Company Overview, Basis of Preparation & Significant Accounting Policies

Note-1

I. Corporate & General Information

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

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

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 20, 2021.

II. Basis of Preparation of Financial Statements

(i) Statement of Compliance

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

(ii) Basis of Preparation

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

(iii) Basis of Measurement

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

(iv) Fair Value Measurement

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

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

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

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

(v) Current & Non-Current Classifications

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vi) Significant Accounting Judgements, Estimates and Assumptions

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to Accounting estimates are recgnised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

III. Significant Accounting Policies

(1) Property, Plant and Equipment

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

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

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

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

Depreciation methods, estimated useful lives and residual value.

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

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

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

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

(2) Investment Properties

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

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

The Residual Life, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

(3) Intangible Assets

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

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

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

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

Intangible Assets are amortized as follows:

- Computer Software : Over a period of five years

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

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

(4) **Research and Development Cost**

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

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

(5) **Inventories**

Inventories are carried in the balance sheet as follows :

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

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale

(6) **Cash and Cash Equivalents**

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks / Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value.

(7) **Impairment of Assets**

The carrying amounts of Property, Plant & Equipment, Intangible Assets and Investment Properties are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset or Cash Generating Unit (CGU) exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years. Recoverable amount is determined:-

- In the case of an Individual Asset, at the higher of the Fair Value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, and appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(8) Foreign Currency Translations & Transitions

(i) Functional and Presentation Currency

The Company's financial statements are presented in INR, which is also the Company's Functional and Presentation Currency.

(ii) Transaction and Balance

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is recognised to Statement of Profit & Loss.

(9) Financial Instruments.

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

1. Financial Assets

1.1 Definition

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

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

(i) Financial Assets at Amortised Cost

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

(ii) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(iii) Financial Assets at Fair value through Profit or Loss (FVTPL)

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

1.2 Trade Receivables

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

1.3 Investment in Equity Shares

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Statement of Profit and Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

1.4 Investment in Associates, Joint Ventures and Subsidiaries

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost.

1.5 Derecognition of Financial Assets

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or

- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial Liabilities

2.1 Definition

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

(a) Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(b) Subsequent Measurement

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

i) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortized Cost

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

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

2.2 Loans and Borrowings

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

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

2.3 Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initiallyrecognized less cumulative amortization.

2.4 Trade and Other Payables

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

2.5 De-recognition of Financial Liability

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

3. Offsetting of Financial Instruments

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

4. Derivative Financial Instruments

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

(10) Grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

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

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

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

(11) Equity Share Capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

(12) Provisions, Contingent liabilities, Contingent Assets and Commitments

i) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

ii) **Contingent liability**

Contingent liability is disclosed in the case of:

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

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

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

iii) **Other Litigation Claims**

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

iv) **Onerous Contracts**

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

iv) **Contingent Asset**

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

(13) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) **Sale of Goods**

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

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

ii) **Non-cash incentives**

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

iii) **Power Distribution**

Revenue from Power Distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

iv) **Dividend Income**

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

v) **Lease Incentives**

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Leases rentals are recognized on straight –line basis as per the terms of the agreements in the statement of profit and loss.

vi) **Interest Income**

For all Financial instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

vii) **Renewable Energy Certificate**

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on Sale of REC. Income from Sale of RECs is recognized on the delivery to the Customers' account.

viii) **Export Benefit**

Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss on accrual basis.

(14) **Employees Benefits**

i) **Defined Contribution Plans**

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) **Defined Benefit Plans**

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) **Short-term Employee Benefits**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) **Long-term Employee Benefit**

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

v) **Termination Benefits**

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

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

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

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

(15) **Borrowing Costs**

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

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

(2) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company

that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

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

(16) Leases

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

a) Company as a lessee

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

i) Right-of-use assets

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

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

ii) Lease liabilities

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

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

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

iii) Short-term leases and leases of low-value assets

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

b) Company as a Lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(17) Taxes on Income

a) Current Tax

i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred Tax**

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

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

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

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

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

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

(18) Exceptional Items

On certain non-recurring occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(19) Earnings Per Share (EPS)

i) **Basic earnings per share**

Basic earnings per share is calculated by dividing

- The Profit or Loss attributable to Equity Shareholders of the Companyby the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) **Diluted earnings per share**

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

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

(20) Segment Accounting

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementious Materials.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Vice Chairman & Managing Director (Chief Operating Decision Maker).

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on each segments profit or loss and is measured consistently with profit or loss in the financial statements.

(21) Cash dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity. Interim dividends are recognised as a liability on the date of declaration by the Company's Board of directors.

IV. Recent pronouncement

a) Amendment to CSR requirement

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated 22 January 2021, related with utilization of the unspent amount earmarked for CSR activities. Further, the amendments also permit a Company which spends an amount in excess of the prescribed CSR amount of 2%, to set-off excess amount against the requirement to spend up to immediately succeeding three financial years subject to the fulfilment of certain conditions.

b) Amendment in Schedule -III

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:-

i. Lease Liabilities should be separately disclosed under the head 'Financial Liabilities' duly distinguished as current and non-current.

ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

iii. Specified format for disclosure of shareholding of promoters.

iv. Specified format for ageing schedule of Trade Receivables, Trade Payables, Capital Work in Progress and Intangible Assets under development.

v. If a Company has not used the funds for the specific purpose for which it was borrowed from Banks and Financial Institutions, then disclosure of details of where it has been used.

vi. Specific disclosure under 'additional regulatory requirement' such as compliance with the approved scheme of arrangements, compliance with the number of layers of Companies, title deeds of immovable property not held in the name of the Company, Loans and Advances to Promoters, Directors, Key Managerial Personnel(KMP) and Related Parties, details of benami property held etc.

Statement of profit or loss:-

i. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Note-2 Property, Plant and Equipment

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles and Locomotives	Railway Siding	Total
Gross Block									
As at 1st April'2019	237.35	56.29	208.20	2,759.05	4.36	6.65	39.63	10.43	3,321.96
Additions/Adjustments	17.56	0.41	17.81	298.16	0.21	1.68	5.47	0.67	341.97
Disposals/Adjustments	-	-	0.02	1.99	-	0.04	14.02	-	16.07
As at 31st March'2020	254.91	56.70	225.99	3,055.22	4.57	8.29	31.08	11.10	3,647.86
Additions/Adjustments	6.56	0.84	3.92	29.63	2.04	1.52	2.67	-	47.18
Disposals/Adjustments	0.17	-	-	5.80	-	-	4.44	-	10.41
As at 31st March'2021	261.30	57.54	229.91	3,079.05	6.61	9.81	29.31	11.10	3,684.62
Accumulated Depreciation									
As at 1st April'2019	-	1.86	48.37	605.61	2.78	4.04	23.24	2.67	688.57
Charged For the Year	-	0.50	12.87	164.34	0.39	0.99	4.97	0.72	184.78
On Disposal	-	-	-	1.89	-	0.03	11.47	-	13.39
As at 31st March'2020	-	2.36	61.24	768.06	3.17	5.00	16.74	3.39	859.96
Charged For the Year	-	0.50	12.83	169.43	0.62	1.08	4.18	0.72	189.36
On Disposal	-	-	-	3.20	-	-	3.31	-	6.51
As at 31st March'2021	-	2.86	74.07	934.29	3.79	6.08	17.61	4.11	1,042.81
Net Carrying Amount									
As at 31st March'2020	254.91	54.34	164.75	2,287.16	1.40	3.29	14.34	7.71	2,787.90
As at 31st March'2021	261.30	54.68	155.84	2,144.76	2.82	3.73	11.70	6.99	2,641.81

1) Leasehold Land Includes ₹ 4.02 crore (previous year ₹ 2.82 crore) pending transfer of title in the name of the Company.

Note-2A Capital-Work-in-Progress (CWIP)

Movement in capital-work-in-progress	As at March 31, 2021	As at March 31, 2020
Opening	151.89	411.07
Addition during the year	129.76	77.59
Capitalised during the year	23.23	306.54
Provision for Impairment (refer note 1)	30.92	30.23
Closing	227.50	151.89

1) Exceptional item of Rs. 30.92 (Previous year Rs 30.23 crore) during the year represents diminution in the value of capital-work-in-progress due to impairment of carrying cost of an asset under construction at the company's Durg Cement Plant.

Note-3 Investment Property

₹ In Crore (10 Million)

Particulars	Freehold Land	Leasehold Land	Buildings	Total
Gross Block				
As at 1st April'2019	₹ 34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March'2020	34,812	0.04	0.71	0.76
Additions/Adjustments	-	-	-	-
Disposals/Adjustments	₹ 884	-	-	-
As at 31st March'2021	₹ 33,928	0.04	0.71	0.76
Accumulated Depreciation				
As at 1st April'2019	-	25,936	0.20	0.20
Charged For the Year	-	₹ 6,484	0.05	0.05
On Disposal				
As at 31st March'2020	-	₹ 25,936	0.25	0.26
Charged For the Year	-	₹ 3,242	0.05	0.05
On Disposal	-	-	-	-
As at 31st March'2021	-	₹ 29,178	0.30	0.32
Net Carrying Amount				
As at 31st March'2020	₹ 34,812	0.04	0.46	0.50
As at 31st March'2021	**₹ 33,928**	**0.03**	**0.41**	**0.44**
Fair Value*				
As at 31st March'2020				5.09
As at 31st March'2021				2.74
Rental Income				
For the FY 2019-20				0.65
For the FY 2020-21				0.62

Note : There is no material expenses incurred for the maintenance of investment properties derived out of the same.
*Based upon realisation value as calculated by independent valuer.
Figure with ₹ symbol represents absolute figure.

Note-3A Right of Use Assets

Particulars	ROU Assest
As at 1st April'2019	13.76
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2020	13.76
Additions/Adjustments	9.17
Disposals/Adjustments	-
As at 31st March'2021	22.93
Accumulated Depreciation	
As at 1st April'2019	-
Charged For the Year	2.24
Disposal	-
As at 31st March'2020	2.24
Charged For the Year	3.53
Disposal	-
As at 31st March'2021	5.77
Net Carrying Amount	
As at 31st March'2020	11.52
As at 31st March'2021	17.16

The Company has lease contracts for various building (ofice premises) and plants used in its operations. Lease of office premises and plants have lease terms between 9 year to 10 years. The Company also has certain lease with lease terms of 12 months and less. The Company applies the 'short term leases' recognition exemption for these leases.

The following are the amounts recognised in statement of profit and loss as per IND AS 116

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense of right of use assets	3.53	2.24
Interest expense on lease liabilities	2.28	1.34
Expense relating to leases of short-term / low value assets (included in other expenses)	12.91	16.71
Total amount recognised in statement of profit and loss	**18.72**	**20.29**

	Year Ended March 31, 2021	Year Ended March 31, 2020
Total cash outflow for leases	17.75	19.60
Financing activities		
Repayment of principal	2.56	1.55
Repayment of interest	2.28	1.34
Operating activities		
Short term / low value assets lease payment	12.91	16.71

Note-4 Intangible Assets

₹ In Crore (10 Million)

Particulars	Software
Gross Block	
As at 1st April'2019	7.20
Additions/Adjustments	0.01
Disposals/Adjustments	-
As at 31st March'2020	7.21
Additions/Adjustments	-
Disposals/Adjustments	-
As at 31st March'2021	7.21
Accumulated Amortisation	
As at 1st April'2019	2.14
Charged For the Year	1.28
On Disposal	-
As at 31st March'2020	3.42
Charged For the Year	1.25
On Disposal	-
As at 31st March'2021	4.67
Net Carrying Amount	
As at 31st March'2020	3.79
As at 31st March'2021	2.54

Note-5 Non Current Investment

₹ In Crore (10 Million)

Particulars	As at 31st March 2021 Numbers	As at 31st March 2021 Amount	As at 31st March 2020 Numbers	As at 31st March 2020 Amount
Investment in Equity Shares				
Subsidiaries- At Cost				
Udaipur Cement Works Limited (₹ 4 each)	225,892,781	128.88	225,892,781	128.88
Udaipur Cement Works Limited -Equity Component*		34.90		34.90
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	116,050,007	116.05	116,050,007	116.05
Associate- At Cost				
Dwarkesh Energy Ltd (₹ 10 each)	350,000	0.35	350,000	0.35
Others- Fair Value through Profit and Loss				
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	-	4,396,136	-
Sungaze Power Pvt Ltd. (₹ 14.66 each)	1,432,308	2.10	1,432,308	2.10
Investment in Preference Shares- Fair Value Through Profit and Loss				
Subsidiary				
Udaipur Cement Works Limited (5% cumulative redeemable preference shares) (₹ 100000 each)	6,600	50.30	6,600	47.00
Udaipur Cement Works Limited (6% cumulative redeemable preference shares) (₹ 100 each)	500,000	6.09	500,000	5.79
Associate				
Dwarkesh Energy Ltd. (7% optionally convertible cumulative redeemable preference shares) (₹ 100 each)	1,100,000	12.95	1,100,000	11.90
Others				
V. S. Lignite Power Pvt. Ltd. (0.01%) (₹ 10 each) #	3,899,777	-	3,899,777	-
Other Investments in Subsidiary				
Capital Contribution on account of Financial Guarantee		31.69		20.33
		383.31		367.30
Aggregate carrying amount of quoted investment		128.88		128.88
Aggregate market value of quoted investment		458.56		170.32
Aggregate amount of unquoted investment		254.43		238.42

* Equity component of 5% cumulative redeemable preference shares
# Under lien with issuer
Note :- All Investments other than Investment in equity shares of Udaipur Cement Works Limited are unquoted.

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-6 Loans		
Unsecured, Considered Good:		
Security Deposits	38.48	43.03
Loan to Related Parties (refer note 53)	16.84	17.13
Secured		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	55.32	60.16
Note : No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.		
Note-7 Other Non Current Financial Assets		
Unsecured, Considered Good:		
Bank Deposits with original maturity for more than 12 months*	2.13	0.71
	2.13	0.71
* Under lien		
Note-8 Other Non-Current Assets		
Unsecured, Considered Good:		
Capital Advances	25.80	37.80
Deferred Expenditure	2.26	1.81
	28.06	39.61
Note-9 Inventories (at lower of cost or net realisable value)		
Raw Materials	18.27	20.17
Work -in -progress	45.42	87.78
Finished Goods	28.66	41.22
Stock-in -Trade	1.08	2.60
Stores and Spares (Including in transit ₹ 32.28 crore (previous year ₹ 91.71 crore)	206.90	251.92
Packing Materials	15.17	9.15
	315.50	412.84
For hypothecation refer note 23		
Note-10 Current Investment		
Investment at fair value through Profit & Loss		
Investment in quoted Non Convetible Debentures	110.30	127.63
Investment in quoted mutual funds	257.03	289.31
	367.33	416.94
Aggregate book value of quoted investments	367.33	416.94
Aggregate market value of quoted investments	367.33	416.94
Aggregate book value of unquoted investments	-	-

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-11 Trade Receivables@		
Considered good - Secured	5.26	8.99
Considered good - Unsecured	48.42	79.23
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	5.52	3.92
Less :- Provision/Allowances for doubtful debts	(5.52)	(3.92)
	53.68	88.22
@ Contract Assets as Per IND AS 115		
For Hypothecation Refer Note 23		
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.		
Note-12 Cash and Cash Equivalents		
On Current Account	23.32	1.14
Cheques , Draft on hand/transit	1.13	0.25
Cash on hand	0.30	0.35
Deposits with original maturity for less than 3 months	20.91	-
	45.66	1.74
Note-13 Bank Balances Other than Cash and Cash Equivalents		
Deposits with original maturity for more than 3 months but less than 12 months*	311.89	27.70
On Unpaid Dividend Accounts	1.54	2.00
	313.43	29.70
* Includes ₹ 4.60 crore (previous year ₹ 4.39 crore) under lien		
Note-14 Loans		
Unsecured, Considered Good:		
Loans to Related Party (refer note 53)	43.33	43.33
	43.33	43.33
Note-15 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Receivables (Railway claims, Insurance claims, Subsidy and other receivables)		
Considered good - Unsecured	8.44	8.75
Credit Impaired	4.22	4.22
Less: Provision for doubtful	(4.22)	(4.22)
	8.44	8.75
Interest Receivable from Banks and others	15.47	3.18
Advances to Employees (Loans)	0.54	0.72
Marked to Market Gain	0.56	2.12
	25.01	14.77
Note-16 Other Current Assets (unsecured considered good unless otherwise stated)		
Prepaid expenses	13.07	9.88
Balance with Govt. Authorities	61.62	62.41
Other Advances*	63.77	44.39
Deferred Expenditure	0.74	0.47
	139.20	117.15

*Includes advances to related party amounting of ₹ 19.33 crore (previous year ₹ 8.70 crore) Unsecured, Considered Good, otherwise stated.

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-17 Equity Share Capital		
SHARE CAPITAL		
Authorised :		
Equity Shares - 250,000,000 (Previous year 250,000,000) of ₹ 5 each	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00
Issued, Subscribed and Paid up :		
Equity Shares (with equal rights) 117,670,066 (Previous year 117,670,066) of ₹ 5 each fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	58.85	58.85

a. Reconciliation of number of Share Outstanding :	31st March 2021	31st March 2020
Opening Balance	117,670,066	117,670,066
Shares Issued during the year	-	-
Shares Outstanding at the end of the year	117,670,066	117,670,066

b. List of shareholders holding more than 5% of the equity share capital of the Company:	Number	Number
Shareholder name		
Bengal & Assam Company Ltd.	52,099,121	52,388,321
Franklin Templeton Mutual Fund	10,870,030	10,870,030

c. **Terms/ right attached to equity shareholders :**

i) The Company has only one class of Equity Shares having a par value of Rs 5 per share. Each holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

d. **Nature of Reserves :-**

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

Securities Premium:- Represents the amount received in excess of Par value of Securities.

Debenture Redemption Reserve :- Represents the Statutory Reserve for Non Convertibles Debentures issued by the Company.

e. During the last five years, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

Note-18 Non Current Borrowings

₹ In Crore (10 Million)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Non Current	Current*	Non Current	Current*
SECURED LOANS				
Bonds/Debentures				
Redeemable Non- Convertible Debentures	-	149.79	149.34	91.60
Term Loans				
From Banks	653.07	179.84	877.13	178.93
From Government	41.26	-	33.36	-
Term Loan In Foreign Currency	36.26	-	-	-
	730.59	329.63	1,059.83	270.53
UNSECURED LOANS				
Public Deposits	45.83	4.69	18.34	13.21
	45.83	4.69	18.34	13.21
Less:- current maturities of long term debt Shown under Note No- 25	-	334.32	-	283.74
	776.42	-	1,078.17	-

* Due & payable within one year

1 9.15% Secured Redeemable Privately Placed Non-Convertible Debentures of Series C of ₹ 150 Crore are redeemable at the end of 5th year from the date of allotment i.e. 6th January 2017

2 The NCDs are secured by way of a first charge on all the immovable and movable fixed assets pertaining to the Company's Cement Unit in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for working capital on specified movables assets.

3 Term Loans from Banks aggregating to ₹ 46.25 Crore are secured by way of a first charge on all the immovable and movable fixed assets pertaining to the Company's Cement Unit in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for Working Capital on specified movables assets. These Term Loans are repayable as under:

a) Term Loan of ₹ 8.75 crore is repayable in 4 equal quarterly instalments.

b) Term Loan of ₹ 37.50 crore is repayable in 12 equal quarterly instalments.

4 Foreign Currency Term Loan from a Bank of ₹ 36.26 Crore are secured by way of a first charge on all the immovable and movable fixed assets pertaining to the Company's Cement Unit in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for working capital on specified movables assets. This Foreign Currency Term Loan is repayable in 7 unequal annual instalments commencing from 28th September 2023.

5 Term Loan from a Bank of ₹ 8.75 Crore & ₹ 24.06 Crore are secured by way of an exclusive first charge on immovable & movable fixed assets of the Company's Cement Grinding Units in the State of Haryana. These Term Loans are repayable in 4 & 11 equal quarterly instalments respectively.

6 Term Loan from a Bank of ₹ 10.00 Crore is secured by way of an exclusive first charge on movable fixed assets of the Company's AAC Block Unit in the State of Haryana,. This Term Loan is repayable in 8 equal quarterly instalments.

7 Term Loan from a Bank of ₹ 15.00 Crore is secured by way of an exclusive first charge on immovable & movable fixed assets of the Company's 6 MW Solar Power Plant in the State of Rajasthan. This Term Loan is repayable in 12 equal quarterly instalments

8 Term Loan from a Bank of ₹ 108.49 Crore is secured by way of an exclusive first charge on all the immovable and movable fixed assets of the Company's Cement Grinding Unit in the State of Gujarat. This Term Loan is repayable in 19 equal quarterly instalments

9 Term Loans from Banks aggregating to ₹ 450.00 Crore are secured by way of first pari passu charge on all the immovable and movable fixed assets of the Company's Cement Plant in the State of Chattisgarh. These Term Loans from Banks are repayable in 18 equal quarterly instalments.

10 Term Loan from a Bank of ₹ 90.05 Crore is secured by way of an exclusive charge on movable fixed assets of the Company's 20 MW Thermal Power Plant at Durg, Chattisgarh. This Term Loan is repayable in 46 unequal quarterly instalments.

11 Term Loan from a Bank of ₹ 81.96 Crore is secured by way of an exclusive first charge on all the immovable & movable fixed assets of the Company's Cement Grinding Unit at Cuttack, Odisha. This Term Loan is repayable in 51 equal quarterly instalments

12 Interest Free Loan (IFL) from The Director of Industries & Commerce, Haryana of ₹ 57.61 Crore granted to Company in relation to its Cement Grinding Unit at Jhajjar, Haryana, is secured by Bank Guarantee of equivalent amount and shall be repaid at the end of 5th year from the respective disbursement dates. The said IFL is recognised on amortised cost basis.

13 Public Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 1, 2 & 3 years from the date of deposits.

14 The above outstanding NCDs/Term Loans are net of the Processing charges as per IND AS 109

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-19 Other Non Current Financial Liabilities		
Trade and other Deposits	152.07	142.00
Other Liabilities	46.11	43.13
Financial Obligation of Guarantee	31.69	20.33
Lease Liabilities	13.92	9.32
	243.79	214.78
Note-20 Non Current Provisions		
Provision for Employees' Benefits	13.54	11.41
	13.54	11.41
Note-21 Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Related to Property, Plant and Equipments	427.33	428.06
Others	0.60	0.89
Less: Deferred Tax Assets		
Expenses / Provisions allowable	79.16	74.11
Unabsorbed Depreciation & Brought Forward Business Losses	-	83.79
Others	7.85	6.41
MAT Credit Entitlement	276.80	244.18
Deferred Tax Liabilities (Net)	64.12	20.46
Note-22 Other Non-Current Liabilities		
Deferred Revenue*	10.04	12.32
Liability for Employees Subsidised Car Scheme	5.98	5.59
Government and other dues	168.48	163.43
	184.50	181.34

* Including on account Government Grant of ₹ 10.04 crore (Previous year ₹ 12.32 crore)

	As at 31st March 2021	As at 31st March 2020
Note-23 Short Term Borrowings		
Secured Loans		
Working Capital Borrowing from Banks	-	99.10
Unsecured Loans		
Public Deposits	13.98	5.71
	13.98	104.81

Working Capital Borrowings from Banks are secured / to be secured by hypothecation of Stocks and Book Debts etc. of the Company, both present & future and by a second charge on the movable & immovable Fixed Assets of the Company's Cement Plants in the States of Rajasthan and Chattisgarh (except those assets which are exclusively charged to other lenders)

₹ In Crore (10 Million)

	As at 31st March 2021	As at 31st March 2020
Note-24 Trade Payables		
Micro and Small Enterprises (refer note 64)	12.62	7.51
Others	383.62	460.98
	396.24	468.49
Note-25 Other Current Financial Liabilities		
Current maturities of long-term debts (Refer Note-18)	334.32	283.74
Interest Accrued but not due on borrowings	6.22	9.14
Unclaimed dividends #	1.54	2.00
Unclaimed matured Public Deposits and interest #	0.92	1.12
Capital Creditors	10.41	24.37
Other liabilities	254.39	211.45
Lease Liabilities	4.92	2.89
	612.72	534.71

Investor Education and Protection Fund will be credited as and when due.

	As at 31st March 2021	As at 31st March 2020
Note-26 Other Current Liabilities		
Advance from Customers @	88.37	79.70
Government and other dues	177.39	133.48
Deferred Revenue*	4.91	4.34
	270.67	217.52

@ Contract Liabilities as Per IND AS 115

* Including on account Government Grant of ₹ 4.91 crore (Previous Year ₹ 4.34 crore)

	As at 31st March 2021	As at 31st March 2020
Note-27 Current Provisions		
Provision for Employees' Benefit	5.08	5.49
	5.08	5.49
Note-28 Current Tax Liabilities/(Assets) (Net)		
Provision for Taxation (Net of Taxes Paid)	1.43	(1.79)
	1.43	(1.79)

₹ In Crore (10 Million)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-29 Revenue From Operations@		
Revenue from contracts with customers		
Sale of products		
Cement*	3,881.15	3,542.62
Others	499.88	497.25
Other Operating Revenues	3.68	3.63
* Refer note 61	4,384.71	4,043.50
@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115		
Note-30 Other Income		
Interest Income	21.93	7.04
Interest income from other finanical asset at amortised cost	6.17	5.79
Profit on sale* of		
Current Investments	33.70	26.53
Profit/(loss) on Sale of Property Plant & Equipments (Net)	1.48	3.16
Other Non - Operating Income	11.19	7.56
	74.47	50.08
* Inclusive of fair value gain of ₹14.57 crore (Previous year gain of ₹ 16.56 crore)		
Note-31 Cost of Material Consumed		
Raw Material Consumed (refer note 52)	671.84	611.35
	671.84	611.35
Note-32 Purchse of Stock - in - Trade		
Purchase of Traded goods	355.61	312.01
	355.61	312.01
Note-33 Change In Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade		
Opening stocks		
Work in progress	87.78	32.43
Finished Goods	41.22	25.80
Stock-in-Trade	2.60	0.56
	131.60	58.79
Closing stocks		
Work in progress	45.42	87.78
Finished Goods	28.66	41.22
Stock-in-Trade	1.08	2.60
	75.16	131.60
Less : Preoperative period Stocks	-	(0.78)
	56.44	(72.03)
Note-34 Employee Benefit Expense		
Salaries and Wages	280.87	264.16
Contribution to Provident and Other Funds	18.58	19.01
Staff Welfare Expenses	27.53	28.79
	326.98	311.96

₹ In Crore (10 Million)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Note-35 Power and Fuel		
Power and Fuel	779.77	843.85
	779.77	843.85
Note-36 Transport, Clearing & Forwarding charges		
Transport, Clearing & Forwarding charges	883.16	817.57
	883.16	817.57
Note-37 Finance Cost		
Interest expenses*#	133.69	155.99
Interest expenses at amortised cost	7.34	6.44
Other borrowing cost	1.49	1.99
	142.52	164.42
* Refer note 61 #net of finance cost capitalised refer note 51.		
Note-38 Depreciation and Amortization Expense		
Depreciation on Property, Plant and Equipment	189.41	184.83
Amortisation on Intangible Assets	1.25	1.28
Amortisation on ROU Assets	3.53	2.24
	194.19	188.35
Note-39 Other Expenses		
Consumption of Stores and Spares*	109.86	122.55
Consumption of Packing Materials	145.30	132.35
Rent (Net of realisation ₹ 0.80 crore, previous year ₹ 0.84 crore)	12.91	16.71
Repairs to Buildings	5.64	6.22
Repairs to Machinery	40.18	45.24
Insurance	7.31	3.57
Rates and Taxes	5.14	8.89
Commission on Sales	62.32	49.86
Directors' Fee & Commission	1.12	0.85
Provision for Doubtful Debts	1.61	0.79
Advertisement and Sales Promotion	51.43	67.04
Travelling, Consultancy & Misc. expenses etc.#	78.34	92.34
	521.16	546.41
* Refer note 61 # Refer note 62		
Note-40 Earning Per Equity Share		
Profit after tax	363.82	235.23
Weighted average number of equity shares outstanding	117670066	117670066
Basic Earnings per equity share (₹): (Face value of ₹ 5 each)	30.92	19.99
Diluted Earnings per equity share (₹): (Face value of ₹ 5 each)	30.92	19.99

JK Lakshmi Cement Limited
Notes Accompanying the Financial Statement

Note-41 Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the board of Directors. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

41.1 **Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Company has an elaborate risk management system to inform board members about risk management and minimization procedures.

a) **Foreign Currency Risk:** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Companymakes certain imports in foreign currency& therefore is exposed to foreign exchange risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

<u>Foreign Currency Sensitivity</u>

The following table demonstrates the sensitivity to a reasonable possible change of US $ with 'all other variables held constant. The impact on the Company's profit/(loss)before tax due to changes in foreign exchange rate :

₹ in Crore (10 Million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Appreciationin USD	+ Rs.0.25	+ Rs.0.25
Effect on profit/(loss) before tax	(0.17)	(0.32)
Depreciation in USD	- Rs.0.25	- Rs.0.25
Effect on profit/(loss) before tax	0.17	0.32

b) **Interest Rate Risk:-** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of fixed &floating rate borrowings as also a mix of rupee & foreign currency borrowings. The following table shows the blend of Company's fixed & floating rate borrowings in Indian rupee & in foreign currency :

₹ in Crore (10 Million)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Loans in Rupees		
	- Fixed Rate	214.29	278.20
	- Floating Rate	832.91	1155.16
	- Interest Free	41.26	33.36
	Total	1088.46	1466.72
2	Loans in US $		
	- Fixed Rate	-	-
	- Floating Rate	36.26	-
	Total	36.26	-
3	Grand Total (1+2)	1124.72	1466.72

The Company regularly scans the market & interest rate scenario to find appropriate financial Instruments & negotiates with the lenders in order to reduce the effective cost of funding.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Increase in interest in basis points	+ 25	+ 25
Effect on profit/(loss) before tax	(2.17)	(3.39)
Decrease in interest in basis points	- 25	- 25
Effect on profit/(loss) before tax	2.17	3.39

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) **Commodity Price Risk and Sensitivity:**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check, cost of material is hedged to the extent possible.

41.2 **Credit Risk:**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables:- Customer credit risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing bank guarantees/letter of credits/part advance payments/post dated cheques. The outstanding's of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

The aging of trade receivables are as below:-

₹ in Crore (10 Million)

Particulars	Neither Due not Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
As at 31st March'2021					
Secured	4.62	0.58	-	0.06	5.26
Unsecured	34.14	4.56	0.77	14.47	53.94
Gross Total	**38.76**	**5.14**	**0.77**	**14.53**	**59.20**
Provision for doubtful	-	-	-	(5.52)	(5.52)
Net total	**38.76**	**5.14**	**0.77**	**9.01**	**53.68**
As at 31st March'2020					
Secured	4.11	4.61	0.16	0.11	8.99
Unsecured	32.73	40.25	2.92	7.25	83.15
Total	**36.84**	**44.86**	**3.08**	**7.36**	**92.14**
Provision for doubtful	-	-	-	(3.92)	(3.92)
Net Total	**36.84**	**44.86**	**3.08**	**3.44**	**88.22**

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

41.3 **Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities:

The following table provides undiscounted cash flows towards financial liabilities* into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

₹ in Crore (10 Million)

S.No	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	As on 31st March, 2021					
	- Borrowings	1143.37	348.51	660.04	134.82	1143.37
	- Trade Payables	396.24	396.24	-	-	396.24
	- Other Liabilities	459.48	275.52	8.16	175.80	459.48
	- Lease Liabilities	26.67	4.99	18.88	2.80	26.67
	Total	**2025.76**	**1025.26**	**687.08**	**313.42**	**2025.76**
	As on 31st March, 2020					
	- Borrowings	1486.96	388.55	872.63	225.78	1486.96
	- Trade Payables	468.49	468.49	-	-	468.49
	- Other Liabilities	433.22	248.08	8.16	176.98	433.22
	- Lease Liabilities	17.58	3.14	10.97	3.47	17.58
	Total	**2406.25**	**1108.26**	**891.76**	**406.23**	**2406.25**

Note-42 Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings	1124.72	1466.72
Less: Cash and cash equivalents (Including current investments & other bank balances)	726.42	448.38
Net Debt	**398.30**	**1018.34**
Equity share capital	58.85	58.85
Other equity	2020.07	1653.83
Total Capital	**2078.92**	**1712.68**
Capital and Net Debt	**2477.22**	**2731.02**
Gearing Ratio	16.08%	37.29%

The Company monitors capital using a gearing ratio, which is net debt divided by total Capital plus net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note-43 Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

₹ in Crore (10 Million)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets				
(i) At Fair Value through Profit and Loss				
(a) Investments				
- Equity Shares	2.10	2.10	2.10	2.10
- Mutual Funds	257.03	257.03	289.31	289.31
- NCD's & others	110.30	110.30	127.63	127.63
- Preference Shares*	104.24	104.24	99.59	99.59
(b) Financial Guarantee	31.69	31.69	20.33	20.33
Total (i)	**505.36**	**505.36**	**538.96**	**538.96**
(ii) At Amortized Cost				
a) Bank FDs	334.93	334.93	28.41	28.41
b) Cash & Bank Balances	26.29	26.29	3.74	3.74
c) Trade Receivables	53.68	53.68	88.22	88.22
d) Loans	98.65	98.65	103.49	103.49
e) Others	25.01	25.01	14.77	14.77
Total (ii)	**538.56**	**538.56**	**238.63**	**238.63**
Total (A)	**1043.92**	**1043.92**	**777.59**	**777.59**
B. Financial Liabilities				
(i) At FVTPL				
- Financial Guarantee	31.69	31.69	20.33	20.33
(ii) At Amortized Cost				
- Borrowings	1124.72	1124.72	1466.72	1466.72
- Trade Payables	396.24	396.24	468.49	468.49
- Other Financial Liabilities	459.48	459.48	433.22	433.22
Total (ii)	**1980.44**	**1980.44**	**2368.43**	**2368.43**
	2012.13	**2012.13**	**2388.76**	**2388.76**

* Including Equity Component

Fair Valuation Techniques:

The Company maintains policies and procedures to value financial assets &financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i. **Level 1:** Quoted prices in active markets.

ii. **Level 2:** Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

iii. **Level 3:** Inputs that are not based on observable market data.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

(A) Financial Assets ₹ in Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	104.24	-
- Mutual Funds	257.03	-	-
- NCD and Others	-	110.30	-
- Financial Guarantee	-	-	31.69
Financial Assets at Amortized Cost			
- Bank FDs	-	334.93	-
- Cash & Bank Balances	-	26.29	-
- Trade Receivable	-	-	53.68
- Loans	-	-	98.65
- Others	-	-	25.01
Total Financial Assets	**257.03**	**576.76**	**211.13**
As at 31st March'2020			
Financial Assets at FVTPL			
- Unquoted Equity Shares	-	-	2.10
- Unquoted Preference Shares	-	99.59	-
- Mutual Funds	289.31	-	-
- NCD and Others	-	127.63	-
- Financial Guarantee	-	-	20.33
Financial Assets at Amortized Cost			
- Bank FDs	-	28.41	-
- Cash & Bank Balances	-	3.74	-
- Trade Receivable	-	-	88.22
- Loans	-	-	103.49
- Others	-	-	14.77
Total Financial Assets	**289.31**	**259.37**	**228.91**

(B) Financial Liabilities

Particulars	Level 1	Level 2	Level 3
As at 31st March'2021			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	31.69
Financial Liabilities at Amortized Cost			
- Borrowings	-	1124.72	-
- Trade Payables	-	-	396.24
- Other Financial Liabilities			459.48
Total Financial Liabilities	**-**	**1124.72**	**887.41**
As at 31st March'2020			
Financial Liabilities at FVTPL			
- Financial Guarantee	-	-	20.33
Financial Liabilities at Amortized Cost			
- Borrowings	-	1466.72	-
- Trade Payables	-	-	468.49
- Other Financial Liabilities	-	-	433.22
Total Financial Liabilities	**-**	**1466.72**	**922.04**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2021.

Note-44 Segment Information:

The Company is engaged primarily into manufacturing of cement. The Company has only one business segment as identified by management namely cementious materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the vice chairman &managing directorof the Company (Chief Operating Decision Maker).

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

Note-45 Deferred Revenue:

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening	16.66	16.78
Deferred during the year	2.83	6.38
Released to profit and loss	(4.54)	(6.50)
Closing	14.95	16.66
Current	4.91	4.34
Non-Current	10.04	12.32

Note-46 Income Tax Expense:

i. Amount recognized in Statement of Profit and Loss :-

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
A. Current Tax		
Current Tax	90.41	63.13
Adjustments in respect of current income tax of previous year	-	(1.91)
Total A	**90.41**	**61.22**
B. Deferred Tax		
Relating to origination and reversal of temporary difference	76.28	105.32
MAT Credit Entitlements	(33.29)	(62.31)
Total Deferred Tax Assets (net)	**42.36**	**43.01**
Total Tax Expense (A + B)	**132.77**	**104.23**

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax (Gain)/Loss on Defined Benefit	1.30	0.47

iii. Reconciliation of effective tax rate.

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Accounting Profit/(Loss) before income tax	496.59	339.46
At applicable Statutory Income Tax Rate	34.944%	34.944%
Computed Income Tax Expense/(Income)	173.53	118.62
Increase/(Reduction) in taxes on account of:		
Income not taxable	(0.96)	(9.15)
R & D u/s- 35(2AB) of Income Tax	-	(0.70)
Deferred Tax related to Property, Plant & Equipment & Others	-	(5.56)
Previous year tax adjustments	-	(1.91)
Income not taxable during tax holiday period	(55.74)	-
Provision for impairment not considered deductible	10.80	-
Tax on which deduction is not admissible	5.14	2.93
Income Tax Expense/(Income) Reported to Profit & Loss	132.77	104.23

iv. Reconciliation of Deferred Tax (liabilities)/Assets (Net)

₹ in Crore (10 Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	(20.46)	22.03
Deferred Tax recognized in Statement of Profit and Loss	(42.36)	(43.01)
Other Comprehensive Income	(1.30)	(0.47)
Previous Year Adjustment	-	0.99
Closing Balance	(64.12)	(20.46)

v. Deferred Tax:

Deferred Tax relates to the followings:

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax Assets Related to		
Brought Forward Losses Setoff	(83.79)	(71.00)
Disallowances / Allowances Under Income Tax	5.05	5.10
Others	1.44	(0.84)
MAT Credit Entitlement	32.62	63.13
Total Deferred Tax Assets	(44.68)	(3.61)
Deferred Tax Liabilities Related to :-		
Property, Plant and Equipment	0.73	(43.90)
Others	0.29	4.03
Total Deferred Tax Liabilities	1.02	(39.87)
Net Total Movement in Statement of Profit & Loss	(43.66)	(43.48)
Movement in Profit & Loss	(42.36)	(43.01)
Movement in OCI	(1.30)	(0.47)

Note-47 Dividends

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

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Final Dividend For the year ended 31st March'2020 – nil (31st March'2019 – 15% i.e. ₹ 0.75 per equity share)	-	8.83
Dividend distribution tax thereon	-	1.81
Interim Dividend For the year ended 31st March'2021 – nil (March 31, 2020 – 50% i.e. ₹ 2.50 per equity share)	-	29.42
Dividend distribution tax thereon	-	6.04
Total	**-**	**46.10**

The following dividends were proposed by the board of directors in their meeting held on 20th May 2021, subject to approval of shareholders at Annual General Meeting and are not recognized as liability.

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
For the year ended 31st March'2021 – 75% i.e. ₹ 3.75 per equity share (31st March'2020 – nil)	44.13	-

Note-48 Detail of Expenditure on Research and Development (R & D) activities during the year

₹ in Crore (10 Million)

S.No.	Particulars	2020-21	2019-20
A	<u>Revenue Expenditures</u>		
	Employee Cost	6.08	5.76
	Cost of Material and Testing Charges	0.45	0.41
	Other R & D Expenses	1.12	0.36
B	Total Revenue Expenditure	7.65	6.53
C	Capital Expenditures	-	0.55
D	Total Expenditures (B+C)	7.65	7.08

Note-49 Amount paid to Auditors

₹ in Crore (10 Million)

S.No.	Particulars	2020-21	2019-20
A	Statutory Auditor		
	Audit Fee	0.18	0.18
	For Taxation Matters	0.03	0.03
	Limited review fee, GST audit fee &other services	0.18	0.11
	Reimbursement of Expenses	0.01	0.03
B	Total (A)	0.40	0.35
C	Cost Auditors		
	Audit Fee	0.01	0.01

Note-50 Retirement Benefit Obligations

A Expenses Recognised for Defined Contribution Plan

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Company's contribution to provident fund	13.40	13.86
Company's contribution to ESI	0.36	0.38
Company's contribution to superannuation fund	1.17	1.23
Total	14.93	15.47

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone balance sheet as at March 31, 2021 and March 31, 2020, being the respective measurement dates:

i Change in Present Value of Defined Benefit Obligation during the year

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligation as on 1st April'19	61.82	12.11
Current service cost	3.47	1.57
Interest cost	4.33	0.85
Benefits paid	(4.84)	(2.88)
Remeasurement - actuarial loss / (gain)	0.17	1.45
Present value of obligation as on 31st March'20	64.95	13.10
Current service cost	3.76	1.79
Interest cost	4.22	0.85
Benefits paid	(9.80)	(4.53)
Remeasurement - actuarial loss / (gain)	(2.44)	3.54
Present value of obligation as on 31st March'21	60.69	14.75

ii Change in Fair Value of Plan Assets - Gratuity

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Fair value of plan assets at beginning of year	66.67	60.89
Acquisitions / Transfer in /Transfer out	-	-
Expected return on plan assets	4.33	4.26
Employer contributions	9.80	4.84
Benefit paid	(9.80)	(4.84)
Actuarial gain / (loss)	1.28	1.52
Fair value of plan assets at end of year	72.28	66.67
Present value of obligation	60.69	64.95
Net funded status of plan	11.59	1.72
Actual return on plan assets	5.61	5.78

iii Expenses recognised in Statement of profit and loss

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service cost	3.47	1.57
Interest cost	4.33	0.85
Expected return plan assets	(4.26)	-
Remeasurement - actuarial loss / (gain)	-	1.45
For the year ended 31st March'20	3.54	3.87
Actual return on plan assets	5.78	-
Current service cost	3.76	1.79
Interest cost	4.22	0.85
Expected return plan assets	(4.33)	-
Remeasurement - actuarial loss / (gain)	-	3.54
For the year ended 31st March'21	3.65	6.18
Actual return on plan assets	5.61	-

iv Recognised in Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(1.35)
For the year ended 31st March'20	
Remeasurement - Actuarial loss/(gain)	(3.72)
For the year ended 31st March'21	

v The Principal Actuarial Assumptions used for estimating the Company's Defined obligations are set out below:-

Weighted average actuarial assumptions	As at 31st March 2021	As at 31st March 2020
Attrition rate		
Discount rate	6.50%	6.50%
Expected rate of increase in salary	5.50%	5.00%
Expected rate of return on plan assets	6.50%	7.00%
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Expected average remaining working lives of employees (years)	14.29	15.44

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

vi Sensitivity analysis

₹ in Crore (10 Million)

Particulars	Change in assumption	Increase/(Decrease) in obligation
Gratuity		
For the year ended 31st March'20		
Discount rate	0.50%	(1.30)
	-0.50%	1.41
Salary growth rate	0.50%	1.42
	-0.50%	(1.33)
For the year ended 31st March'21		
Discount rate	0.50%	(1.40)
	-0.50%	1.51
Salary growth rate	0.50%	1.52
	-0.50%	(1.43)
Leave Encashment :-		
For the year ended 31st March'20		
Discount rate	0.50%	(0.52)
	-0.50%	0.57
Salary growth rate	0.50%	0.57
	-0.50%	(0.53)
For the year ended 31st March'21		
Discount rate	0.50%	(0.54)
	-0.50%	0.59
Salary growth rate	0.50%	0.59
	-0.50%	(0.55)

Sensitivities due to mortality & withdrawals are not material & hence imapct of change not calculated.

vii History of experience adjustments is as follows

₹ in Crore (10 Million)

Particulars	Gratuity
For the year ended 31st March'2020	
Plan Liabilities - Loss/(Gain)	0.17
Plan Assets - Gain/(Loss)	1.52
For the year ended 31st March'2021	
Plan Liabilities - Loss/(Gain)	(2.44)
Plan Assets - Gain/(Loss)	1.28

Estimate of expected benefit payments

₹ in Crore (10 Million)

Particulars	Gratuity	Leave Encashment
April'2021 - March'2022	27.38	4.96
April'2022 - March'2023	2.46	0.62
April'2023 - March'2024	2.81	0.48
April'2024 - March'2025	3.47	0.68
April'2025 - March'2026	2.10	0.42
April'2026 - March'2027	2.07	0.41
April'2027 onwards	20.40	7.18

viii Statement of Employee benefit provision

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Gratuity	(0.07)	2.19
Leave encashment	6.18	3.87
Superannuation	1.17	1.23

ix Current and Non-Current provision for Gratuity and Leave Encashment

The following table sets out the funded status of the plan and the amounts recognised in the company's balance sheet.

₹ in Crore (10 Million)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
For the year ended 31st March'2020		
Current	(1.72)	4.22
Non Current	-	8.89
For the year ended 31st March'2021		
Current	(11.59)	4.96
Non Current	-	9.79

x Employee benefit expense

₹ in Crore (10 Million)

Particulars	2020-21	2019-20
Salary and wages	280.87	264.16
Costs-defined benefit plan	3.65	3.54
Costs-defined contribution plan	14.93	15.47
Welfare expense	27.53	28.79
Total	**326.98**	**311.96**

OCI presentation of Defined Benefit plan

Gratuity is in the nature of defined benefit plan, re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to statement of profit & loss. IND AS 19 does not require segregation of provision in current and non-current, however net defined liability (assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

Note-51 Capital work in progress includes Machinery in stock, construction / erection materials and also include the following pre-operation expenses pending allocation.

₹ in Crore (10 Million)

	2020-21	2019-20
Raw material consumption	-	1.79
Stores & spares consumption	-	2.99
Power & fuel	0.04	0.98
Salaries and wages	-	2.47
Contribution to provident and other funds	-	0.08
Staff welfare expenses	-	0.19
Insurance	-	0.14
Transport ,clearing and forwarding charges	-	2.51
Travelling, consultancy & miscellaneous expenses	0.10	5.65
Finance costs	0.18	9.37
	0.32	26.68
Less: Sale	-	2.82
Increase in stock	-	0.79
	0.32	23.07
Add : Expenditure upto previous year	14.39	72.04
Less: Charged to exceptional Item	14.39	30.23
Less: Transferred to property, plant & equipment (includes interest Nil previous year ₹ 22.01 crore).	-	50.49
	0.32	14.39

Note-52 Expenses charged to cost of material consumed

₹ in Crore (10 Million)

	2020-21	2019-20
Salaries & wages	5.07	5.11
Contribution to provident and other funds	0.35	0.37
Employees' welfare expenses	0.65	0.87
Consumption of stores and spares	27.45	31.49
Power & fuel	7.27	7.33
Repairs to machinery	2.32	4.93
Material handing	95.24	85.32
Insurance	0.12	0.10
Rates and taxes	23.87	24.58
Royalty	74.11	77.19
Miscellaneous expenses	0.37	0.65
Total	236.82	237.94

Note-53 Related Party Disclosure

List of Related Parties :

a) Direct and Indirect Subsidiary

Hansdeep Industries & Trading Co. Ltd. (HITCL)

Udaipur Cement Works Ltd.(UCWL)

Ram Kanta Properties Private Ltd.(RKPPL)

b) Associates

Dwarkesh Energy Ltd.(DEL)

c) Key Management Personnels (KMPs)

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director
Shri B.V. Bhargava	Independent & Non Executive Director
Ms. Bhaswati Mukherjee	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Dr. K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjhunwala	Independent & Non Executive Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	Sr. VP & Company Secretary

d) Enterprise which holds more than 20% of Equity share

Bengal & Assam Company Ltd. (BACL)

e) Trusts under common control

JK Lakshmi Cement Ltd. Compulsory Employees Provident Fund (EPF)

JK Lakshmi Cement Ltd. Officers Superannuation Fund (SF)

JK Lakshmi Cement Ltd. Employees Gratuity Fund (GF)

The following transactions were carried out with related parties in the ordinary course of business :

i) ₹ in Crore (10 Million)

Nature of Transactions	Refer name from above											
	UCWL	HITCL	RKPPL	DEL	BACL	Trusts	UCWL	HITCL	RKPPL	DEL	BACL	Trusts
	2020-21						2019-20					
- Sharing of expenses received	2.28	-	-	0.12	0.06	-	3.84	0.68	0.21	-	0.07	-
- Payment of expenses	-	0.97	-	-	2.10	-	-	-	-	-	2.17	-
- Sale of clinker/cement/others	205.67	8.78	-	-	-	-	230.18	23.25	-	-	-	-
- Purchase of cement/others	298.87	-	-	-	-	-	177.26	65.63	-	-	-	-
- Other income	2.19	-	-	-	3.90	-	2.19	-	-	-	2.30	-
- ICD given	-	-	-	-	-	-	-	-	-	-	40.00	-
- Advances received back	-	-	-	-	3.33	-	-	-	-	-	3.33	-
- Contribution	-	-		-	-	12.70	-	-		-	-	8.59
- Dividend Paid					-						17.02	
- Corporate guarantee given on behalf of	270.00	-					100.00	-				
Outstanding as at year end:												
- Advance Receivable	2.28	4.85	-	-	-	-	6.61	0.37	-	-	-	-
Loan receivable	10.00				50.17	-	10.00				56.67	-
EPF - (Contribution Payable)	-	-	-	-		(0.80)	-	-	-	-		(0.80)
SF - Advance Receivable / (Contribution Payable)						0.61						(1.18)
GF - Advance Receivable						11.59						1.72
- Corporate Guarantee Outstanding	572.15	10.00	-				316.27	256.28	-			

ii) Remuneration Paid to KMPs

Particulars	2020-21	2019-20
Short term employee benefits	49.20	39.81
Post employment benefits*	-	-
Other payments	1.12	0.85
Receivable/(Payable) :	(25.99)	(18.14)

*As the liability for gratuity and leave encashment are provided on actuarial basis for the company as a whole. The amount pertaining to KMPs are not included above.

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

Note-54 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 8.17 crore (previous year ₹ 82.53 crore);

Note-55 Contingent liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows:

₹ in Crore (10 Million)

Particulars	31st March 2021	31st March 2020
a) Service tax	9.83	10.22
b) Sale tax and interest thereon	151.46	149.56
c) Income tax	6.62	6.06
c) Excise duty	1.83	1.83
e) Other matters	17.61	12.48
Total	187.35	180.15

Note-56 In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustment, if any, will be made after the same are finally settled.

Note-57 Contingent liability for non-use of jute bags for cement packing upto June 30, 1997, as per Jute Packaging Materials (compulsory use of packaging commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded cement industry from application of the said order from July 01, 1997.

Note-58 Competition Commission of India (CCI) vide its order dated January 19, 2017 had imposed penalty on certain cement companies including a penalty of ₹ 6.55 crore on the Company pursuant to a reference filed by the government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said order. COMPAT has granted a stay on CCI order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT.

Although based on legal opinion, the Company believes that it has a good case but out of abundant caution the Company had been provided full amount during the earlier years.

Note-59 Maximum balance due for commercial paper issued during the year was ₹ 110.00 crore and the year end balance is **Nil** (previous year maximum balance nil) and at the year end outstanding commercial paper is Nil (previous year Nil).

Note-60 Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated April 28, 2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. April 01, 2006. During the FY 2014-15 the Company had received demand notices for repayment of the principal amount in respect of sales tax exemption, sales tax deferment and interest thereon. The principal amount of sales tax exemption and sales tax deferment have already been paid in earlier years. The Rajasthan Tax Board Ajmer in its order dated March 14, 2018 has set aside the entire demand of interest upto the period of demand notice.

The department has appealed before Hon'ble High Court of Jodhpur against the order of Rajasthan Tax Board, Ajmer for interest portion and Company has appealed against the Principal amount before Hon'ble High of Jodhpur.

Note-61

a) Sales include own consumption at cost nil (previous years ₹ 0.39 crore).

b) Consumption of stores and spares is net of scrap sale ₹ 5.41 crore (previous year ₹ 6.38 crore).

c) Interest expenses include ₹ 4.07 crore (previous year ₹ 4.55 crore) being interest on entry tax.

Note-62

a) Disclosure in respect of Corporate Social Responsibility Expenditure:

CSR expenses amounting to ₹ 3.40 crore (previous year ₹ 1.81 crore), required to spend ₹ 3.40 crore (previous year ₹ 1.72 crore)

b) foreign exchange fluctuation of gain (net) ₹ 2.61 crore (previous year loss (net) ₹ 2.91 crore).

Note-63 **Derivative Financial Instruments**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Forward & Option Contract outstanding for the purpose of hedging at the Balance Sheet Date.

S. No.	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
	Forward				
1	USD	1.99 Mn	14.68	4.68 Mn	33.68
2	Euro	0.76 Mn	6.70	Nil	Nil
	Option				
1	USD	13.09 Mn	97.20	Nil	Nil

Foreign Currency Exposure not hedged as at the Balance Sheet Date

S. No.	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		F CY	Amount (Rs Crore)	F CY	Amount (Rs Crore)
1	Supplier's Credit	Nil	Nil	11.96 Mn	90.20
2	Letter of Credit	Nil	Nil	Nil	Nil

Note-64 Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

		2020-21	2019-20
			₹ in Crore (10 Million)
I.	Principal and Interest amount due and remaining unpaid as at 31st March 2021.	12.62	7.51
II.	Interest paid in terms of section 16 of the MSME Act during the year Nil (previous year - Nil).	-	-
III.	The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (previous year - Nil).	-	-
IV.	Payment made beyond the appointed day during the year Nil (previous year - Nil).	-	-
V.	Interest Accrued and unpaid as at 31st March 2021 Nil (previous year - Nil).	-	-

Note-65 Udaipur Cement Works Limited (UCWL), a 72.54% Subsidiary of the Company had completed its Revival & Rehabilitation Scheme in March 2017.

The Company has given Corporate Guarantee to the Trustees of NCDs of ₹ 10.00 Crore (Outstanding as on 31.3.2021 is ₹ 10 Crore) issued on private placement basis by its wholly owned Subsidiary Hansdeep Industries &

Trading Company Limited (HITCL). The Company has received a Counter Indemnity of ₹10 Crore from UCWL.

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

- The Term Loans aggregating to Rs. 565 Crore (Outstanding as on 31.3.2021 is Rs.522.15 Crore) (Previous Year : Rs.268.72 Crore – Outstanding Rs.266.47 Crore) granted by the Banks to UCWL and
- The Working Capital Facility of Rs.50.00 Crore (Previous Year :Rs. 50.00 Crore) granted by Bank to UCWL.
- The Company has received a Counter Indemnity from UCWL for
  - (i) Rs.565 Crore in consideration of the Company having given Corporate Guarantee to Bankers of UCWL for Term Loans of Rs.543.23 Crore (Outstanding Rs.522.15 Crore).
  - (ii) Rs.50 Crore in consideration of the Company having given Corporate Guarantee to Bank of UCWL for Working Capital Borrowing of Rs.50 Crore.

Note-66

a) Loans and advances pursuant to regulation 23(3) read with schedule of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

An amount of ₹ 13.34 crore (including ₹ 3.33 crore receivable within one year) (previous year ₹ 16.67 crore) (maximum balance due ₹ 16.67 crore, previous year ₹ 20.01 crore) due from BACL and arising out of an earlier scheme of reconstruction, arrangement and demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.

(Loans / Advances to employees as per Company's policy are not considered.)

b) Loans given as per regulation 34 (3) and 53(f) read with schedule v of SEBI (LODR) regulation of listing regulation of listing regulation with stock exchanges.

Loan given to Udaipur Cement Works Limited is ₹ 10 crore (previous year ₹ 10 crore). Maximum balance outstanding during the year is ₹ 10 crore. ICD given to Bengal & Assam Company Limited is ₹ 40 crore (previous year ₹ 40 crore) Maximum balance outstanding during the year is ₹ 40 crore (previous year ₹ 40 crore)

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

Name of Company	Nature of transaction and amount
Bengal & Assam Company Limited	Refer note 53

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

Note-68 **Impairment review :**

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

Note-69 **Events occurring after the balance sheet date**

No adjusting or significant non-adjujsting events have occured between the reporting date and date of authorization of these financial statements

Note-70 The operations & the financial results of the Company during the year ended March 31, 2021 were impacted due to the shutdown of the Company's plants under the lockdown announced by the State/Central government after the outbreak of COVID-19 pandemic in March 2020.The Company has resumed its operations in a phased manner since April, 2020 conforming to the guidelines of the government. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection of the employees are being continuously followed.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statement

Note-71 During the previous year , the Company had acquired 35% holding (at a cost of ₹ 2.10 crore) in M/s. Sungaze Power Private Limited (SPPL) which is setting up a 6.50 MW solar power plant under Captive Power Plant (CPP) model at our Durg cement plant in the state of Chhattisgarh. The Company, as a captive user, has no role & responsibility in the day-to-day management & operations of SPPL. As such, SPPL has not been considered as an associate for consolidation purposes.

Note-72 Previous year's figures have been re-grouped/re-classified wherever necessary and figures less than ₹ 50000 have been shown as actual in bracket.

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

SUNIL WAHAL
Partner
Membership No.: 087294

Place: New Delhi
Date: 20th May, 2021

SUDHIR A. BIDKAR
Chief Financial Officer

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

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

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