushila Devi Singhania

Relative of Chairman & Managing Director

iii) Shri Ajay Kumar Saraogi

President (Corp.Affairs) & CFO

iv) Shri Shambhu Singh

Company Secretary

v) Shri A.Karati

Non Executive Independent

vi) Shri J.N Godbole

Non Executive Independent

vii) Dr. K.B.Agarwal

Non Executive Independent

viii) Shri K.N.Khandelwal

Non Executive Non Independent

ix) Shri Raj Kumar Lohia

Non Executive Independent

x) Shri Suparas Bhandari

Non Executive Independent

xi) Shri Shyam Lal Bansal

Non Executive Independent

xii) Mr. Paul Heinz Hugentobler

Non Executive Non Independent

(c) Enterprises significantly influenced by Key Management Personnel or their Relatives

i) Jaykay Enterprises Ltd

ii) J.K. Cotton Ltd.

iii) Jaykaycem (Eastern) Ltd

iv) J.K.Cement(Western) Ltd

(Related parties relationship is as identified by the Company and relied upon by the Auditors).



## NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

(2) a) Following are the transactions with related parties as defined under section 188 of Companies Act 2013.

	₹ /Lacs	
	For the year ended	
	31 March 2017	31 March 2016
(i) Jaykay Enterprises Ltd		
- Services received	34.47	34.17
- Rent paid	47.71	43.80
- Expenses Reimbursed	50.60	50.11
(ii) J.K. Cotton Ltd		
- Rent paid	45.42	45.02
- Purchases	0.21	1.81
- Sale of Products		-
(iii) J.K. Cement(Fujairah)FZC		
Advances given	915.89	1,318.82
(iv) J.K. Cement(Western) Ltd		
Opening	15.00	15.00
Advances given during the year	-	-
Received during the year	15.00	
Balance as at close of the year	-	15.00
(v) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania(Chairman & Managing Director)		
-Remuneration	1,266.92	726.85
b) Smt Sushila Devi Singhania		
- Commission	8.00	7.00
- Sitting Fees	4.52	3.91
c) Shri Ajay Kumar Saraogi		
-Remuneration	197.34	171.91
d) Shri Shambhu Singh		
-Remuneration	38.15	31.82
e) Other Directors		
- Commission	64.00	49.00
-Sitting Fees	31.41	24.33
and ₹ 111.31 lacs (110.97 lacs) paid to other Director Mr. Paul Heinz Hugentobler on professional capacity.	111.31	110.94

### b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided (except corporate bank guarantee) or received for any related party receivables or payables. For the year ended 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### c) Compensation of key management personnel of the Group

	₹ /Lacs	
	For the year ended	
	31 March 2017	31 March 2016
- Short-term employee benefits	1,368.91	1,004.80
- Other long-term benefits	133.50	121.01

# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

## 37(1) ADDITIONAL INFORMATIONS, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/JOINT VENTURES

Name of Enterprise	Net Assets i.e. (Total Assets - Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Assets	Amount (₹ in lacs)	As % of Consolidated Profit	Amount (₹ in lacs)
<b>Parent</b>				
J.K.Cement Ltd.	82.82%	146048.09	117.06%	26516.17
<b>Subsidiary (Indian)</b>				
Jaykaycem Central Ltd.	0.37%	653.69	-0.01%	(3.14)
<b>Subsidiary including Fellow Subsidiary (Foreign)</b>				
J.K.Cement (Fujairah) FZC & J.K.Cement Works (Fujairah) FZC	17.03%	30028.28	-19.60%	(4437.31)
<b>Minority Interest in Foreign Subsidiary</b>				
	-0.23%	(398.74)	2.55%	576.73
<b>Joint Venture</b>				
Bander Coal Company Pvt. Ltd	0.01%	15.16	0.00%	0.26
<b>Total</b>	<b>100.00%</b>	<b>176346.48</b>	<b>100.00%</b>	<b>22652.71</b>

## 37 (2). SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES (PART-A)

S.No.	Name of the Subsidiary Company	Reporting Currency #	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Total Income	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend	% of Holding
1	J.K.Cement (Fujairah) FZC *	AED	19,830.39	(330.27)	45,506.17	26,006.05	44,148.40	689.14	30.28	-	30.28	-	100.00
2	J.K.Cement Works (Fujairah) FZC * (Fellow Subsidiary)	AED	20,391.00	(16,402.88)	1,03,863.38	99,875.26	-	26,586.27	(4,467.63)	-	(4,467.63)	-	90.00
3	Jaykaycem (Central) Ltd.	INR	659.01	(5.32)	5,275.94	4,622.25	-	0.34	(3.14)	-	(3.14)	-	100.00

### Notes ;

# Exchange Rate adopted for consolidation ₹ 18.507992 for 1 AED

\* Company having 31st December as a reporting date.

## 37 (3). SALIENT FEATURES OF FINANCIAL STATEMENTS OF JOINT VENTURES (PART-B)

S.No.	Name of Joint Venture	Latest Audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end	Description of how there is significant influence	Reason why the Joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year**
			Nos.	Amount of Investment in Joint Venture	Extent of Holding		Considered in Consolidation
1	Bander Coal Company Pvt. Ltd	31.03.2016	375000	37.50	37.50%	Share holding	Not Considered in Consolidation
							14.72
							0.26
							-

### Note ;

\*\* Financial Information is based on Unaudited Results



## NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

### 38.(A) CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

	As at 31-03-2017	As at 31-03-2016	₹ /Lacs As at 31-03-2015
(i) In respect of claims not acknowledged as debts by the Company	19,709.99	17,519.27	15,596.90
<b>OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE</b>			
(ii) In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts-no provision has been considered necessary by the Management			
a) Excise duty	1,662.53	1,732.71	1,636.40
b) Sales tax	887.72	3,159.88	3,057.80
c) Service tax	1,085.42	1,085.42	1,085.42
(iii) In respect of Interest on "Cement Retention Price" realised in earlier years	1,231.06	1,210.68	1,190.30
(iv) In respect of interest of Rajasthan Entry tax	4,150.61	3,718.82	3,272.60
(v) In respect of penalty of non lifting of fly ash	839.29	805.02	521.03
(vi) The Competition Commission of India CCI has imposed penalty of ₹ 128.54 crores and ₹ 9.28 crores in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders COMPAT has stayed the CCI order in first matter on deposit of ₹ 6.56 crores and Appeal is being heard. In second matter issued notice and stayed demand in the meantime, stay petition and appeal are yet to be heard. The Company, backed by a legal opinion, believes that it has a good case and accordingly no Provision has been made in the Accounts	13,782.00	-	12,854.00
(vii) In respect of demand raised by Karnataka Government for conversion of agricultural land into non agricultural land for mining purpose	560.17	-	-
<b>FINANCIAL GUARANTEES</b>			
(viii) Other Financial Guarantees including Joint Ventures	613.89	613.89	613.89
(ix) Gurantee issued by bankers on behalf of the company	-	412.98	383.40
(x) Dividend on preference shares	1,397.99	143.95	-

# NOTES

on consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

## 38.(A) CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS (CONTD.)

		₹ /Lacs		
		As at 31-03-2017	As at 31-03-2016	As at 31-03-2015
<b>B. COMMITMENTS</b>				
i)	Capital commitments	535.66	-	-
ii)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	1,319.83	7,562.87	11,132.05
iii)	Contractual Commitments for Lease			
	Non cancellable operating lease commitments ;			
	Not longer than one year	1,550.28	1,513.62	-
	Longer than one year and not longer than five years	6,201.13	6,054.48	-
	Longer than five years	18,603.39	19,677.05	-
<b>C. CONTINGENT ASSETS</b>				
i)	Insurance Claims	1,228.41	-	-

For P.L.Tandon and Co.,  
Chartered Accountants

ICAI Firm Regn. No. 000186C

**P.P. Singh**  
Partner  
Membership No - 072754

Place : Kanpur  
Dated : 13<sup>th</sup> May, 2017

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

**Smt.Sushila Devi Singhania**    **Yadupati Singhania**  
Director                                      Chairman & Managing Director

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

**Shambhu Singh**  
Company Secretary

**Achintya Karati**  
**Jayant Narayan Godbole**  
**Kailash Nath Khandelwal**  
**Krishna Behari Agarwal**  
**Paul Heinz Hugentobler**  
**Raj Kumar Lohia**  
**Shyam Lal Bansal**  
**Suparas Bhandari**

Directors



## SHAREHOLDERS GENERAL INFORMATION & GUIDANCE

1. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone Number, NECS/ECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number at any of our e-mail address viz. (a) [shambhu.singh@jkcement.com](mailto:shambhu.singh@jkcement.com), (b) [rc.srivastava@jkcement.com](mailto:rc.srivastava@jkcement.com), (c) [investorservices@jkcement.com](mailto:investorservices@jkcement.com), (d) [jkshr@jkcement.com](mailto:jkshr@jkcement.com) and send NECS/ ECS Mandate to the Registered Office of the Company.
2. The equity shares of your company are listed on the Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai and the same are compulsorily traded in dematerialized mode. Shareholders who wish to dematerialize their shareholdings may send their request on prescribed form (available with DP) alongwith share certificate(s)/ for dematerialisation through depository participant (DP) with whom they are maintaining a demat account. The ISIN of the Company is INE 823G01014.
3. The share holders who have not received corporate benefit i.e. share certificates, on account of shares held by them in Jay Kay Enterprises Ltd, dispatched by the company during April, 2005 may intimate the company by quoting reference of Folio No. / DP-ID and Client ID etc.
4. The share holders who have not received dividend warrants for the year 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 on account of their change in address or any other reason may write to the Company's Registrar & Transfer Agents, Jaykay Enterprises Ltd, Kamla Tower, Kanpur by quoting reference of their folio or DP-ID & Client ID.
5. The shareholders who wish to seek any information, clarification in respect of share transfer activities or status of their grievances may write to Company's Registrar Transfer Agent, Jaykay Enterprises Ltd, Kamla Tower, Kanpur at following email address: [shambhu.singh@jkcement.com](mailto:shambhu.singh@jkcement.com).
6. The share holders of physical segment who are having identical names in different folios are advised to consolidate their holdings in one folio which will facilitate the investors in receiving consolidate dividend on non-cash corporate benefit of future and would reduce un-necessary paper work and service cost.
7. The Investors who have not received Demat credit of shares allotted under public issue may write to us by quoting reference of their application no., name, address & No. of shares applied for.
8. Shareholders of physical segment who wish to notify change in their address may intimate complete new address with Pin code No. by quoting their Folio No. and proof of Address i.e. copy of telephone/electricity bill or any receipt of Municipal Corporation etc.  
  
The Shareholders who holds shares in electronic / Demat segment may notify their change in their address to the DP with whom they are maintaining a Demat account. No request for change in address from the holders of Demat segment will be entertained directly by the Company.
9. The shareholders who wish to make nomination may send their application on prescribed form under Companies Act 2013 and Rules frame thereunder. The said form is also available on company's website [www.jkcement.com](http://www.jkcement.com).
10. The Shareholders who holds shares in physical segment are mandatorily required to notify their updated Bank Account Details for printing on the Dividend Warrant as required in Sebi Circular No.CIR/MRD/DP/10/2013 dated 21.3.13.
11. Investor Facilitator Scheme ('Scheme') has been framed by J.K. Cement Ltd ('JKCL') to provide opportunity to its shareholders holding upto 100 shares in physical segment to dispose of their holding at Market Value without undergoing the process of dematerialisation of shares and other costs related thereto. Interested shareholders may contact at [shambhu.singh@jkcement.com](mailto:shambhu.singh@jkcement.com) or The Asst. Vice President (Legal) & Company Secretary, J.K. Cement Ltd, Kamla Tower, Kanpur-208001.





## Attendance Slip

**JK Cement LTD.**

(CIN:L17229UP1994PLC017199)

Regd. & Corporate Office:

Kamla Tower, Kanpur-208001 (U.P.) INDIA.

E-mail:shambhu.singh@jkcement.com

Website: www.jkcement.com

Phone:+91-512-2371478 to 81

Fax (Office): +91-512-2399854

### 23<sup>rd</sup> ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company at Sir Padampat Singhania Auditorium of the Merchants' Chamber of Uttar Pradesh,14/76, Civil lines, Kanpur on Saturday the 29th July, 2017, at 12:30 P.M.



Member's Folio/DP ID-client ID No.

Member's/Proxy's name In Block Letters

Member's /Proxy's Signature

**Note:**

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2016-17 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2016-17 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all members whose email is not registered or have requested for a hard copy.



# MANDATE FORM

(Mandate Form for receiving dividend by National Electronic Clearing Service (NECS)/Printing of Bank details on Dividend Warrant)

To  
J.K. Cement Ltd.  
Kamla Tower,  
Kanpur - 208 001.

Dear Sirs,

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY.

For shares held in physical form

Folio No.

For shares held in electronic form

D.P.Id

Client Id

FOR OFFICE USE ONLY

NECS

Ref.No.

Name of Sole/First holder

Bank name

Branch name

Branch code

( 9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a photo copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

## Account Type

[Please Tick (✓) wherever applicable]

Savings

Current

Cash Credit

A/c.No. (as appearing in the cheque book)

Effective date of this mandate

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company will not be held responsible. I agree to avail the NECS facility provided by RBI, as and when implemented by RBI/J.K.Cement Ltd. Further in case of NECS facility is not available in my city please print Bank details furnished by me on the dividend warrant.

I, further undertake to inform the Company any change in my Bank/branch and account number.

Dated:

(Signature of Sole/First holder)

## Notes:

- Whenever the Shares in the given folio are entirely dematerialised, then the NECS mandate form will stand rescinded.
- For Shares held in dematerialised mode nomination is required to be filled with the Depository Participant in their prescribed form.
- In case NECS facility is not available in your city then bank details furnished by you will be printed on dividend warrants.
- The Share holders who hold shares in physical mode should ensure that this mandate form duly completed in all respect & signed by the Sole/ First named holder should reach the company on or before July 22, 2017 after which date no request for registration of Mandate for the purpose of payment of dividend for the year 2016-17 will be entertained.
- The share holder of physical segment who do not wish to opt for NECS facility need not furnish 9 Digits Code Number appearing on the MICR band of the cheque supplied by the Bank and the photo copy of the blank cheque.
- The Shareholders who holds shares in physical segment are mandatorily required to notify their updated Bank Account Details for printing on the Dividend Warrant as required in Sebi Circular No.CIR/MRD/DP/10/2013 dated 21.3.13.



## Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

**JK Cement LTD.**

(CIN:L17229UP1994PLC017199)

Regd. & Corporate Office:

Kamla Tower, Kanpur-208001 (U.P.) INDIA.

E-mail: shambhu.singh@jkcement.com

Website : www.jkcement.com

Phone :+91-512-2371478 to 81

Fax : +91-512-2399854

Name of the member(s) .....

Registered address .....

E-mail ID .....

Folio/DP ID-Client ID No .....

I/We being the member(s) of ..... shares of J.K.Cement Limited hereby appoint:

1 Name ..... Address .....

E-mail id..... Signature .....Or failing him

2 Name ..... Address .....

E-mail id..... Signature ..... Or failing him

3 Name ..... Address .....

E-mail id..... Signature .....



As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held at Sir Padampat Singhania Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil lines, Kanpur on Saturday the 29th July, 2017 at 12:30 P.M. and at any adjournment thereof in respect of such resolutions are indicated below:

RESOLUTION NO.	RESOLUTIONS
<b>Ordinary Business</b>	
1	Adoption of Financial Statements (standalone & consolidated) for the year ended 31st March, 2017
2	Approval of dividend for 2016-17
3	Re-appointment of Mr. Paul Heinz Hugentobler (DIN 00452691) as Director who retires by rotation.
4	Appointment of M/s. S. R. Batliboi & Co, LLP, Chartered Accountants as Auditors for FY 2017-18 and fixing their remuneration.
<b>Special Business/Ordinary Resolutions</b>	
5	Ratification/confirmation of remuneration of Cost Auditor for the FY 2017-18
<b>Special Business/Special Resolutions</b>	
6	Issuance of Private Placed Non Convertible Debentures upto ₹ 500 Crores during 2017-18 under Section 42 & 71 of Companies Act, 2013
7	Qualified Institutions Placement for an amount not exceeding ₹ 1000 crores (Rupees One Thousand Crores) only by way of issuing equity shares of ₹ 10 each at such price or prices on each share, to Qualified Institutional Buyers.

Affix Revenue  
Stamp of ₹ 1/-

Signed this ..... day of ....., 2017

Signature of shareholder .....

Signature of Proxy holder(s) .....

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of Meeting.
2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 23rd Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

# CORPORATE INFORMATION

## Board of Directors

Yadupati Singhania, Chairman and Managing Director  
Smt. Sushila Devi Singhania  
Achintya Karati  
Jayant Narayan Godbole  
Dr. K.B. Agarwal  
Kailash Nath Khandelwal  
Paul Heinz Hugentobler  
Raj Kumar Lohia  
Suparas Bhandari  
Shyam Lal Bansal

## Bankers

Allahabad Bank  
Andhra Bank

Axis Bank  
Canara Bank  
Dena Bank  
Export Import Bank of India  
IDBI Bank Ltd.  
Indian Bank  
Indian Overseas Bank  
Jammu & Kashmir Bank  
National Bank of Fujairah  
Oriental Bank of Commerce  
State Bank of India  
Union Bank of India  
United Bank of India

## Registrar & Share Transfer Agent

Jaykay Enterprises Ltd.  
Kamla Tower, Kanpur-208001  
E-mail:jkshr@jkcement.com

## Management Team

Abhishek Singhania - Special Executive  
Raghavpat Singhania - Special Executive  
Madhavkrishna Singhania - Special Executive  
A.K. Saraogi, President (Corporate Affairs) & CFO  
Ashok Ghosh - President ( Education & CSR)  
Rajnish Kapur - Business Head - Grey Cement  
B.K. Arora, Business Head - White Cement  
Deepak Mehra - President (Marketing) - Grey Cement  
Niranjan Mishra - President (Marketing) - White Cement  
Christer Mikael Eriksson - CEO - J.K. Cement Works (Fujairah) - FZC  
Anil Kumar Agrawal - Senior Vice President (Tax & Management Service)  
R.B.M. Tripathi - Unit Head-Grey Cement - Karnataka  
S.K.Rathore - Unit Head- Grey Cement- Rajasthan  
Rajeev Sharma - Unit Head - White Cement - Rajasthan  
Harish Agarwal - Unit Head - Grey Cement - Haryana  
Ajay Mathur - Head (Marketing) - J.K. Cement Works (Fujairah)- FZC  
V.D.V. Singh - Head- Corporate HR  
Jitendra Singh - Chief Information Officer

## Company Secretary and Compliance Officer

Shambhu Singh

## Auditors

M/s P.L.Tandon & Co., Chartered Accountants,  
Westcott Building, The Mall, Kanpur - 208001

## Registered & Corporate Office

Kamla Tower, Kanpur – 208001, U.P.

## Central Marketing Office

Padam Tower, 19, DDA Community Centre, Okhla, Phase-1,  
New Delhi-110020

Plants	Locations
<b>INDIA</b>	
Grey Cement Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka Jharli, Dist: Jhajjar, Haryana
White Cement/Wall Putty Plants	Gotan, Dist. Nagaur, Rajasthan Village: Rupaind, Tehsil- Badwara, Distt. Katni, M.P.
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka Mangrol, Chittorgarh, Rajasthan
Waste Heat Recovery Power Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Chittorgarh, Rajasthan
<b>OVERSEAS</b>	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE



**JK SUPER**  
CEMENT  
BUILD SAFE



**JK PrimaxX**  
White Cement Based Wall Dressing



**JK Cement LTD.**

Registered and Corporate Office

Kamla Tower, Kanpur - 208001, Uttar Pradesh, INDIA

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